

*ReynoldsAmerican*

*RJReynolds*

### **An Open Letter to Those Interested in Farm Labor Issues:**

During the past several months, the Farm Labor Organizing Committee (FLOC), an AFL-CIO labor union, has undertaken efforts to pressure Reynolds American Inc. (RAI) and R.J. Reynolds Tobacco Company (R.J. Reynolds) to participate in negotiations for a collective bargaining agreement between the companies and the union.

What may not be clear to many who have contacted R.J. Reynolds, urging the company to negotiate with the union, is that FLOC has had a collective bargaining agreement with the N.C. Growers Association (NCGA) for the last four years. All guest H2A workers who are interested in union representation have been and continue to be free to sign up for membership with FLOC.

Neither RAI nor R.J. Reynolds is the appropriate party to negotiate any collective bargaining agreement with FLOC. As the sponsoring organization for the H2A workers, the NCGA is the appropriate body to negotiate such an agreement – and they have done so.

RAI and R.J. Reynolds certainly support efforts to ensure all workers in all industries have safe work environments.

R.J. Reynolds contracts with independent farmers across North Carolina and other states for tobacco leaf, and those contracts require the farmers to comply with all laws -- including labor laws covering issues such as employment, and working and living conditions of workers. We meet with growers regularly and encourage them to follow all applicable laws and regulations.

Additionally, R.J. Reynolds has purchased safety videos from the North Carolina Department of Labor (NCDOL) and provides those videos free of charge to its contract growers. We also provide support for the NCDOL Gold Star Program which recognizes growers who provide farmworker housing that meets all of the requirements of the Migrant Housing Act of N.C.

Many of the farmers R.J. Reynolds contracts with employ workers to assist them in growing and harvesting the tobacco. Workers are employed by those farmers; they are not employees of either R.J. Reynolds or RAI; so neither company is an appropriate or necessary party to a collective bargaining agreement for farm workers.

If farm workers want to be represented by a union, the workers and their employer should negotiate with the union – not RAI or R.J. Reynolds.

The North Carolina Growers Association has a collective bargaining agreement with FLOC, and the farms with whom R.J. Reynolds contracts are free to join the association and participate in the collective bargaining agreement if they so choose. Many do, and thus, some of the workers on farms with whom R.J. Reynolds contracts are already FLOC members.

FLOC's actions against our companies to this point lead us to believe that this is an issue of revenue for the union. According to the N.C. Growers Association, FLOC membership among H2A workers has dropped from 4,000 to 640. FLOC's membership is plummeting; workers may be cancelling their membership because they are not receiving benefits they believe were promised by the union. RAI and its operating companies will not be party to efforts to pressure workers into rejoining the union they have voluntarily left.

FLOC has been accused of using deceptive tactics to recruit membership. The Consulate of Mexico has contacted the N.C. Growers Association regarding concerns they have that FLOC is not delivering on its promises to members. Approximately 800 workers have filed complaints about FLOC with the Consulate.

North Carolina has effective laws on the books to protect workers, including specific regulations for working and living conditions for farm laborers. The N.C. Department of Labor has an easy-to-access, anonymous method of reporting violations of those laws. If FLOC or any other party is aware of potential violations, R.J. Reynolds encourages them to report the circumstances to the state so that they may be investigated. [Click here](#) for a link to the anonymous NCDOL reporting form.

It should be noted that R.J. Reynolds is not the largest purchaser of tobacco in North Carolina or any other state where tobacco is grown. Yet R.J. Reynolds is the only tobacco company being targeted for protests and boycotts by FLOC. The issues surrounding migrant workers are national, longstanding and involve the production of a number of crops – but for unspecified reasons FLOC has singled out tobacco, farms in North Carolina and R.J. Reynolds in this matter.

Reynolds American and R.J. Reynolds support efforts to ensure that workers in all industries have a safe work environment. Guest H2A workers in North Carolina who are interested in joining FLOC can do so, and they would then be party to the collective bargaining agreement already in place with the N.C. Growers Association. Absolutely nothing prevents them from doing so today.

Our companies engage in ongoing dialogue with a variety of stakeholders on a broad range of issues, and we appreciate your interest in this topic and thank you for taking the time to read our perspective on it. For more information about the companies' corporate social responsibility initiatives, please [click here](#).

The Leadership Teams of Reynolds American Inc. and R.J. Reynolds Tobacco Company