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Ms. Beatriz Balbin
Chief, Special Procedures Branch
UN Human Rights Special Procedures
Palais des Nations
1211 Geneva 10
Switzerland

Wednesday, 31 July, 2019

OHCHR REGISTRY

Re: JT International SA progress update

- 5 JUL 2019

Ref: OL OTH 23/2018

Recipients :..... **SPB**
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Dear Ms. Balbin,

As promised when we met in November last year, I am writing to provide you with an update on the work we've done to date in relation to the Joint Communication from Special Procedures we received in May 2018, which highlighted several alleged human rights violations associated with tobacco growing in Zimbabwe.

As stated in our initial correspondence, we take the information you brought to our attention very seriously and have spent a considerable amount of time exploring the allegations in more detail to ensure an appropriate response for the rights holders concerned. We're unequivocally committed to respecting human rights, and this commitment is placed firmly at the center of our sustainability strategy as an absolute requirement for all to follow and has been formalized through the JT Group Human Rights Policy¹.

Our involvement in the alleged human rights violations

According to the UN Guiding Principles on Business and Human Rights (**Guiding Principles**), as we have no presence in Zimbabwe ourselves and have no direct contracts with tobacco growers there – we only purchase leaf through third-party suppliers – the alleged adverse impacts are linked to JT International SA (**JTI**) through the business relationships we have with our suppliers. However, we appreciate that even though we have not caused or contributed to the alleged harm, we still have a responsibility to use the commercial leverage we may have to prevent and / or mitigate these adverse impacts from occurring again.

Thanks to our Agricultural Labor Practices (**ALP**) program² we already have a strong working relationship with many of our third-party leaf suppliers and have been in discussion about human rights issues with them for some time.

¹ JT Group Human Rights Policy:
https://www.it.com/sustainability/people_planet_society/human_rights/pdf/JT_Group_Human_Rights_Policy.pdf

² Our ALP program supports our approach to supply chain management and labor standards. It was developed with the support and guidance of the ILO, and reflects internationally recognized labor standards regarding child labor, rights of workers, and workplace health and safety. Our ALP currently covers 96% of both our directly contracted growers and third-party leaf suppliers.

A clear focus on exposure of workers to toxic chemicals

We met with senior representatives within the parent companies of all the third-party suppliers who supply us with >95% of the tobacco leaf we source from Zimbabwe (Alliance One International, Inc. (**AOI**); Contraf-Nicotex-Tobacco GmbH (**CNT**); Premium Tobacco International DMCC (**Premium**); and Universal Leaf Tobacco Company, Inc. (**Universal**)) to discuss the allegations on a one-to-one basis in March 2019. These meetings were designed as an annual ALP progress review, but the allegations you put forward were a key part of our discussions. Our Global Leaf Product Integrity Director – who is also Chair of the CORESTA³ Agro-Chemical Advisory Committee – attended the meetings to help us get a better understanding of what each of our suppliers were doing in relation to the management of Crop Protection Agents (**CPAs**). We also took this opportunity to inform them of our intent to stop purchasing tobacco that has been grown using Highly Hazardous Pesticides (**HHPs**)⁴ Criteria I (WHO Hazard Class 1a and 1b) within the next two years – a strategic global commitment, not isolated to Zimbabwe. In order to achieve this within the agreed timeframe, we have asked our suppliers to undertake an assessment within each of their sourcing countries in order to identify CPAs which are still registered, recommended, or being used, and any alternatives available.

As a direct result of these meetings, we also agreed with these key suppliers that we would develop a CPA questionnaire to be sent out to all our third-party leaf suppliers to help us gain an even better understanding of CPA management in our supply chain. The draft survey was created with input from our suppliers and finalized in May 2018. We expect to receive all the completed surveys back from our suppliers by the end of August.

We focused most of our attention around the allegations of workers being exposed to toxic chemicals, rather than some of the other allegations you raised around working hours, remuneration and unfair dismissal. The reason for doing so was a direct result of meeting with Mr. Baskut Tuncak (Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes) in November 2018. It was made clear to us that this was the main thrust of your investigation and we have tried to tailor our response accordingly.

Effectively using our commercial leverage

Following the one-to-one meetings with our third-party leaf suppliers at our head office in Geneva, we met with our Zimbabwean suppliers in Harare to discuss more concrete actions and raise awareness of their obligations under the Guiding Principles. The visit to Zimbabwe took place from 21 – 28 May.

In advance of our in-country visit we had regular dialogue with our suppliers and asked them to do some pre-work. This involved reading the Guiding Principles and its sister publication 'The Corporate Responsibility to Respect Human Rights: An Interpretive Guide', and we commissioned the sustainability consultancy twentyfifty Ltd. to undertake desktop research on human rights in Zimbabwe which was shared with our suppliers in advance of the meetings. The desktop research was designed to assist the salient issues workshop that we organized to take place during our visit.

Our visit to Zimbabwe started with one-to-one meetings with each of our suppliers to discuss the local implementation of our ALP program. This involved the suppliers presenting us with an update on any key developments of ALP since our last visit (September 2017) and exploring the key observations being reported by their Leaf Production Technicians. In addition to the ALP progress review, we also took time to review the finalized CPA questionnaire and the key concerns in relation to CPAs and in particular HHPs Criteria I and the current plans in place to address them.

³ CORESTA (Cooperation Centre for Scientific Research Relative to Tobacco) promotes international cooperation in scientific research relative to tobacco and its derived products, <https://www.coresta.org>.

⁴ The FAO and WHO define HHPs as pesticides that are acknowledged to present particularly high levels of acute or chronic hazards to health or environment according to internationally accepted classification systems such as WHO or GHS (Global Harmonized System on classification and labelling of chemicals) or their listing in relevant binding international agreements or conventions.

The human rights workshop was attended by 27 people from our four main third-party leaf suppliers in Zimbabwe (AOI; CNT; Premium; and Universal). Many of these were from the local management team, however, due to the seriousness of the allegations a number of individuals in key global roles within the parent companies of our suppliers also attended e.g. Head of Global Agronomy, Regional Managing Director, Head of Group Sustainability, Vice President Agronomy and Head of Sustainable Agriculture. This was critical as it not only allowed us to use our leverage with our suppliers in Zimbabwe but also the potential to influence the global practices of their parent companies who supply us with tobacco leaf from a number of other sourcing countries.

The main purpose of the human rights workshop was to raise awareness of the Guiding Principles and to ensure all of our suppliers are aware of their obligations. We wanted to ensure they were as well equipped as possible to start putting in place appropriate human rights policies and processes i.e. policy commitment, human rights due diligence and remedy process. This is why we ran an issue prioritization workshop to help our suppliers identify the salient issues for tobacco growing in Zimbabwe, which will hopefully allow them to concentrate their primary efforts in the future. These were identified by considering both severity of impact (scale, scope and irremediability) and likelihood of occurrence.

During the workshop we also spent a considerable amount of time discussing the feasibility of our suppliers being able to remove HHPs Criteria I from their supply chain by the end of 2021. The consensus was that this was achievable and some were already in compliance. Our Global Leaf Product Integrity Director then took our suppliers through a detailed presentation on the CPA residues we have identified through our leaf sampling and analysis program in Zimbabwe over the last 5 crop years.

We believe the human rights workshop went well and that the outcomes speak for themselves. The success of the workshop was due to our suppliers' willingness to engage throughout the two days.

Outcomes of the workshop

Our third-party leaf suppliers not only made a number of commitments on behalf of their business, but also a number of industry commitments in which they have agreed to explore together through the sustainability sub-committee of the newly formed Tobacco Leaf Exporters Association of Zimbabwe (**TLEAZ**). It is not appropriate for us to provide you with a detailed update on behalf of each of our suppliers, instead we have tried to use our leverage to encourage them to provide you with a similar update and we hope they take the opportunity to do so.

We are however able to provide you with a summary of the key outcomes and these are as follows:

- Agreement to eliminate the use of HHPs Criteria I in their global supply chain by 2021.
- All suppliers made a commitment to develop a human rights policy approved at the most senior level of their business and to make it publicly available.
- Formalize the TLEAZ sustainability sub-committee to include human rights related issues / concerns and establish a working group to look into the development of an industry-wide grievance mechanism.
- Six salient issues were collectively identified in order to concentrate primary efforts: (a) health and safety – exposure of workers to CPAs; (b) land rights; (c) child labor; (d) gender discrimination; (e) freedom of association; and (f) environmental impacts.
- Agreement to engage government as an industry via TLEAZ to effect change and improve regulation e.g. ensure the other 19 licensed tobacco leaf contractors in Zimbabwe follow the same high standards.
- Agreement to explore the development of minimum industry standards in relation to adequate personal protective equipment in Zimbabwe.

Engaging with government

We have also met with a number of Zimbabwean government agencies (Tobacco Industry and Marketing Board (**TIMB**); Tobacco Research Board (**TRB**); Ministry of Public Service, Labour and Social Welfare (**Ministry of Labour**); and the National Employment Council for Agriculture and Tobacco (**NEC**)). The purpose of these visits were wide and varied, and we've provided an overview of these below.

We met with the Chief Executive Officer, TIMB, on 21 May. We met out of courtesy to inform them of the purpose of our trip, whilst also taking the opportunity to explain our ongoing commitment to sustainability and the work we do alongside our suppliers in this area. We discussed the alleged human rights violations listed in the Joint Communication from Special Procedures, the need for a more formal grievance mechanism for the tobacco industry in Zimbabwe, the great work of the Sustainable Afforestation Association, and requested their assistance to remove some chemicals from the approved list of CPAs. We made a similar request to the TRB when we met them on 27 May to discuss the current list of approved CPAs.

Finally, we were given a meeting with The Permanent Secretary, Ministry of Labour, and the Chief Executive Officers, NEC (Agriculture and Tobacco), to discuss the allegations in both your letter and the Human Rights Watch report that was published in April 2018. The Ministry of Labour expressed their ongoing commitment to protect against human rights abuse in Zimbabwe, and informed us of the comprehensive survey they undertook in February 2019 to better understand the child labor and human rights situation on tobacco farms in Zimbabwe. Although the results weren't available at the time of meeting, the Ministry of Labour gave us assurances that the findings would be published in due course.

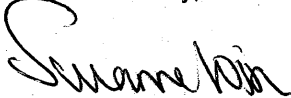
Closing remarks

We are of the view that we have taken more than sufficient steps to use any commercial leverage we have with our third-party leaf suppliers in Zimbabwe, all of whom were engaged and supportive throughout, to address the matters raised in the Joint Committee from Special Procedures received in May last year. That being said, we appreciate that our efforts will amount to nothing if our suppliers fail to follow through on their commitments to ourselves and each other. With this in mind, we will continue to use any commercial leverage and will monitor progress against their commitments as part of the annual ALP progress reviews we have with each of them.

I hope you find this update helpful and hope our third-party leaf suppliers provide you with a similar update expressing their commitment to respecting human rights and the various pledges they've made in this area. It was a pleasure to meet with you back in November 2018 and I hope we can do so again this year at the Human Rights Forum.

We look forward to hearing from you and if you feel a further meeting would be helpful we would be happy to arrange this.

Yours sincerely,



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