

Response from Typhoo Tea Limited

The BHRRC bringing these issues to the table, producer by producer, provides us a great floor to continue the human rights conversation with our suppliers.

We treat all allegations related to human rights extremely seriously. We are fully committed to ensuring all possible steps and actions are taken to maintain all workers within our supply chain are kept safe and treated fairly.

Since the publication of the last Tea Transparency Tracker, we have moved forward on our roadmap to provide best in class, responsibly sourced tea that will better the lives of workers throughout our supply chain.

This is an ongoing journey of transformation for Typhoo Tea, and we will continue to learn, develop policies and build on the improvements that we have already made.

We've outlined responses to your enquiry below.

Our ongoing responsible sourcing practices

The challenges within the tea supply chain are complex and cannot be resolved by one stakeholder or action alone. We have a number of measures in place to ensure workers to improve conditions and pay for workers in our supply chain:

1. As a minimum Typhoo requires all suppliers to comply with applicable laws and relevant standards for human rights, workers' rights and conditions, health and safety and environmental protection. We are committed to upholding human rights and fully support the UN Universal Declaration of Human Rights, the International Labour Organization (ILO) Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and the UN Global Compact.
2. As a member of the Ethical Trading Initiative (ETI), we expect our suppliers to be familiar with the ETI base code, which subscribes the ILO conventions, and to be implementing it throughout their supply chain. The ETI base code covers the following principles:
 - Employment is freely chosen
 - Freedom of association and the right to collective bargaining are respected
 - Working conditions are safe and hygienic
 - Child labour shall not be used
 - Living wages are paid
 - Working hours are not excessive
 - No discrimination is practiced
 - Regular employment is provided
 - No harsh or inhumane treatment is allowed

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3. We believe certification has an important role to play in improving standards. Typhoo is committed to sourcing tea from certified sources and our brands require certification to different schemes such as Rainforest Alliance, Sedex, Fairtrade Foundation or Soil Association Organic certification.
4. Alongside long-standing relationships with our suppliers that nurtures trust, respect and transparency, we have a robust onboarding process for new suppliers to ensure they align with our values. This includes fact checking against information held with organisations including the Business and Human Rights Resource Centre (BHRRC), the Ethical Tea Partnership (ETP), the Ethical Trading Initiative (ETI) and The International Roundtable for Sustainable Tea (THIRST).
5. We only work with well recognised producers who are part of industry bodies, and we support this by collaborating with the people on the ground from the Ethical Tea Partnership.
6. Typhoo's Responsible Sourcing Manager has been in place for just over one year now and has already taken big steps in our strategy to ensure labour rights, working conditions, employee safety and pay and gender rights are protected at all times. As part of this, we have an active role in industry conversations via our partnerships and relationships with The International Roundtable for Sustainable Tea (THIRST), the Ethical Tea Partnership (ETP), the Ethical Trading Initiative (ETI) and the Rainforest Alliance (RA). We are in contact with Tea Boards and Planters Associations to lobby for local support of workers. We also collaborate with other tea brands to find joint solutions and push for systemic change.
7. We monitor human rights in tea at a local level through The International Roundtable for Sustainable Tea (THIRST).
8. We follow responsible purchasing guidelines as outlined by the Ethical Tea Partnership <https://ethicalteapartnership.org/responsible-purchasing-practices/>
9. As outlined in our Ethical and Human Rights Policy, we will only work with suppliers who adhere to our Code of Conduct to safeguard the rights of workers, including by ensuring all Occupational Safety Health and Environment (OSH&E) rights are met. Regular audits for certification (i.e. Rainforest Alliance) measure certificate holders' health and safety protocols, updated risk assessments and compliance, including that workers are fully trained to those standards and aware of their health and safety obligations. Further to this, Typhoo corroborates such standards in person when our Responsible Sourcing Manager visits tea estates.
10. We are fully committed to the introduction of social premiums in our tea as part of the new Sustainable Agriculture Standard within Rainforest Alliance. The Sustainability Differential and the Sustainability Investment are meant to be paid on top of market prices. Our hope is that by introducing premium value per KG attached to the teas we buy, we can help to increase the low value of tea across the supply chain. This in turn will not only improve wages and conditions for workers, but it will also allow farmers to commit to sustainable business practices, creating a sustainable industry for the future.

The reported incidents

Our supplier list is in continuous development based on the most recent information available at the moment of buying. We provide annual (or more frequent if requested) updates on our website. In 2022, we have only purchased, or used in our blends from remaining stock, tea from a fraction of the mentioned tea estates. Details are outlined below:

1. **Bugambe, Uganda** - as Rainforest Alliance certified, they are one of our key suppliers in Uganda. Our Responsible Sourcing Manager personally visited McLeod Russel Uganda tea estates in April 2021, including Bugambe, where they seemed to show exemplary practices on social protection (hiring refugees in partnership with UNHCR) and exceptional environmental protection. The key limitation observed during the visit was the challenges of the economics of the tea supply chain – low tea prices limit the capacity of investing in farms' development and additional wellbeing programmes.

We have attached a message from McLeod Russel Uganda as part of our investigation into the matter that highlights the solution was 'amicably solved'. We also requested a statement from The Uganda Tea Association, but haven't received a response.

2. **Sri Lanka** - the farms are on Typhoo's approved list as they are Rainforest Alliance certified. We have been closely monitoring the appalling economic crisis Sri Lanka has been through 2022. The small amounts of tea sourced from this origin and these producers hinder the leverage to we have as buyers to improve it. We are working with Ranfer, our agent in Sri Lanka, to get a deeper understanding of the situation in the context of the media report and the statement (attached) from The Planters' Association of Ceylon.
3. **India, Apeejay Tea** - since Apeejay Tea gardens are no longer Rainforest Alliance certified, these gardens have been delisted from our sourcing.
4. **India, Darjeeling Organic Tea** - We have consulted with the Ethical Tea Partnership (ETP) as part of our investigation into these reports, who have expressed the issues of strikes and protests about non-payment of wages and bonuses as part of the bigger economic problem facing the entire Darjeeling tea industry.

The following link explains in more detail the factors that have led to the economic decline: [Darjeeling Tea Industry Crisis \(studyiq.com\)](#) & [Darjeeling tea: All you need to know about the crisis that crippled the GI-tagged beverage | News9live](#)

Major problems that are pertinent at the moment are as follows:

- Low yields
- Very high cost of production
- Lower prices
- Competition from imported Nepal tea

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- Political troubles and union clashes earlier derailed exports and they lost a lot of their export market.

Most of the Estates are facing these issues in Darjeeling. In the case of DOTEPL, the company has gone into insolvency and bank liquidation. Several properties are now being considered for alternative uses and not as standalone tea estates.

5. **India, Lepetkata Tea Estate Assam** - as Rainforest Alliance certified, the estate is on our approved list however it is not in our supply chain. We have not purchased or blended tea from that estate in 2022.

However, as Luxmi Tea is a trading partner on other origins, we have consulted with the Ethical Tea Partnership whose team in India reached out to Luxmi directly. The following are the details on the case of the health and safety incident of the girl whose hair was caught in the CTC machine (Lepetkata Tea Estate in Assam):

The Luxmi tea representative explained that the worker crossed a demarcated line. The worker was immediately given treatment in Dibrugarh and then shifted to Guwahati hospital. Immediate action was taken to give her the best treatment. The girl is under Luxmi Tea Garden's care, full wages are being given, apart from workmen compensation, as per government law.

To support further information gathering, the following report link gives more details of the incident and criticism of the management of Dibrugarh's Lepetkata Tea Estate, owned by Luxmi Tea Company Private Ltd can be found here: <https://www.britsafe.in/publications-and-blogs/safety-management-magazine/safety-management-magazine/2022/india-s-tea-gardens-poor-conditions-persist/>

Additionally, Luxmi Tea has expressed their openness for further engagements to enhance worker awareness and improvements in H&S practice. They explained that they employed two quality agencies- Cotecna & IRQS for imparting safety awareness training to workers with the aim of making each factory a zero-accident unit.

Regrettably, the most serious risks of human rights abuse tend to occur further down the supply chain, where we may not have direct worker access.

We have published a new Supplier Code of Conduct, with expectations made clear that suppliers have the responsibility to inform us should an incident arise, so that we can collaborate on remediation. This is not always the case, but we will continue to work closely with our tea suppliers and NGOs to ensure that we can be part of the solution when incidents do arise.

How we are responding to the BHRRC allegations

As outlined above, work has already begun to understand the issues raised and find ways to support our suppliers in a resolution. These steps include:

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1. Putting on hold all sourcing or usage from tea estates when we hear allegations.
2. Investigating by talking to the management of these producers, to our contacts on the ground in these countries, getting statements from the Tea Board and Planters Association, and corroborating information through the Ethical Tea Partnership's in-country teams.
3. Where necessary, we are revising our relationship with these suppliers. Where we can, we want to support them in finding solutions. If that is not possible, we will remove them from our approved supplier list.
4. We will continue to closely monitor working conditions throughout our supply chain paying particular attention to the countries and suppliers mentioned in the BHRRC's latest report, via our ongoing programme of social audits.

We thank the BHRRC for holding companies accountable to our responsibility towards our supply chains, and for bringing these specific instances to us. Nonetheless, most of the quoted situations are not isolated cases, but relate to the strenuous economics of tea. The ongoing cost of living crisis and rising production costs is affecting both workers and the profitability of our global supply chain, creating a very difficult balance to strike for producers. This is something that Typhoo is highly aware of, and responding to as detailed in the section above on our ongoing responsible sourcing practices. We do our best to be abreast of the challenges of the tea industry and to collaborate with the rest of stakeholders to take part in a systemic solution.

For further information on Typhoo's approach to ethical sourcing, please refer to our Ethical and Human Rights Policy, Supplier Code of Conduct and Modern Slavery Statement.

<https://www.typhoo.co.uk/typhoo-csr>