

PLEDGE REALISATION: CHILD LABOUR SELF ASSESSMENT OUTCOMES

On December 10, 2014, 13 ECLT member companies signed the **ECLT Members' Pledge of Commitment**, a sector-wide agreement to uphold robust policy on child labour, conduct due diligence and provide for remediation consistent with the **United Nations Guiding Principles on Business & Human Rights**. This dashboard provides data based on members' self assessments completed in 2015. The results presented here highlight key indicators.



TACKLING CHILD LABOUR TOGETHER

The members of ECLT Foundation comprise some of the major multi-national corporations in the world's tobacco-sourcing supply chain. The Foundation provides a unique platform for the members to collaborate on pre-competitive issues such as child labour. The **ECLT Members' Pledge of Commitment** responds to the understanding that tobacco growing worldwide will not be free of child labour until the industry can work together effectively at all levels - manufacturers, suppliers, buyers and farmers.

Through this common commitment, ECLT members are better positioned to address the complex child labour problem holistically and throughout their respective tobacco-sourcing supply chains. The Pledge gives a framework for members to align, reinforce and, where necessary, expand current policies and practices in addressing child labour in tobacco growing. The role of ECLT Foundation is to guide and support the members' actions to realise the Pledge's requirements.

WHAT ARE THE UNGPs?

United Nations Guiding Principles on Business and Human Rights (UNGPs) are an international set of guidelines for both governments and businesses. Based on the UN "Protect, respect and remedy" Framework, the UNGPs set the international standard of what businesses must do to embed respect for human rights into their operations and commercial relationships.

"Implementing the necessary policies and processes to meet the responsibility to respect human rights takes time... Putting the Guiding Principles into practice is, therefore, an ongoing process requiring continuous improvement. It is not a finite process that can be reported as complete".

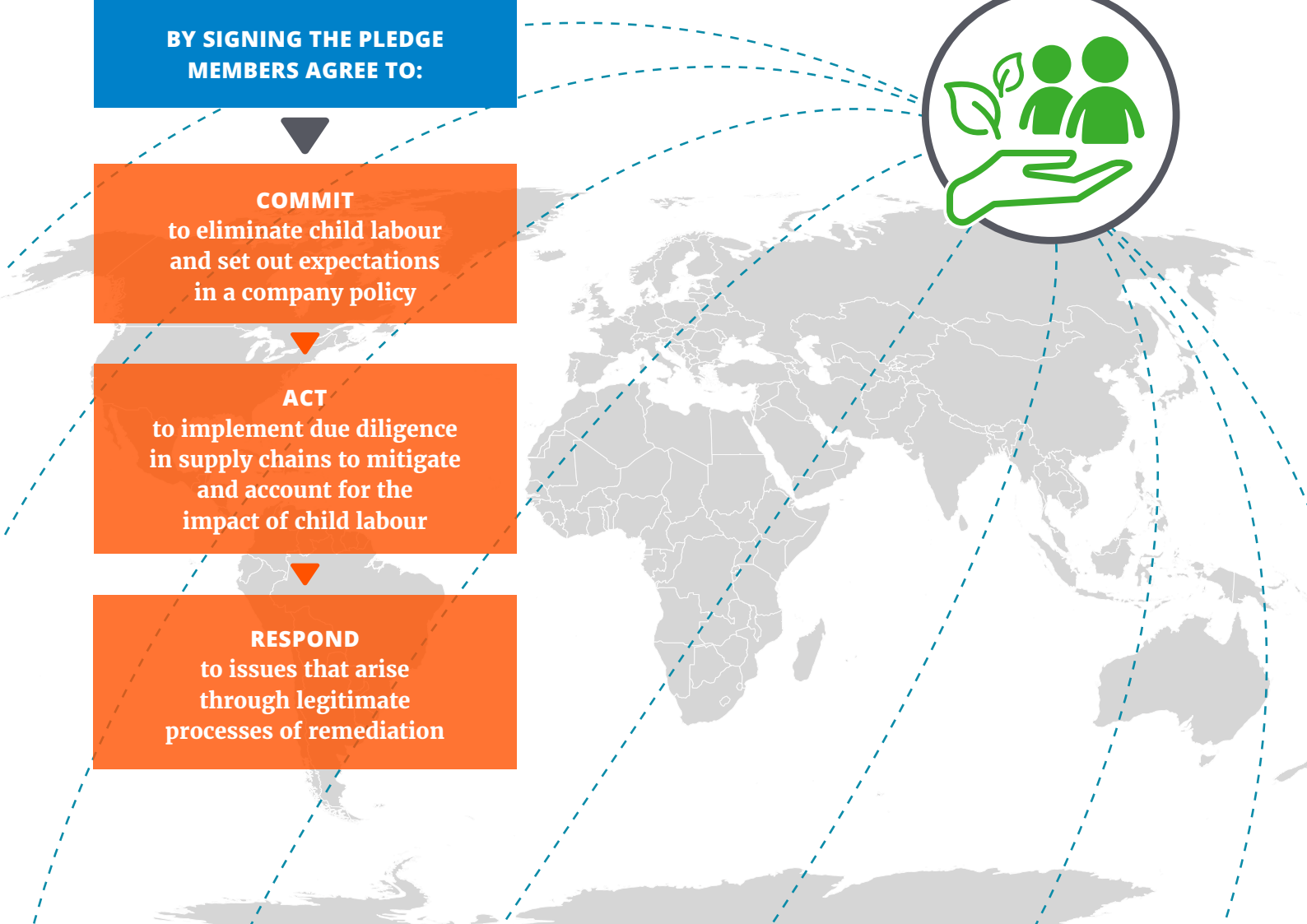
The UN Guiding Principles Reporting Framework p. 7

BY SIGNING THE PLEDGE MEMBERS AGREE TO:

COMMIT
to eliminate child labour and set out expectations in a company policy

ACT
to implement due diligence in supply chains to mitigate and account for the impact of child labour

RESPOND
to issues that arise through legitimate processes of remediation



A FRAMEWORK FOR LOCAL TO GLOBAL ACTION

The ECLT Members' Pledge of Commitment is in line with international laws and based on guiding principles recognised to be best practices for businesses. It provides a framework

for collaboration with relevant local, national, regional and international stakeholders to progressively eliminate all forms of child labour from the tobacco-growing supply chain.

INTERNATIONAL & NATIONAL LEGISLATION

International - UN Guiding Principles on Business and Human Rights, ILO Conventions, UN Declaration on Human Rights.
National - laws of each country.

ON THE GROUND

Remediation - Companies support remediation when problems arise



COMPANY

Internal policies spell out companies' commitments

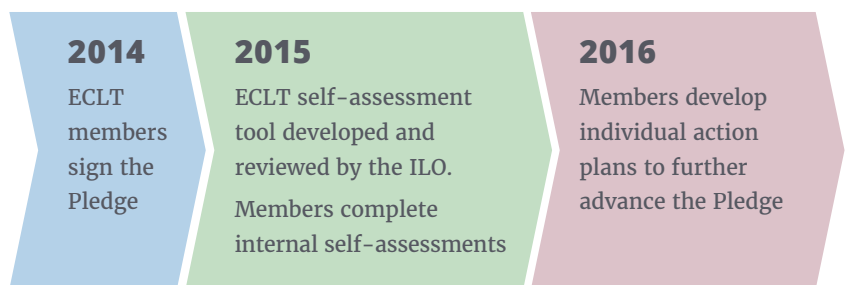
ON THE GROUND

Due diligence - Companies have the responsibility to know and show that they respect human rights

PLEDGE REALISATION: ESTABLISHING A BASELINE

In 2015, all 13 member companies sourcing tobacco around the world completed the **ECLT Self-Assessment Questionnaire (SAQ)** to establish a baseline for action. The SAQ comprises 33 questions that are based on the UNGPs and industry practice.

The following metrics come from the responses to the SAQ and serve as a step toward realisation of the Members' Pledge of Commitment:



POLICY COMMITMENT



DUE DILIGENCE



REMEDIATION



POLICY COMMITMENT

KEY FINDING: MEMBERS SAY THE FOLLOWING ABOUT THEIR POLICY COMMITMENTS:

APPROPRIATE POLICY COMMITMENT

12 out of 13 members have a policy commitment in place to eliminate child labour in their supply chains



It is approved at most senior level in the company (11)



It is informed by relevant internal/external expertise (12)



It is publicly available and communicated internally/externally (10)



It is reflected in company operational policies and procedures (11)



CONSISTENT WITH PLEDGE

10 out of 13 members have a policy commitment that is fully consistent with the ECLT Members' Pledge of Commitment



It stipulates children of legal working age shall not perform hazardous work as defined in national regulatory frameworks (10)



It states minimum age for admission to non-hazardous employment shall not be less than the age prescribed by national law and should respect the relevant minimum age established in ILO Conventions and Recommendations on child labour (10)



It promotes a level of child protection on family farms that meets or exceeds the protections provided by international child labour frameworks (11)



HAZARDOUS TASKS

6 out of 13 have list of hazardous tasks on tobacco farms that children under 18 are prohibited from doing



MEMBERS' STATUS:

- List in place (6)
- List partially in place (1)
- List is planned (2)
- No list or N/A (3)





DUE DILIGENCE

| KEY FINDING: | MEMBERS' STATUS |
|--------------|-----------------|
|--------------|-----------------|

SYSTEMS IN PLACE

9 out of 13 members reported that they have a system or process to identify, prevent, mitigate and account for how their companies address impacts on children in their tobacco sourcing supply chains

- System in place (9)
- System in place to an extent (2)
- System planned (2)



CONSISTENT WITH COMPANY CONTEXT

7 out of 13 members reported that the company's child labour due diligence process is fully consistent with its size, the risk of severe child rights impacts, and the nature and context of its operations

- Fully consistent process (7)
- Process consistent to an extent (6)



CONSISTENT WITH UNGPs

7 out of 13 members reported that the company's child labour due diligence process is consistent with the UNGPs

- Yes, fully (7)
- Yes, to an extent (3)
- Planned (1)
- No (1)
- N/A (1)



INVOLVES MEANINGFUL CONSULTATION

7 out of 13 members fully agree that the company's child labour due diligence process involves instances of meaningful consultation with relevant stakeholders

- Fully agree (7)
- Partially agree (4)
- Planned (1)
- No (1)



KEY FINDING:

MEMBERS' STATUS

SCOPE OF DUE DILIGENCE

6 out of 13 members fully agree that their child labour due diligence covers adverse impacts, including those that may indirectly arise through their business relationships.

- Fully agree (6)
- Partially agree (4)
- No (2)
- N/A (1)



PUBLIC COMMUNICATION

7 out of 13 members fully agree that their company publicly communicates about how it addresses its impacts, including on children, in its tobacco-sourcing supply chains

- Fully agree (7)
- Partially agree (3)
- Planned (2)
- None (1)



DRAWNS ON HUMAN RIGHTS EXPERTISE

9 out of 13 members fully agree that the company's due diligence process draws on internal and/or independent external human rights expertise

- Fully agree (9)
- Partially agree (3)
- N/A (1)



ACCESSIBLE PROCESS

6 out of 13 members fully agree that the company's communication about its due diligence process is accessible to its intended audiences and is sufficient to evaluate the adequacy of the company's response to child labour

- Fully agree (6)
- Partially agree (4)
- Planned (1)
- No (2)



REMEDIATION



KEY FINDING:

MEMBERS' STATUS

PROVIDES FOR REMEDIATION

9 out of 13 members reported that the company provides for or cooperates in the remediation of impacts on children, which are associated with its supply chain, through legitimate processes.

- Yes (9)
- No (4)



EXAMPLES FROM MEMBERS ON THEIR REMEDIATION PROCESSES:



Where child labour is suspected or identified, consultation meetings are held with the farmers and/or farmers' co-operatives to reinforce our company policy of zero tolerance. Progress is monitored by field agronomy personnel



(Our company) has put in place several processes both to ensure all farmers abide by its standards and to manage non-compliance, including:

- 1. Internal assessment: the field technicians collect and update information about each of the contracted farms.*
- 2. Immediate action to address issues found, including formal warning, follow up visits and termination of contract*
- 3. Support specific initiatives on the farm that will help the farmer to prevent the problem from recurring*
- 4. Stimulate reporting by commending and rewarding field technicians that report and act on problems*
- 5. Unannounced visits to farms*



(We) work closely with our farmers and our communities to understand the root causes of child labour and broader labour issues in order to target solutions to address these. Our "Agricultural Labor Practices" is an improvement program that makes use of our (company strategies) to target improvements in our value chain.





ECLT PLEDGE OF COMMITMENT SIGNATORIES

Alliance One International, Inc.

Altria Client Services Inc.

British American Tobacco (Holdings) Limited

Contraf-Nicotex-Tobacco GmbH

Hail & Cotton

Imperial Tobacco Group Plc

Japan Tobacco International & Japan Tobacco Inc.

Philip Morris International

Premium Tobacco

Scandinavian Tobacco Group

Sunel Ticaret Turk A.S

Swedish Match

Universal Leaf Tobacco Company, Inc.

International Tobacco Growers Association

ECLT Foundation

WITNESSED BY

ECLT Board Advisors:

International Labour Organization

Save the Children Switzerland

EXTERNAL STAKEHOLDER INPUT

The drafting of the Pledge benefited from inputs from experts and international development partners

ECLT Foundation
14 rue Jacques-Dalphin
1227 Carouge, Geneva
Switzerland

+41 22 306 1444
info@eclt.org
@ecltfoundation
www.eclt.org