

Completed by (name of company): Twinings

Date: 24 Sept 2021

## SUPPLY CHAIN TRANSPARENCY

*Note: Tea\* in this section refers to tea originating from the Camellia sinensis plant*

1. **Current practice:** To what extent does your company currently publicly disclose supplier lists for tea\* sourced by your company? (Please select one of the following options)

a. Fully  Yes |  No

If Yes, please share relevant links: <https://www.sourcedwithcare.com/en/our-approach/sourcing-map/>

b. Partially  Yes |  No

If Yes, please specify what is disclosed (e.g. only direct suppliers, specific regions):  
Please share relevant links:

c. Not at all  Yes |  No

2. **Future commitment:** Are you willing to commit to annually updating your complete tea\* supplier lists in the prescribed format (attached) and making them available publicly?

Yes |  No

Please share a full list of suppliers in the attached format (*Tea supplier list template.xlsx*) with us by 24 September 2021.

## OWN COMPANY POLICY: HUMAN RIGHTS IN YOUR SUPPLY CHAIN

1. **Freedom of Association and Collective Bargaining**

a. Does your sourcing policy/ supplier code of conduct/ supplier contract specifically guarantee the protection of the right to freedom of association *in your supply chain*?

Yes |  No

If Yes, please share any relevant documents or clauses in your agreements with suppliers that you use for this purpose.

<https://www.sourcedwithcare.com/media/1582/two-code-of-conduct-august-2019.pdf>

- **Clause 2.**

b. Has your company previously taken remedial action in response to allegations regarding threats to freedom of association *in your supply chain*?  Yes |  No

If Yes, please share the name of the supplier, year of incident and how the situation was resolved.

Through our Twinings Community Needs Assessments, our local Social Impact Managers are able to go beyond certification, and identify patterns of recurring issues, specific to certain regions or communities.

In Uva, Sri Lanka, we identified that worker-management relations can sometimes be poor, for example workers can lack direct communication channels to address grievances with their employers, resulting in unmet needs and aspirations. Since 2017, we have been working in partnership with CARE International to establish Community Development Forums (CDFs) on tea estates.

CDFs are like mini parliaments. They provide a space for sharing and debates, opening up dialogue between workers, management and the wider community, and enabling collective decisions to be made about community development (such as health or education) and labour conditions. Everything is negotiated and decided in a transparent way. Management, tea pluckers and workers, unions, and community are all represented. Importantly, women are given an equal role.

By establishing CDFs, we are putting the community at the heart of the solution, creating a sustainable workforce and empowering workers — especially women and young people.

The UN Guiding Principles on Business and Human Rights (UNGPs) highlight the importance of enabling access to a grievance mechanism for workers, and of remediating issues when they occur. The Community Development Forums help make this a reality on tea estates in Sri Lanka.

Tea estates covered by CDF model include:

- Bogowantalwa: Lethenty, Bogowana, Kotiyagala,
- Agarapatana: Clydesdale (Balmoral), Dambettene, Nayabedde
- Maskeliya: Strathspey
- Malawatte Valley: Uva Highland and Aislabay

- c. Is your company (or any of its subsidiaries) part of active collective bargaining agreements with labour unions *in your supply chain*?  Yes |  No

N/A as Twinings does not own tea plantations.

## 2. Wage payments

- a. Has your company publicly made a commitment to guarantee payment of living wages throughout your tea supply chain?  Yes |  No

We are confident that people on tea estates we source from are paid in line with local minimum wage set by law or agreed in collective bargaining agreements. However, we recognise that in some instances, wages remain low, and so we remain fully committed to working with local stakeholders, including governments and tea associations, to address this complex issue.

We have not currently made a commitment to guarantee payment of living wages throughout your tea supply chain, rather, we have asked our supply chain to commit to the following:

*Suppliers shall work towards paying workers a fair living wage. Wages are essential for meeting the basic needs and expenditure of employees and reasonable savings. We seek business partners who progressively raise employee living standards through improved wage systems, benefits, welfare programmes and other services, which enhance quality of life.*

If you answered Yes, please share:

- i. The source or methodology for the living wage numbers that you use for this purpose
- ii. The year by which you expect to achieve the commitment
- iii. A link to the webpage or copy of the document where the public commitment is published

- b. Does your sourcing policy/ supplier code of conduct/ supplier contract specifically guarantee the following with respect to wages paid to workers *in your supply chain*? (Please select all that apply)

Criteria	Y/N
Payment of legally mandated minimum wages (excluding in-kind benefits)	<input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No
No pay discrimination/ Equal payment for equal work	<input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No
Payment of legally mandated severance (excluding in-kind benefits)	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No
Maternity leave entitlement with full pay	<input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No
Sick leave entitlement with full pay	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No

If you answered Yes to any of the above criteria, please share any relevant documents or clauses in your agreements with suppliers that you use for this purpose.

<https://www.sourcedwithcare.com/media/1582/two-code-of-conduct-august-2019.pdf>

- **Clauses 5 and 7.**

- c. Has your company previously taken remedial action in response to allegations regarding non-payment of due wages or severance *in your supply chain*?  Yes |  No

If Yes, please share the name of the supplier, year of incident and how the situation was resolved.

This was never been raised as an issue in our tea supply chain, and therefore no action was needed.

### 3. Discrimination, violence and harassment

- a. Does your sourcing policy/ supplier code of conduct/ supplier contract specifically guarantee the protection of *workers in your supply chain* from workplace discrimination, violence and harassment?

Yes |  No

If Yes, please share any relevant documents or clauses in your agreements with suppliers that you use for this purpose.

<https://www.sourcedwithcare.com/media/1582/two-code-of-conduct-august-2019.pdf>

#### - Clause 9.

- b. Has your company previously taken remedial action in response to allegations regarding violence and harassment in the workplace *in your supply chain*?  Yes |  No

c.

If Yes, please share the name of the supplier, year of incident and how the situation was resolved.

Women form most of the workforce in tea gardens and smallholder farms, but are unfortunately at risk of discrimination, harassment and sometimes even violence. Allegations of gender-based violence and harassment are common in the tea sector, thus providing safer places and empowering women and girls in our supply chain is therefore a priority many countries.

In 2019, we partnered with the Work and Opportunities for Women Programme, an initiative funded by the UK Foreign, Commonwealth and Development Office, to train management and build capacity of worker committees in Assam and Darjeeling. The aim is to empower workers to help prevent and respond to harassment and gender-based violence, as well as to promote more gender-equitable attitudes and relationships. Due to the cut in UK Aid earlier this year, the programme was converted into HERrespect, fully funded by Twinings, to enable us to build on the initial steps with tea communities and managers.

In Kenya, we are rolling out a similar approach by training managers and supervisors, based on the ETI Supervisor training. We are also developing an online training module which will be rolled out across our supply chain.

The following tea estates are covered by our work on GBV:

- Goodricke: Nonaipara, Orangajuli, Dejoo and Hurmuttery
- Andrew Yule: Khowang and Tinkhong
- McLeod: Dekorai, Mijikajan and Pertapgarh
- Eastern Produce Kenya: Savani

**4. Occupational Safety, Health & the Environment (OSH&E) rights**

- a. Does your sourcing policy/ supplier code of conduct/ supplier contract specifically address the following OSH&E rights in your supply chain? (Please select all that apply)

Criteria	Yes/ No
Access to safe drinking water and sanitation for all employees	<input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No
Reducing health hazards including the use of harmful chemicals (herbicides)	<input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No
No minimum quantity for plucking required to earn the basic wage	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No

If Yes, please share any relevant documents or clauses in your agreement with suppliers that you use for this purpose.

<https://www.sourcedwithcare.com/media/1582/two-code-of-conduct-august-2019.pdf>

**- Clause 3.**

**Also refer to Rainforest Alliance Standard for further details.**

- b. Has your company previously taken remedial action in response to allegations of OSH&E issues in your supply chain?  Yes |  No

If Yes, please share the name of the supplier, year of incident and how the situation was resolved.

**Our Twinings Community Needs Assessment (TCNA)** show that the situation on water and sanitation varies even within individual countries depending upon the reach of public utilities, geographical context and the different solutions on tea gardens. Access to water is an issue in Darjeeling, due to the mountainous terrain and lack of proper infrastructures and in some part of Assam too due to a low water table and high iron content. As far as sanitation is concerned, adequate living quarters, toilets and drinking water facilities are part of the legal benefits that must be provided to workers in Indian tea gardens, but rising populations on tea estates, and in particular non-workers, means that the industry has not been able to provide adequate benefits for everyone, in particular in Assam.

Government and producers are working towards closing the gap, but more interventions are needed to accelerate improvements. For this reason, Twinings began working on these issues with tea communities in Darjeeling in 2010. We work in partnership with producers who are also co-funding the work, as it ensures the infrastructure will be maintained in the future.

So far, we have built over 2,000 toilets across tea estates in our supply chain, providing 12,000+ people with access to proper sanitary latrines. We have also provided more than 11,000 people with access to clean water and reached 140,000 adults and children through awareness programmes on handwashing and hygiene.

Tea gardens covered by our WASH programme include: Margaret's Hope/Goodricke; Barnesbeg/Goodricke; Nagrifarm/ Chamong; Langharjan/Jorehaut; Numaligarh/Jorehaut; Huloongoorie/Andrew Yule; Khowang/Andrew Yule; Tinkhong/Andrew Yule; Borbam/Goodricke;

Thowrah & Dhoedaam/JWT; Numaligarh/Jorehaut; Khowang/Andrew Yule; Bargang/Goodricke; Dekorai/McLeod

**5. Grievance redressal mechanism:** Does your company have a grievance redressal mechanism *that can be directly accessed by any worker in your supply chain?*

Yes |  No

If Yes, please provide the following information regarding the mechanism in place

- Name, designation, phone number and email address of the person employed by your company responsible for handling the complaints
- Maximum duration before a response must be given on the complaint (in days)
- Link to or recent copy of publicly available data on the practical operation of the mechanism, such as the number and type of grievances filed, addressed, and resolved

## PURCHASING PRACTICES

**6. Sourcing**

*Note: For this section, please only include tea\* (Camellia sinensis) sourced by your company for sale under its own name/ brand.*

- Please share the total volume of tea\* sourced by your company in 2020 (in metric tonnes).

**Approx 15,000mt**

- Please share the top five countries by sourcing volume, for tea\* sourced by your company in 2020 (in metric tonnes).

Source	Metric Tonnes
Country 1 (please specify): China	4,500mt
Country 2 (please specify): Kenya	2,300mt
Country 3 (please specify): India	2,300mt
Country 4 (please specify): Argentina	1,200mt
Country 5 (please specify): Indonesia	1,000mt

- How much of the total tea\* sourced by your company in 2020 came from the following entities? (in metric tonnes).

Source	Metric Tonnes
Independent packers/ blenders	

Auction houses	1,500mt
Directly from estates	13,500mt
Directly from bought-leaf factories	
Intermediary traders (excluding those packing and/or blending for your company)	
Others (please specify):	

7. **Certification:** Did your company in 2020 source tea\* certified by an independent, internationally recognised certification body (e.g., Fairtrade, Rainforest Alliance/ UTZ etc.)?  Yes |  No

If Yes, please complete the following table to indicate type of certification by volume.

Certification	Includes wage premium	Metric Tonnes
FLOCERT/ Fairtrade	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No	20mt (16mt also certified organic as well as FT)
Rainforest Alliance/ UTZ	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No	
Other (please specify): Organic	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No	82mt (16mt also certified Organic)
Other (please specify):	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No	
Other (please specify):	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No	

As a minimum requirement, we only buy from tea gardens that have been certified by third party standards such as Rainforest Alliance or Fairtrade, irrespective of whether we communicate this on-pack or not. 100% of our tea is ethically sourced, and this is also in line with the rules of ETP membership. So while we don't buy the tea as certified, we buy only from gardens that have been certified and that are annually audited by independent organizations.

Please also share the following information about your company's operations in the tea sector:

### ABOUT THE COMPANY

8. **Type of company:** Which of the following categories, if any, describes the activities of your company, its subsidiaries or holding company)? (Please select all that apply.)

Category	Yes/No
Tea producer	<input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No

Tea packer/ blender	<input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No
Tea retailer	<input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No

9. **Brand names:** Does your company, its subsidiaries or its holding company own any tea brands?  
 Yes |  No

If Yes, please provide a list of any tea brands that are owned by your company, its subsidiaries or holding company.

Twinings; Jacksons of Piccadilly; Nambarrie.

10. **Revenue and market capitalisation:**

- Please share the total revenue from tea earned by your company in 2020. (in USD)  
\$600m (Twinings consolidated global number)
- Please share the latest market capitalisation or estimation of your company's market value (in USD)  
*We are unable to share this value, due to being part of a bigger group.*

11. **Any other comments (optional):** Please share any other information that you consider pertinent to your company's tea operations, its purchasing practices, human rights challenges or commitments in your supply chain. Please provide relevant documentation, where available.

**At Twinings we are committed to sourcing responsibly and to act as a force for good in our supply chain.** Our vision is for healthier, happier, empowered and sustainable communities in our supply chain and the Sourced with Care programme enables this vision to become a reality. Sourced with Care is at the heart of what we do at Twinings, informing every level of decision-making within the company. Our commitment to ethical sourcing has been integrated into our standard business practices, and our global buying teams receive regular training on the Code of Conduct, Ethical Sourcing Programme and modern slavery.

Twinings does not own any plantations and never has done. We buy tea from producers around the world. In 2016, we reduced our global sourcing list with the explicit intention to have more leverage over the ethical conditions on those estates from which we do source and hired local staff, dedicated exclusively to ethical conditions in tea gardens we source from. We only buy from an **approved list of 135 carefully selected tea gardens**, based on quality and ethical standards, including large plantations and smallholder farms. Our restricted list enables us to have more influence over conditions and to drive improvements. We have full traceability for all regions, meaning we know exactly which tea estates and gardens we source from.

**As a minimum all our tea is sourced from estates that have been certified** by Rainforest Alliance or Fairtrade. While it is a useful tool, certification alone cannot guarantee conditions that we consider

acceptable or solve systemic challenges in the sector. Therefore, at Twinings, we take a lot of care to buy from places where conditions are better or could be improved. We then work with producers, development NGOs, industry partners, government agencies and local communities to improve conditions and address wider issues affecting workers, farmers and their families.

Our **Twinings Community needs assessment framework** has been created in consultation with expert organisations to help us assess and understand communities' needs on the ground. The process we undertake with communities is holistic, participatory and inclusive. Assessments are carried out on a rolling basis every two to three years by our Social Impact team, covering housing, water and sanitation, health and nutrition, gender, children's rights, labour standards, natural resources and income. For smallholder farmers, the TCNA also incorporates farming practices and land rights. In 2021, we published a TCNA findings report, summarising our TCNA findings conducted in our key tea sourcing regions in China, India, Indonesia, Kenya and Sri Lanka on both plantations and smallholder farms. <https://www.sourcedwithcare.com/media/1651/tcna-findings-report.pdf>

Based on TCNA findings, we work to address community needs in a tailored and sustainable way, through our collaborative approach, strong local understanding, engagement with local stakeholders and in-house pool of expertise (human rights, WASH, etc.). From improving access to water and sanitation to enhancing income and climate resilience and empowering women, our interventions make a positive long-lasting impact in the communities we source from and tackle systemic issues in the industry. So far, **543,874** people in total have been impacted by our Sourced with Care programme. The details of our programmes, which address the issues our TCNA's identify, can be found on <https://www.sourcedwithcare.com/en>

**Twinings Social impact team** is responsible for implementing the Sourced with Care programme, including conducting TCNA. The team is led by the Head of Social Impact, who report directly to Twinings CEO, and include regional managers based in key tea sourcing regions.

Furthermore, we recognise our responsibility to respect human rights. In 2021, we published our **human rights position statement**. In this document, you can find out how we put our policy into action, through the work of our Social Impact team, and the way we conduct our business. <https://www.sourcedwithcare.com/media/1655/twinings-ovaltine-human-rights-position-statement-march-2021.pdf>