

August 15, 2008

Dr. Condoleezza Rice  
Secretary of State  
U.S. Department of State  
2201 C Street NW  
Washington, DC 20520

Dear Secretary Rice,

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\$220 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 request your assistance in urging the Government of Uzbekistan to take immediate action to end the use of child labor.

Several of us have already met with the relevant bureaus and officials including Deputy Assistant Secretary Krilla and the Bureau of Democracy, Human Rights and Labor/Office of International Labor Affairs and Corporate Social Responsibility; the Bureau of Economic, Energy and Business Affairs; Ambassador Lagon and the Office to Monitor and Combat Trafficking in Persons, and the Bureau of South and Central Asian Affairs, all of whom have been extremely helpful. We nonetheless believe that the severity and urgency of this issue merits your attention together with the greatest possible degree of coordination within the department and interagency among DOL, USTR and USAID.

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 recognize that Uzbekistan recently ratified Convention 182, relating to 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 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. 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. This is an issue of utmost urgency that, we believe, deserves the State Department's immediate attention.

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 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.

First and foremost, we urge you as Secretary of State to impress upon the Uzbek Government the urgency of taking the steps outlined above, both on its own and in close collaboration with the ILO. If we do not see measurable actions by the Uzbek Government in the time stated, we would like to see the U.S. Government file an official complaint with the ILO, and raise this issue with the appropriate international and multilateral institutions. We also ask you to use our country’s influence to elevate this issue, where appropriate, within additional UN agencies, the World Bank, and partners and allies who may have some influence with Uzbekistan.

In addition, a number of investors and NGOs are directly engaging President Karimov of Uzbekistan, and urging Director General Somavia of the ILO and several international trade unions, to use their influence to find solutions to this urgent problem. Copies of the letters to Messrs. Karimov and Somavia are included for your reference.

We thank you, Ms. Secretary, for your personal attention to human rights violations in the Uzbekistan cotton industry, and appreciate your response to the concerns highlighted above. We look forward to hearing from you and any plans that you may have for engaging the Uzbek Government in finding a solution to this serious problem, and thus ensuring that all cotton from Uzbekistan is harvested free of child labor.

Sincerely,

(list of signatories starts on the next page)

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