

August 15, 2008

Mr. Juan Somavia
Director General
International Labor Organization
4 Route des Morillons
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Dear Director General Somavia,

We are writing as members of the U.S. and international investment community – including financial firms, faith-based investors and public pension funds – as well as shareholder advocates, investor rating agencies, and labor and human rights non-governmental organizations (NGOs). The undersigned investment firms manage more than US\$250 billion in capital for both individuals and institutions, and are invested in many of the most significant private sector purchasers and manufacturers of cotton and cotton-based merchandise in the world. The purpose of our letter is to share with you our concerns regarding published reports and news articles describing the coercive use of children aged 10 to 15 years old to harvest cotton in Uzbekistan. We are deeply concerned by this situation, and respectfully urge the ILO to be prepared to work with the Uzbek Government to take immediate and appropriate action to end the use of child labor.

The undersigned investors recognize that human rights violations, such as the use of child labor, impose unacceptable costs to individuals and society. They also pose legal, operational and reputational risks to the value of the involved corporations we hold in our portfolios. As both fiduciaries and concerned citizens, therefore, we seek to use our leverage as owners of these corporations to underscore these risks and to encourage companies to take responsible actions to address them, such as embracing and implementing the core conventions of the International Labor Organization (ILO).

The undersigned organizations are dedicated to the eradication of the worst forms of child labor by educating corporations, consumers, and policy makers about the reality of these violations and by proposing practical steps that will create the structure to end these harmful practices and ensure they do not repeat themselves.

We write out of great respect for the ILO, and the impressive progress it has made over the past decade under your leadership to eradicate child labor and to ensure decent working conditions for all. Individually and in coalition, as responsible investors and civil society organizations, we have sought to lend our hands to strengthen the ILO as the internationally recognized standard-bearer for fundamental labor rights.

We are now using our leverage to bring this egregious violation of human rights to the attention of corporations around the world that source cotton from Uzbekistan. We have written letters to

more than 100 companies in North America, Europe and Asia, and are actively working together with some of the largest corporations in the world to help bring an end to this ongoing and systematic abuse of children.

Despite all of our combined efforts, the scale of child labor in the cotton sector remains unacceptably large. The case of Uzbekistan, however, is special. It differs both in character and scope in that it is a nationwide program directed by an ILO member. This is an issue of utmost urgency that, we believe, deserves the ILO's immediate attention.

Reports by NGOs, the BBC and other media outlets have documented children working in cotton fields under hazardous conditions in clear violation of the ILO conventions and other internationally accepted norms regarding minimum working age, the worst forms of child labor and children's rights generally. These reports indicate that the Government of Uzbekistan itself is orchestrating the employment of child labor in the harvesting of cotton. Children are reportedly escorted out of school at the height of the harvest each year, and forced to work for months in the cotton fields. Parents that refuse to send their children to the fields are reportedly subjected to harsh treatment.

We recognize that Uzbekistan recently ratified Convention 182, regarding the Worst Forms of Child Labor, and is in the process of officially ratifying Convention 138, the Convention on Minimum Age. Further, Uzbekistan is a signatory to the Convention on the Rights of the Child and two ILO Conventions prohibiting forced labor. While Uzbek laws against the use of forced child labor exist, use of child labor in the cotton fields continues to occur on a systematic scale.

We encourage global corporations to adopt and implement strong codes of conduct for their supply chains that incorporate the core ILO conventions. Many leading companies are beginning to take action to ensure that cotton is not sourced in violation of these codes. C&A, Debenhams, Gap Inc., Levi Strauss & Co., Marimekko Corporation, Marks & Spencer, Target, Tesco Victoria's Secret and other retailers and brands have already taken measures to exclude Uzbek cotton from their merchandise because of the use of child labor in cotton production. Should the situation in Uzbekistan not be remedied expeditiously, other brands and retailers are preparing to take necessary steps to exclude Uzbek cotton from their supply chains as well.

Based on our conversations with companies, and our understanding of how companies generally address issues of severe reputational risk—such as the use of forced child labor— we are witnessing the beginning of a global private-sector boycott of Uzbek cotton. We commend companies that take responsible steps to ensure that their products are not made with child labor, whether in Uzbekistan or elsewhere. Yet, we strongly prefer an ILO-led solution to this problem that might prevent the further isolation of Uzbekistan from the international community.

In light of the above described situation, we are urging the Government of Uzbekistan to take decisive and immediate actions to end child labor in the cotton fields. Specifically:

1. Immediately complete the needed information to have Convention 138 recognized as “ratified” by the ILO.
2. Take significant and measurable steps to implement Conventions 138 and 182 including action plans to eliminate the use of children in the cotton harvests by fall 2008, recognizing that cotton harvest work, by its nature or the circumstances in which it is carried out, is likely to harm the health of children and in many cases, falls under the category of forced labor.
3. Invite an ILO assessment mission, which has full freedom of movement and timely access to workers and locations, to advise on the implementation of Conventions 138 and 182 during the 2008 fall harvest season (beginning mid-September through the end of November) and throughout 2009.
4. Following the above actions, request ILO technical assistance for effective implementation of child labor eradication policies and programs, including ongoing and transparent child labor monitoring mechanisms.
5. Allow other independent organizations, including international NGOs and media, to monitor the situation during the 2008 fall harvest season and beyond.

As the head of the international body created to establish and supervise international labor standards and develop technical cooperation to prevent labor abuse, we urge you to give utmost consideration to child labor and forced labor issues in Uzbekistan and to pursue further efforts to engage with the Uzbek Government. To accomplish this, child labor eradication targets, action plans and time-bound deliverables should be measured per the five points listed above.

In addition, a number of investors and NGOs are directly engaging President Karimov of Uzbekistan, and urging U.S. Secretary of State Condoleezza Rice and several international trade unions, to use their influence to find solutions to this urgent problem. Copies of the letters to Karimov and Rice are included for your reference.

We thank you, Mr. Director General, for your attention to human rights violations in the Uzbekistan cotton industry, and appreciate your response to the concerns highlighted above. In the near future we will be contacting your office to learn of any actions the ILO plans to take to engage the Uzbek Government and bring an end to forced child labor in the cotton harvests.

Sincerely,

(list of signatories starts on the next page)

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