

350 Fifth Avenue, 34th Floor
New York, NY 10118-3299, USA
Tel: +1 212 290 4700
Fax: +1 212 736 1300; +1 917 591 3452

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November 16, 2015

André Calantzopoulos
Chief Executive Officer
Philip Morris International, Inc.
120 Park Avenue
New York, New York 10017



HRW.org

Re: Child labor in tobacco farming in Indonesia

Dear Mr. Calantzopoulos,

Thank you for Philip Morris International's (PMI) letter to Human Rights Watch of November 2, 2015. We have appreciated our dialogue with PMI around the elimination of child labor in tobacco farming. We are writing today to share preliminary findings from our recent research on child labor in tobacco farming in Indonesia, and to seek your response.

PRELIMINARY FINDINGS

Between September 2014 and September 2015, Human Rights Watch conducted research on child labor in tobacco farming in communities in four provinces in Indonesia: West Java, Central Java, East Java, and West Nusa Tenggara. We interviewed more than 100 children under 18 who reported working on tobacco farms in 2014 or 2015. We identified interviewees through outreach in tobacco farming communities, and with the assistance of journalists, researchers, local leaders, and organizations serving farming families. We also interviewed dozens of additional people, including parents of child workers, tobacco farmers, people who buy and sell tobacco leaves, warehouse owners, village leaders, health experts, government officials, representatives of nongovernmental organizations, and others.

Children reported participating in a range of tasks on tobacco farms depending on the type of tobacco grown and the curing process utilized in the region. Children said they did the following jobs on tobacco farms: digging soil with hoes, preparing fields for planting, planting tobacco seedlings, watering fields, applying fertilizers, removing flowers and competing leaves from plants, removing worms and insects by hand, applying pesticides, harvesting tobacco leaves by hand, carrying bundles of harvested leaves, wrapping or rolling leaves to prepare them for drying, cutting tobacco leaves, spreading tobacco in the sun to dry, tying or piercing leaves to attach them to bamboo sticks for drying, lifting sticks of tobacco leaves and loading them into curing barns, climbing onto beams in curing barns to hang tobacco to dry, maintaining fires to heat curing barns, removing sticks of tobacco leaves from curing barns, untying dried tobacco leaves from bamboo sticks, sorting dried tobacco, and bundling dried tobacco into bales.

Most children worked on small plots of land farmed by their parents or other family members. Many children also worked for neighbors and other farmers in their communities. Children typically described working alongside their parents, siblings, or other family members, though sometimes children worked alone.

HEALTH AND SAFETY

Exposure to Nicotine

Almost all children reported handling and coming into contact with tobacco plants and leaves at various points in the growing season. Nicotine is present in tobacco plants and leaves in any form, and public health research has shown that tobacco workers absorb nicotine through their skin while handling tobacco plants.

In the short term, absorption of nicotine through the skin can lead to acute nicotine poisoning, called Green Tobacco Sickness. The most common symptoms of acute nicotine poisoning are nausea, vomiting, headaches, and dizziness.

Many of the children we interviewed in Indonesia in 2014 or 2015 reported experiencing at least one specific symptom consistent with acute nicotine poisoning while handling tobacco, including nausea, vomiting, headaches, and dizziness.

Although the long-term effects of nicotine absorption through the skin are unknown, public health research on smoking indicates that nicotine exposure during childhood and adolescence may have long-term consequences on brain development.

Almost none of the children had received any education or training about the health risks of tobacco farming, including about acute nicotine poisoning or Green Tobacco Sickness.

Very few children wore any type of protective equipment while handling tobacco.

Exposure to Pesticides and Fertilizers

Most children interviewed said they handled and applied fertilizers to tobacco plants. Almost none of the children used protective equipment when they handled fertilizers.

Some children also described mixing or applying pesticides or other chemical agents to tobacco plants using tanks, often worn on their backs, with handheld sprayers. Some children mixed or applied pesticides without any protective equipment.

Some children also reported seeing other workers apply pesticides from backpack sprayers in fields in which they were working, or in nearby fields.

A number of children reported immediate sickness after handling or working in close proximity to pesticides, fertilizers, or other chemical agents applied to tobacco farms.

Exposure to pesticides can lead to long-term and chronic health effects, particularly for children whose bodies and brains are still developing.

Most children and parents interviewed had not received meaningful education or training about the hazards of pesticides.

Extreme Heat

Many children described suffering and feeling sick while working in extreme heat on tobacco farms. Public health research indicates children are more susceptible than adults to heat illness.

Sickness While Working

Most of the children we interviewed reported feeling sick at some point while working in tobacco farming, or after returning home from working in tobacco farming. Some children reported symptoms consistent with acute nicotine poisoning.

Repetitive Motions and Lifting Heavy Loads

Children reported engaging in repetitive motions for extended periods of time, including working bent at the waist or hunched over; reaching above their heads to remove flowers and leaves from tobacco plants; twisting their hands and wrists to bundle and tie tobacco leaves; and squatting or kneeling while wrapping and bundling tobacco leaves.

Children also often reported carrying heavy loads, including buckets and bundles of tobacco leaves and lifting sticks of tobacco leaves above their heads to load them into curing barns.

Children reported pain and soreness from the work.

Work with Sharp Tools and at Heights

Most children said they did not use tools for tobacco cultivation, but some children reported using sharp hoes, scythes, or knives to dig in fields, uproot weeds, harvest, or cut harvested tobacco leaves for drying. Some children sustained minor injuries while working with sharp tools.

A small number of children said they climbed onto bamboo beams in curing barns to hang sticks of tobacco leaves to dry with no protection from falls.

EDUCATION

Most children interviewed by Human Rights Watch attended school and worked during hours when they were not in school. Some children found it difficult to combine school and work, and described fatigue and exhaustion or difficulty keeping up with schoolwork. A few children had dropped out of school altogether in order to work to help support their families.

WAGES AND HOURS

Working Hours

Children's working hours varied considerably based on the tobacco growing season and school schedules. Most children did not work excessively long hours in tobacco farming.

Wages

Some children did not receive any compensation for their work. Other children said they were paid a daily rate for their work, most often when working for neighbors or extended family members. Some children were paid piece rate wages for tying tobacco leaves to bamboo sticks before curing.

While the government of Indonesia has the primary responsibility to respect, protect, and fulfill human rights under international law, private entities, including businesses, also have internationally recognized responsibilities regarding human rights, including workers' rights and children's rights.

The United Nations "Guiding Principles on Business and Human Rights," which were endorsed by the UN Human Rights Council in 2011, reflect the expectation that businesses should respect human rights, avoid complicity in abuses, and ensure that any abuses that occur in spite of these efforts are adequately remedied. They specify that businesses must exercise due diligence to identify, prevent, mitigate, and account for the impact of their activities on human rights.

REQUEST FOR INFORMATION

We are grateful for the information PMI has shared with Human Rights Watch to date about its policies and practices regarding human rights in the tobacco supply

chain. We are interested to learn more about PMI's activities in Indonesia. In particular, we wish to know more about the following:

Tobacco Leaf Purchasing

1. Does PMI purchase tobacco from Indonesia, either directly or through subsidiaries or suppliers? If so, we would be grateful to receive brief data on PMI's total tobacco purchases in Indonesia as well as its total tobacco purchases in each of the following provinces: West Java, Central Java, East Java, and West Nusa Tenggara in 2013, 2014, and 2015.
2. How does the volume of PMI's tobacco purchasing in Indonesia compare to the volume of tobacco purchased from other countries?
3. Does PMI or its subsidiaries or suppliers contract directly with tobacco farmers or groups of farmers in Indonesia?
 - a. If so, how many farmers were contracted with PMI in 2013, 2014, and 2015, and in which provinces?
 - b. What proportion of the total tobacco purchased by PMI in 2013, 2014, and 2015 was purchased from contracted growers?
4. Does PMI or its subsidiaries or suppliers purchase tobacco through the traditional "middleman trader" system?
 - a. If so, what proportion of the total tobacco purchased by PMI in 2013, 2014, and 2015 was purchased through this system?
 - b. Does PMI require training or certification for individuals to be able to sell tobacco to PMI's warehouses or facilities? If so, what does the certification process entail? Who are the certifiers? What actions do they take to verify that the sellers meet the requirements under the company's labor policies? How often are sellers required to go through certification?

Child Labor

5. We are grateful for the information PMI has shared with us in previous correspondence and meetings on its policies and procedures regarding the use of child labor in tobacco farming. Based on your detailed letters to Human Rights Watch, the information shared in our meetings, and the information on your website, we are familiar with the child labor provisions of PMI's Agricultural Labor Practices (ALP) Code, and we understand the ALP Code defines "the labor practices, principles and standards PMI expects to

- be met on all tobacco farms with which PMI or PMI's suppliers have contracts to grow tobacco for PMI." How does PMI implement the ALP in Indonesia, including with growers who directly contract with PMI as well as with growers who may be supplying tobacco through middleman traders? What does PMI envision as the kind of work children engaged in family farming can perform?
6. How does PMI communicate its standards and expectations regarding child labor to growers and suppliers, including growers who may be supplying tobacco leaf through "middleman traders," in its supply chain in Indonesia?
 7. What steps does PMI take to conduct due diligence concerning child labor in Indonesia? That is, how does PMI identify real or potential child labor problems in the supply chain, including with any contracted growers and with suppliers of all sizes? How does PMI ensure that risks are mitigated and that violations of the company's child labor policy are quickly discovered and addressed?
 8. Has PMI identified or received any reports of child labor on tobacco farms supplying tobacco to PMI in Indonesia in 2013, 2014, or 2015? If so, what actions has PMI taken?
 9. We would welcome any additional information PMI would like to provide to Human Rights Watch regarding its policies and practices toward eliminating child labor in tobacco farming in Indonesia.

Health and Safety

10. What steps does PMI take to ensure that tobacco farmers and workers in its supply chain in Indonesia are informed about nicotine poisoning/Green Tobacco Sickness, risks associated with pesticide exposure, risks associated with dangerous tools, heavy loads, and working at heights, and other health and safety concerns?
11. What policies does PMI have in place regarding handling and applying pesticides, as well as the proximity of workers on tobacco farms in its supply chain in Indonesia to active spraying of pesticides or other hazardous chemicals? How does PMI monitor the implementation of these policies?

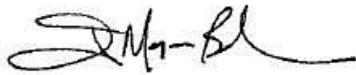
We plan to publish a report on child labor in tobacco farming in Indonesia in early 2016. We are committed to accuracy in our reporting, and hope to reflect PMI's

policies and procedures on child labor in our report. To that end, we would welcome a formal response to this letter by December 14, 2015.

In addition, we would welcome the opportunity to meet again with representatives of PMI to discuss our research findings and recommendations.

Thank you for your attention to this matter.

Sincerely,



Jane Buchanan
Associate Director
Children's Rights Division
New York, United States



Andreas Harsono
Senior Researcher, Indonesia
Asia Division
Jakarta, Indonesia