April xxx, 2020

Ms. SANDA OJIAMBO

CEO & Executive Director
UNITED NATIONS GLOBAL COMPACT
New York, NY 10017

Dear Ms. Ojiambo,

We, the undersigned civil society representatives, request that the Eliminating Child Labour in Tobacco-Growing Foundation (ECLT) be removed as a participant to the United Nations Global Compact (UNGC), in accordance with UN policies, including UNGC's 2017 policy update, the Model Policy for Agencies of the United Nations System on Preventing Tobacco Industry Interference (Model Policy), and the UN Sustainable Development Goals (UN SDGs), which embody the World Health Organization Framework Convention on Tobacco Control (WHO FCTC). ECLT is indivisible from the tobacco industry and has consistently failed in its stated objective of ending or even reducing child labor in tobacco—a problem directly linked to the exploitative business practices of its funders and members.

- I. ECLT is a corporate alliance of tobacco producers and manufacturers. British American Tobacco (BAT), Philip Morris International (PMI), Imperial Tobacco and Japan Tobacco International (JTI) are members, along with leaf suppliers and the International Tobacco Growers Association (ITGA),⁴ and are represented on its governing board.⁵ Notably, ITGA itself is also funded and directed by tobacco companies.⁶ Evidence recently provided to UNGC by OxySuisse further confirms that ECLT was established to advance tobacco industry interests.
- II. ECLT is promoted by tobacco companies in their public relations activities as evidence of their corporate social responsibility (CSR), aiming to "gain political support and weaken opposition." PMI, BAT^{9, 10}, JTI, ¹¹ and Imperial ^{12, 13, 14, 15} cite ECLT as evidence of compliance with standards in human rights or sustainability in their environmental, social and corporate governance (ESG) reporting; BAT highlighted ECLT's provision of loans and engagement of policymakers in its 2020 ESG report, even while an ongoing legal suit filed against the company alleges that it continues to profit from child labor. ¹⁶
 - a. Other UN agencies have declined or ended partnerships with ECLT. For example, the International Labour Organization (ILO) terminated its funding partnership with ECLT in 2018 to avoid hindering State Parties' achievement of the WHO FCTC and to ensure coherence with policies of the UN System, particularly the Model Policy adopted by the UN Economic and Social Council (and State Parties). 17,18 Over 100 civil society

III. ECLT is an integral part of tobacco companies' so-called CSR, which itself is problematic:

- a. CSR is banned in many countries. Article 13 of the WHO FCTC mandates that governments adopt a comprehensive ban on tobacco advertising, promotion and sponsorship (TAPS) including activities described as socially responsible. Article 5.3 of the WHO FCTC requires governments to protect their public health policies from tobacco industry interests, including rejecting and denormalizing the industry's so-called CSR activities that are used as a means to access policymakers²⁰ for the purpose of weakening tobacco control legislation and subverting WHO FCTC implementation. Over 180 Parties are bound by the WHO FCTC and 63 countries have a comprehensive ban on TAPS.
- b. It diverts attention from tobacco companies' violations of human and workers' rights. According to a union of tobacco workers in its letter to the ILO,²¹ ECLT serves to detract from important issues behind child labor: poverty perpetuated by the very tobacco companies that fund ECLT, unfair contracting schemes and denial of rights to organize and enter into collective bargaining agreements, among others.
- c. It detracts from tobacco companies' liability for profiting from child labor. The tobacco companies behind ECLT, the ultimate buyers of tobacco leaves, are primarily responsible for child labor and should be held liable for the consequences. A lawsuit has been filed against the main founder of ECLT, BAT, 22 seeking compensation for "widespread use of unlawful child labour... and the systematic exposure... to extremely hazardous working conditions with minimal protection against industrial accidents, injuries and diseases." Studies show that in Malawi alone, the tobacco industry enjoyed substantial economic benefit from unpaid child labor, of up to 20 times the total budget of ECLT. 24
- d. It is a smokescreen for tobacco companies' strategies to evade responsibility. In appearing to address child labor, tobacco companies distract from their creation of legal structures to shift the burden to third parties—distancing themselves from the problem to evade culpability. Instead of paying a nominal amount for ECLT to implement inadequate and ineffective programs, the companies should pay fair prices that could ultimately pull farmers out of poverty and consequently prevent children from being employed.

Stop ECLT and the tobacco industry from exploiting UNGC and the International Year for the Elimination of Child Labour

ECLT is an alliance of tobacco companies that is governed and used by those companies to give the appearance of complying with the Guiding Principles on Human Rights, UN Principles of Responsible Investment (ESG) and fulfilling commitments toward the UN declaration of 2021 as the International Year for the Elimination of Child Labour. In reality, the tobacco industry's

interests are irreconcilable with the interests of human rights and sustainable development²⁸ and are antithetical to UNGC's mission.²⁹

The tobacco industry undermines UN policies against tobacco, including using the UN likeness and name to create a misleading impression of contributing to sustainable development³⁰ while working to escape liability for harms caused to humanity, including child labor, and to the planet. Allowing ECLT to be a part of UNGC legitimizes the tobacco industry's tactics, which hinder achievement of the WHO FCTC and UN SDGs.³¹

We urge UNGC to act according to its mandate, practice good governance and align its policies with those of UN agencies, international bodies and member states that take WHO FCTC Article 5.3 into consideration.³² End ECLT's participation in UNGC.

Should you have any questions or wish to discuss this issue further, please contact

- Despite its name, ITGA really represents the interests of transnational tobacco companies rather than those of tobacco farmers.
- ITGA's main supporters are international cigarette and tobacco leaf companies, including Alliance One International, British
 American Tobacco, Imperial Tobacco International, Japan Tobacco International, Philip Morris International and Universal Leaf.2

¹ United Nations Global Compact. Updated 13 October 2017. UN Global Compact integrity policy update. Available from: https://d306pr3pise04h.cloudfront.net/docs/about-the-gc%2FIntegrity-measures%2Fintegrity-recommendation-2017.pdf (accessed 13 April 2021). See also: United Nations Global Compact. 19 July 2017. UNGC Board Meeting Report. Available from: https://d306pr3pise04h.cloudfront.net/docs/about-the-gc%2FUNGC-Board-Meeting-Report-07-19-17.pdf (accessed 13 April 2021); United Nations Global Compact. 2021. Who should join? Available from: https://www.unglobalcompact.org/participation/ioin/who-should-join (accessed 13 April 2021). — UNGC's 2017 policy update precludes tobacco producers or those deriving revenue from the same from being a participant of UNGC. The Policy Update states that "participating companies whose business involves manufacturing or producing tobacco products will be delisted effective 15 October 2017" and indicates that the UN Global Compact will accordingly "review engagement with existing participants." The UNGC participation guide also provides that those that "derive revenue from the production and/or manufacturing of tobacco" "cannot be recognized as participants of the UN Global Compact" while the UNGC website itself explains that "[t]his decision recognizes that tobacco products are in direct conflict with UN goals, particularly with the right to public health, and undermines the achievement of SDG 3."

² Model policy for agencies of the United Nations system on preventing tobacco industry interference. n.d. Available from: https://www.who.int/ncds/un-task-force/events/model-policy-agencies-united-nations1.pdf?ua=1 (accessed 13 April 2021).

³ See: Target 3.a. In: United Nations. Goal 3. Ensure healthy lives and promote well-being for all at all ages. Targets and indicators. Available from: https://sdgs.un.org/goals/goal3 (accessed 13 April 2021).

⁴ ECLT Foundation Board Members Pledge of Commitment. 2014. Available from: https://www.eclt.org/en/downloads/ECLT-Members-Pledge.pdf (accessed 13 April 2021). See also, for example: British American Tobacco. Human rights and child labour in tobacco growing. Available from: https://www.bat.com/group/sites/UK 9D9KCY.nsf/vwPagesWebLive/DOAK8P8D (accessed 13 April 2021).

⁵ ECLT Foundation Board Members Pledge of Commitment. 2014. Available from: https://www.eclt.org/en/downloads/ECLT-Members-Pledge.pdf (accessed 13 April 2021). See also: ECLT Foundation. 2019 ECLT annual report. Available from: https://www.eclt.org/user/pages/10.annual-report/ECLT_AR_2019.pdf (accessed 13 April 2021).

⁶ Framework Convention Alliance. 2014. International Tobacco Growers' Association (ITGA): Frequently asked questions. Available from: https://fctc.wpengine.com/wp-content/uploads/2014/06/ITGA FAQ.pdf (accessed 13 April 2021).

- ITGA acts as a 'front group' for the tobacco industry: it is funded and directed by the tobacco companies to influence policy makers and block lifesaving tobacco control measures.3,4
- ITGA seeks to advance the global interests of transnational tobacco companies by arguing that the World Health Organization's (WHO) Framework Convention on Tobacco Control (FCTC) puts the livelihoods of millions of growers at risk; however, ITGA does nothing to help tobacco farmers and farm workers trapped in cycles of poverty and debt bondage because of the industry's exploitative tobacco buying practices and unfair contracts.

Unfortunately, these types of moves, although framed as corporate social responsibility, represent more of a public relations strategy than any real meaningful change in practice. For example, in 2014, Phillip Morris International noted that it would buy tobacco only from third-party leaf companies rather than from direct contracts with growers, which was promoted as way to increase accountability, oversight, and implementation of strict standards regarding child labor. However, this transferred responsibility for monitoring child labor from the tobacco companies to the leaf companies, while allowing the tobacco companies to reap the benefit of cheap leaf products and continue to escape culpability for the problem. By promoting these types of initiatives, tobacco companies stand to gain political support and weaken opposition, especially in low-income and middle-income countries, where there may be less external monitoring by civil society and where financial contributions from these companies may have a greater impact.⁵¹

Suggest to ask Tobaccotactics page to collect all the Annual reports of tobacco companies and how they mentioned ECLT to prove this point and we can link. Otherwise, we FN each here

⁷ More recently, in 2016, the Sustainable Tobacco Program, an industry-wide initiative, was unveiled to address tobacco crop production, environmental concerns, labor issues (including child labor), health and safety facilities, and supply chain governance; however, it is still too early to evaluate what impact this initiative will have.⁵⁰

⁸ Philip Morris International. Integrated Report 2019. p. 110. Available from: https://www.pmi.com/resources/docs/default-source/sustainability-reports-and-policies/pmi-integrated-report-2019.pdf?sfvrsn=b85807b4 (accessed 13 April 2021).

⁹ British American Tobacco. ESG Report 2020. Available from: https://www.bat.com/group/sites/UK 9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/\$file/BAT ESG Report 2020.pdf?open&v=1 (accessed 13 April 2021). See also: Rossel S. 1 April 2021. People first. Tobaccoreporter. Available from: https://tobaccoreporter.com/2021/04/01/people-first/ (accessed 13 April 2021). – BAT considers Child Labor as most pressing issue and cites ECLT as its banner program to counter the same.

See also: British American Tobacco. Human rights and child labour in tobacco growing. Available from: https://www.bat.com/group/sites/UK 9D9KCY.nsf/vwPagesWebLive/DOAK8P8D (accessed 13 April 2021).

¹⁰: British American Tobacco. Human rights and child labour in tobacco growing. Available from: https://www.bat.com/group/sites/UK 9D9KCY.nsf/vwPagesWebLive/DOAK8P8D (accessed 13 April 2021).

¹¹ Japan Tobacco International. JT Group Sustainability Report FY 2018. Available from: https://www.jti.com/sites/default/files/JT Group Sustainability Report FY2018 GRI.pdf (accessed 13 April 2021).

¹² Imperial Brands PLC. Modern Slavery Statement 2020. Available from: https://www.imperialbrandsplc.com/content/dam/imperial-brands/corporate/sustainability/sustainability-documents/ModernSlavery/Modern%20Slavery%20Statement%202020.pdf (accessed 13 April 2021).

¹³ Imperial Brands PLC. Reinvesting in society: Tackling child labour. Available from: https://www.imperialbrandsplc.com/content/dam/imperial-brands/corporate/responsibility/Sustainability_policies/Reinvesting_Society_Tackling_Child_Labour.pdf (accessed 13 April 2021).

¹⁴ Imperial Brands BPLC. Annual report and accounts 2020. Available from: <a href="https://www.imperialbrandsplc.com/content/dam/imperialbrands/content/dam/imperialbrands/cont

¹⁵ STOP. 15 May 2020. When it comes to sustainability, the tobacco industry should stop blowing smoke. Available from: https://exposetobacco.org/resource/sustainability-blowing-smoke/ (accessed 19 April 2021); University of Bath – Tobacco Control Research Group. 21 December 2020. Greenwashing. Tobacco Tactics. Available from: https://tobaccotactics.org/wiki/greenwashing/ (accessed 19 April 2021); University of Bath – Tobacco Control Research Group. 14 April 2021. Eliminating Child Labour in Tobacco-Growing Foundation (ECLT). Tobacco Tactics. Available from: https://tobaccotactics.org/wiki/eclt/ (accessed 19 April 2021); University of Bath – Tobacco Control Research Group. 23 December 2020. CSR: Child Labour. Tobacco Tactics. Available from: https://tobaccotactics.org/wiki/csr-strategy/ (accessed 19 April 2021); University of Bath – Tobacco Control Research Group. 21 December 2020. CSR Strategy. Tobacco Tactics. Available from: https://tobaccotactics.org/wiki/csr-strategy/ (accessed 21 December 2020); STOP. 30 April 2020. Seeing green: How tobacco companies exploit sustainability to boost profits and improve their image. Available from: https://exposetobacco.org/news/greenwashing/ (accessed 19 April 2021).

¹⁶ Davies R. 18 December 2020. BAT and Imperial tobacco firms profited from child labour, law firm alleges. The Guardian. Available from: https://www.theguardian.com/business/2020/dec/18/bat-imperial-tobacco-firms-child-labour-law-firm-alleges (accessed 13 April 2021).

¹⁷ Framework Convention Alliance. 31 October 2019. The ILO ends contracts with tobacco companies. Available from: https://www.fctc.org/the-ilo-ends-contracts-with-tobacco-companies/ (accessed 13 April 2021).

¹⁸ International Labour Organization, Governing Body. 2018. An integrated strategy to address decent work deficits in the tobacco sector. Fifth item on the agenda. 334th Session, Geneva, 25 October to 8 November 2018. GB.334/POL/5. 11 October 2018. Available from: https://www.ilo.org/wcmsp5/groups/public/-

--ed norm/---relconf/documents/meetingdocument/wcms 646755.pdf (accessed 13 April 2021). – "... as a member of the UN family and in the context of UN reform, the ILO has a responsibility to make every effort to ensure coherence within the UN system, including by seeking to align itself with the Model Policy. A related point, agreed during the Governing Body discussion, is that ILO efforts to promote decent work in tobacco-growing communities must be consistent with members States' obligations as Parties to the FCTC. In particular, its efforts to promote decent work in the sector must not interfere with tobacco control measures nor hinder the achievement of the FCTC's objectives."

¹⁹ Framework Convention Alliance. 7 June 2018. More than 100 organisations call on ILO not to renew tobacco industry contracts. Available from: https://www.fctc.org/ilo-tobacco-industry-more-than-100-organisations-caution-against-contract-renewals/ (accessed 19 April 2021); Campaign for Tobacco-Free Kids. 31 October 2018. Organizations around the world call on International Labour Organization to sever ties with tobacco. Available from: https://www.tobaccofreekids.org/press-releases/2018 10 31 ilo (accessed 19 April 2021); Unfairtobacco. 30 October 2018. Open letter to ILO governing body. Available from: https://unfairtobacco.org/en/open-letter-to-ilo-governing-body/#/ (accessed 19 April 2021).

British American Tobacco co-founded the Eliminating Child Labour in Tobacco Growing Foundation (ECLT) in October 2000 and launched its pilot project in Malawi. ECLT's initial projects were budgeted at US\$2.3 million over four years. Labour unions and leaf dealers, through ECLT funds, have undertook modest efforts such as building schools, planting trees, and constructing shallow wells to address the use of child labour in tobacco farming. In stark contrast, the tobacco companies receive nearly US\$40 million over four years in economic benefit through the use of unpaid child labour in Malawi during the same time. BAT's efforts to combat child labour in Malawi through ECLT was developed to support the company's "corporate social responsibility agenda" rather than accepting responsibility for taking meaningful steps to eradicate child labour in the Malawi tobacco sector.

²⁵ Ramos AK. December 2018. Child labor in global tobacco production: A human rights approach to an enduring dilemma. Health and Human Rights Journal. 2018;20(2):235-248. Available from: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6293346/# (accessed 13 April 2021). –

More recently, in 2016, the Sustainable Tobacco Program, an industry-wide initiative, was unveiled to address tobacco crop production, environmental concerns, labor issues (including child labor), health and safety facilities, and supply chain governance; however, it is still too early to evaluate what impact this initiative will have. 50

Unfortunately, these types of moves, although framed as corporate social responsibility, represent more of a public relations strategy than any real meaningful change in practice. For example, in 2014, Phillip Morris International noted that it would buy tobacco only from third-party leaf companies rather than from direct contracts with growers, which was promoted as way to increase accountability, oversight, and implementation of strict standards regarding child labor. However, this transferred responsibility for monitoring child labor from the tobacco companies to the leaf companies, while allowing the tobacco companies to reap the benefit of cheap leaf products and continue to escape culpability for the problem. By promoting these types of initiatives, tobacco companies stand to gain political support and weaken opposition, especially in low-income and middle-income countries, where there may be less external monitoring by civil society and where financial contributions from these companies may have a greater impact. ⁵¹

Guardian: Human rights lawyers from Leigh Day also argue that "the tobacco industry was structured to appear separate from "tobacco

²⁰ Fooks, G et al. (2011). Corporate Social Responsibility and Access to Policy Élites: An Analysis of Tobacco Industry Documents. PLOS Medicine. Retrieved from https://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1001076 (accessed on 08 May 2020).

²¹ TOWUM is a union of tobacco workers in Malawi, one of the 6 major countries where ECLT works in. Letter to ILO from TOBACCO AND ALLIED WORKERS UNION OF MALAWI (TOAWUM) 29 September 2017he intent of much of ECLT's programming is not bad. It works on solutions that we are not opposed to, including crop diversification programs, savings and loan programs to help farmers get access to credit and educational opportunities for children in rural areas. These initiatives, however, insufficiently address root causes of tobaccorelated child labour, which is endemic poverty among tobacco farmers. That poverty is exacerbated by contracting schemes developed by the very companies funding some projects for ECLT. ECLT focuses on only one of the fundamental rights at work, when Malawian tobacco farmers are being denied virtually all of them. Tobacco companies, by virtue of denying TOAWUM rights to organise and enter into collective bargaining agreements, exacerbate the injustices that exist in the tobacco value chain. ECLT does not take an empowering, rights-based approach that would help communities demand a more just share of the value chain for their labour, and thus ease the poverty that drives child labour. It is a charity program focusing on the issues the industry has on its agenda, rather than local farmers.

²² Davies R. 18 December 2020. BAT and Imperial tobacco firms profited from child labour, law firm alleges. The Guardian. Available from: https://www.theguardian.com/business/2020/dec/18/bat-imperial-tobacco-firms-child-labour-law-firm-alleges (accessed 13 April 2021).

²³ Davies R. 18 December 2020. BAT and Imperial tobacco firms profited from child labour, law firm alleges. The Guardian. Available from: https://www.theguardian.com/business/2020/dec/18/bat-imperial-tobacco-firms-child-labour-law-firm-alleges (accessed 13 April 2021).

²⁴ Otañez MG, Muggli ME, Hurt RD, and Glantz SA. June 2006. Eliminating child labour in Malawi: A British American Tobacco corporate responsibility project to sidestep tobacco labour exploitation. Tobacco Control. 2006;15(3):224-230. Available from: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2564665/ (accessed 13 April 2021).

²⁶ Davies R. 18 December 2020. BAT and Imperial tobacco firms profited from child labour, law firm alleges. The Guardian. Available from: https://www.theguardian.com/business/2020/dec/18/bat-imperial-tobacco-firms-child-labour-law-firm-alleges (accessed 13 April 2021).

industry was structured to give the multinational cigarette companies the appearance of separation from working conditions in the tobacco fields. ..Firms such as BAT and Imperial typically buy the leaves via third-party dealers, who in turn source them from contract farmers. But the two companies were aware of the conditions faced by farmers in Malawi, including children, according to the claim, and had previously indicated they exert a high degree of control over conditions in their supply chains.

³¹STOP. 13 September 2019. Request to reject tobacco industry invitations and partnerships at UNGA. Available from: https://exposetobacco.org/news/request-to-reject-tobacco-industry-invitations-and-partnerships-at-unga/ (accessed 13 April 2021).

STOP LETTER TO UNGA: Tobacco industry documents leaked in 2014 show that access to international organizations is part of a strategy to establish credibility, and to gain access to policy makers for purposes of undermining tobacco control measures and opening up new markets for its new products. The attempt to partner or to give the appearance of a partnership with the UN, its agencies, events and programs, including the UN SDGs (which is evident in its Sustainability Reports, ³¹ and in its sponsorship of global events), is part of its marketing strategy to sell nicotine products, including to unsuspecting teens vulnerable to addiction. Any association with the UN, its agencies and events lends legitimacy to the tobacco industry, which affects how its products are perceived and adds to its ability to sell its lethal products.

²⁷ Wurth M and Buchanan J. Becker J, ed. 24 May 2016. "The Harvest is in My Blood". Human Rights Watch. Available from: https://www.hrw.org/report/2016/05/24/harvest-my-blood/hazardous-child-labor-tobacco-farming-indonesia (accessed 13 April 2021) — Human Rights Watch analyzed the human rights due diligence procedures of those companies that responded to our letters as thoroughly as possible, based on information provided by the companies, publicly available information on their websites, and interviews with child workers, tobacco farmers, and traders in Indonesia. Few of the companies have taken steps to be sufficiently transparent regarding their human rights due diligence procedures, particularly regarding their monitoring of compliance with their child labor policies throughout the supply chain as well as the results of internal monitoring and external audits. Transparency is a key element of effective and credible human rights due diligence.... or this reason, several companies stated that they undertake community-based activities and engagement with other industry actors to address child labor and other concerns in the open market, described below. While these may be important initiatives, they should not be seen as a replacement for effective human rights due diligence by each company in its supply chain.

²⁸ Studies have clearly demonstrated how tobacco production and use *(consumption)* contribute negatively to the achievement of the Sustainable Development Goals (SDG), by causing death, disease and disability, as well as further poverty. The tobacco industry's products claim 8,000,000 lives of our world's population and are responsible for at least USD 1.4 Trillion in economic losses worldwide;

²⁹ United Nations Global Compact. Our mission. Available from: https://www.unglobalcompact.org/what-is-gc/mission (accessed 13 April 2021).

STOP. 10 September 2019. More than 100 public health organizations urge a complete rejection of the tobacco industry at the UN General Assembly's 74th Session. Available from: https://exposetobacco.org/news/more-than-100-public-health-organizations-urge-a-complete-rejection-of-the-tobacco-industry-at-the-un-general-assemblys-74th-session/ (accessed 13 April 2021); STOP. 10 September 2019. World leaders should reject engagement with the tobacco industry at the United Nations General Assembly's 74th session. Available from: https://exposetobacco.org/news/world-leaders-should-reject-engagement-with-the-tobacco-industry-at-the-united-nations-general-assemblys-74th-session/ (accessed 13 April 2021); Sy D. 3 October 2019. Close the doors that help tobacco companies influence UN policy. Available from: https://exposetobacco-industry-invitations-nat-pend-partnerships-at-Unga/">https://exposetobacco-industry-invitations-and-partnerships-at-unga/ (accessed 13 April 2021); Global Center for Good Governance in Tobacco Control. 2019. Tobacco industry interference at the 74th session of the United Nations General Assembly. Stopping Tobacco Organizations and Products. Available from: https://exposetobacco.org/news/sdg-progress-covid-recovery/ (accessed 13 April 2021); Sy D, Castillo C and Trivino D. September 2020. How tobacco industry interference hinders the UN Sustainable Development Goals. Stopping Tobacco Organizations and Products. Available from: <a href="https://exposetobacco.org/wp-content/uploads/Tl-hinders-progress