

M&S response to BHRRC re tea estate allegations, February 2023

Thank you for your communications to M&S in December 2022, outlining two media reports and inviting us to respond.

M&S is committed to respecting internationally recognised human rights in line with the principles and guidance contained in the UN Guiding Principles on Business and Human Rights. We were therefore concerned to read of the two reports linked to our tea supply chain and are grateful to BHRRC for the sharing of information. We were also grateful to have had the opportunity to exchange further during our recent call.

Three key foundations to our approach to note here:

Our Global Sourcing Principles ([here](#)) represent a contractual obligation and supplier partners are required to comply with them, including aligning guidelines, policies, and practices, and documenting, communicating, and enforcing the provisions outlined in these Principles.

Our partnership with Fairtrade: As shared with BHRRC in 2021, M&S continues to fully disclose our Fairtrade tea supply chain on our website's [interactive supplier map](#) and to source all our own-label tea under Fairtrade terms.

Working closely with suppliers on human rights due diligence: Our updated Human Rights Standard for Foods (April 2021) outlines our expectation of suppliers to engage with us on their approach to human rights due diligence in their own operations and their supply chain. We support suppliers in this with our [Human Rights Due Diligence and Remedy Guidance](#) toolkit (which we have made open source). We work closely with our tea supplier, who is also a member of the Ethical Tea Partnership, on this.

Reports 1 & 2

Both reports 1 and 2 shared by BHRRC relate to tea production in Sri Lanka. BHRRC has asked M&S to respond specifically whether the named estates / companies remain part of our supply chain; if we were previously aware of the allegations and how we plan to respond.

By way of context, it may be useful to note that in 2022 tea sourced from Sri Lanka accounted for <5% of M&S's total volume. We understand that Sri Lanka has been facing a period of economic and political crisis. At the time of report 1, we also understand that there was a period of particular flux across a number of sectors, not only tea, with the issuance of a new Wages Board directive and the expiry of a collective bargaining agreement.

Of the 20 tea plantation companies in **report 1**, BHRRC linked 4 plantation companies (covering 13 estates) to M&S on the basis of supply chain information disclosed by M&S to BHRRC as part of the first tea transparency tracker request in 2021.

In 2022, we can confirm that we **did not** source from the following tea estates named in the report and linked to M&S:

Maskeliya Plantations plc: Strathspey estate, Brunswick estate
Hatton Plantations plc: Vellajoya estate, Henfold estate

We can confirm that in 2022, we **did** source from the following tea estates named in the report:

Horana Plantations plc: Stockholm estate, Alton estate
Hatton Plantations plc: Adisham estate, Waltrim estate
Bogawantalawa Tea Estates plc: Champion estate, Kotiyagala estate, Bridwell estate, Wanarajah estate, Norwood estate

Report 2 relates to four estates, three of which BHRRC linked to M&S based on information shared by M&S with BHRRC in 2021.

As per the information above, we can confirm we **did not** source from Welioya (Vellaioya) estate in 2022. We **did** source from Alton estate and Stockholm estate.

M&S was not previously aware of the reports. In response to the information from BHRRC, we have worked with our supplier who has engaged directly with those companies from whom we sourced in 2022.

They have confirmed that they complied with the Wage Board Ordinance Notification of March 5th, 2021, and paid the minimum daily wage of Rs 1,000 per day from this date. They have undergone a Fairtrade audit / remained certified since the date of the Wage Board Ordinance Notification. We also understand that the Chairman of the Planters' Association has confirmed that, from the point of the Wage Board Gazette being issued, all companies including those in M&S's supply chain, were in compliance. Our supplier has also reviewed copies of the companies' Freedom of Association policies, Grievance Mechanisms and sections of the Collective Bargaining Agreements regarding Disciplinary Action and Grievance Dispute Procedures.

M&S also shared the reports with Fairtrade. Mechanisms are in place for complaints or allegations that may violate Fairtrade's approach and rules. An allegation may trigger the Fairtrade International Act to Protect policy, which initiates follow up by the NAPP Social Compliance Team.

Fair wages and respect for Freedom of Association and collective bargaining

BHRRC asked us to respond specifically on how M&S ensures that tea supply chain workers receive a fair wage and how we ensure that freedom of association and collective bargaining rights are respected in our tea supply chain, and that workers are not penalised for union membership or participation in industrial action.

Our Global Sourcing Principles state that "All workers are entitled to fair and equal compensation, which at least meets the legal minimum wage, industry standards, or negotiated wages and includes all legally mandated benefits (medical insurance, social insurance, pension). [...] Supplier partners must pay a fair wage and benefits, ensuring that workers' wages meet basic needs and uphold the right for an adequate standard of living as described in the Universal Declaration of Human Rights. Supplier partners must have a transparent process to ensure that workers fully understand the wages that they receive".

They also state that "partners must respect their workers' right to freedom of association, including to form or join associations of their own choice and bargain collectively on all work-related issues. In cases where local law restricts this right, parallel means of free association should be allowed. No employees should be discriminated or unfairly disciplined against based on their membership of a union or association".

We recognise that living wages in global supply chains remain a challenging and complex issue and that, collectively, every actor in the tea sector must play their part in achieving a sustainable tea sector. Through our commitment to **Fairtrade** tea since 2006, our tea producers are guaranteed the Fairtrade Minimum Price as well as the Fairtrade Premium. M&S pays more Fairtrade premium for tea and coffee than any other UK retailer and in 2021 M&S own-label tea generated £596,693 in Fairtrade Premium (see [here](#)).

Fairtrade has specific Standards for plantations that support worker organisation and representation to negotiate with management and progress towards living wages. The Fairtrade Standards support the rights of workers and they are grounded in ILO conventions. The Fairtrade Standard for Hired Labour Organizations includes more than 10 requirements related to informing workers about their rights, protecting elected union officials and collective bargaining processes, and allowing unions to hold meetings with workers on site. The HLO Standard strengthens workers' Freedom of Association in practice. It is supplemented by a Freedom of Association protocol which requires employers to guarantee that workers may join or form a union of their choice.

The Fairtrade Producer Networks also conduct trainings with workers regularly to ensure they know their rights and what is required under Fairtrade Standards. They also support producer organizations in corrective actions, when non-compliances to the Standards are identified by Fairtrade' independent auditor, FLOCERT.

Further information

We trust that this information outlines our approach in response to the information shared by BHRR. Wherever possible, we seek to work in partnership on systemic issues and so welcome this exchange.