

## **Boiling point** STRENGTHENING CORPORATE ACCOUNTABILITY IN THE TEA INDUSTRY

MAY 2023

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## **Executive summary**

The tea industry faces challenging times. Production costs continue to rise while <u>prices remain depressed</u>, due in part to global oversupply. <u>Climate change poses an existential threat</u>, making growing conditions tougher and less predictable. In these difficult economic circumstances, it is workers and their communities who pay the price – through <u>dangerous plucking quotas in exchange for poverty wages</u>, <u>systemic sexual harassment and violence</u> and even loss of livelihood, housing and food rations when <u>management abandons unprofitable estates</u>.

At the same time, the multinational companies selling tea to consumers continue to turn huge profits. As this report demonstrates, tea companies, and the policymakers who regulate their activities, are obliged to confront and address abuses endemic to tea supply chains, and to commit to supply chain transparency to allow these violations to surface. While important progress by the tea industry is noted – including through the existence of human rights policies and an awareness of the importance of human rights diligence – this analysis demonstrates the gaps between policy and practice which remain, with tea workers across the world suffering from this divergence. There is little hope for fundamental change in the sector without strong action to eradicate human rights abuse from tea supply chains by producers, tea buyers and government.

In this report, the Business & Human Rights Resource Centre (the Resource Centre) demonstrates use of its <u>Tea Transparency Tracker</u> (the Tracker) and data held by <u>Open Supply Hub</u> to link 70 allegations from 28 publicly available sources identified in 2022 at the supplier level to 16 tea buyers: **Ahmad Tea, Bettys & Taylors**, **ekaterra, Goodricke, James Finlay, Jenier, Marks & Spencer, Morrisons, Plus, Ringtons, Starbucks Teavana**, **Tesco, Tetley, Twinings, Typhoo** and **Unilever**. These include allegations from estates and factories in India, Sri Lanka, Bangladesh, Kenya and Uganda, concerning violations which can be grouped into three key categories: the right to freedom of association, health and safety infringements, and abuses related to wages, benefits and living standards. The full list of allegations is included in <u>Annex 2</u>.<sup>1</sup>

While the Resource Centre's regular media monitoring surfaced these 70 allegations, most abuses go unreported and, therefore, are not captured in this report. As such, while this analysis sheds light on key trends, abuses and regional hotspots, the reported allegations are only the tip of the iceberg. Nevertheless, they provide a foundation for interrogating major tea companies' commitment to and effectiveness in identifying, preventing and responding to rights issues associated with the tea industry – in line with the normative framework of the <u>United Nations Guiding Principles on Business and Human Rights</u> (UNGPs), which establishes companies' responsibilities in relation to supply chain due diligence.

<sup>1</sup> Some companies sell tea under one or more brand name. Brands associated with each tea buyer are listed on the relevant company pages on the Resource Centre's website. The case study on Page 8 explores how lack of clarity and frequent changes to brand and company names can impede accountability.

All 16 buyers linked to the allegations of abuse were asked general questions on their response to the allegations. Tea buyers were also asked specific questions depending on the nature of allegation(s) to which they were linked. Importantly, only one company (**Plus**) failed to respond to the Resource Centre's request for information. This high response rate is itself an important step in the right direction in respect of transparency and willingness to engage with civil society. Most companies reported having human rights policy commitments in place and took the allegations brought to their attention seriously, with 14 – all but **ekaterra** – stating they had initiated investigations into the identified allegations. This demonstrates the value of greater supply chain disclosure to ensure corporate accountability in the tea sector, and positions those who have disclosed and responded to linked allegations as industry leaders in terms of transparency.

Yet the <u>responses</u> generally lacked detail on how policy commitments are implemented in practice, and reflected a failure to engage with root causes, as well as a concerning lack of engagement with workers and their representatives.

#### Other key findings:

- A need to go beyond certification. Companies demonstrated an increasing awareness of the limitations of certification, but there remains an over-reliance on certification standards such as Rainforest Alliance and Fairtrade to "guarantee" protection of human rights.
- An urgent need to mitigate human rights impacts through purchasing practices. In general, companies recognise entrenched human rights challenges within the tea supply chain but need to do more through their core business practices to drive lasting change.
- Full supply chain transparency is essential. There can be no accountability for human rights abuses without transparency and there is an ongoing need to ensure full transparency across the industry.
- Industry consolidation requires scrutiny. Changing ownership structures and the increasing role of private equity in that process must be scrutinised from a rights perspective.

The tea industry is <u>dominated by a handful of large multinational corporations</u>, with a high degree of vertical integration – and concentration of value at the top – compared to other commodities such as coffee and cocoa. This gives a small number of companies huge power and leverage over other actors in the supply chain and, therefore, the greatest responsibility for transforming the industry and ensuring all participants in the supply chain can thrive. With the emerging global shift from voluntary to mandatory due diligence, including via the European Union's proposed <u>Corporate Sustainability Due Diligence Directive</u> (the EU CSDDD), these companies may have little choice. *The Resource Centre estimates 11 out of the 16 companies contacted for this research will be covered by the scope of the EU CSDDD, based on their size and countries of operation.* 

This report's findings indicate the need for greater action by leading tea companies to implement their commitments to the UNGPs, comply with emerging legal requirements and ensure worker welfare along their supply chains.

#### Summary of recommendations

#### **Recommendations to companies**

The Resource Centre identified four key focus areas for action by companies:

- S Full supply chain transparency. Companies should publicly disclose full, regularly updated supplier lists.
- Purchasing practices, business relationships and contracting arrangements. Companies should address the impact of core business practices on human rights, for example through pricing, developing long-term supplier partnerships and targeting the root causes of adverse impacts, such as precarious contractual arrangements.
- More rigorous due diligence processes. Companies should undertake thorough risk assessments of their whole supply chain, without shifting the burden to suppliers; prioritise engagement with stakeholders, including workers; and ensure the right to freedom of association is protected in practice. Certification should be seen as a minimum requirement, rather than a guarantee of human rights protection.
- Advocacy. Companies should lead individual and collective efforts to reform the systems perpetuating poor conditions in the tea sector and lend support to due diligence legislation and regulation to ensure a level playing field.

#### **Recommendations to policymakers**

In **destination countries**, policymakers can effect positive change by implementing stronger human rights due diligence legislation. This should include mandating supply chain transparency, requiring worker engagement from companies, and expanding the scope of due diligence required to include the whole supply chain, not just the top tiers.

In **producing countries**, policymakers should ensure labour laws are implemented, with particular attention to commonly occurring violations – including health and safety protections, timely payment of wages, working time limits and rest breaks, freedom of association and gender discrimination and sexual harassment. Minimum wages should be boosted through tripartite negotiations with trade unions and industry and the exclusion of in-kind benefits from wage calculations.

Boiling point: Strengthening corporate accountability in the tea industry

## An industry in crisis

The <u>COVID-19 pandemic</u> and the challenging global economic circumstances which followed it exacerbated what was already an extremely difficult outlook for tea producers. Declining demand for tea in western markets, labour shortages and unfavourable currency exchange rates have all contributed to an <u>industry-wide crisis</u>, decades in the making. Many estates, particularly in India, <u>have been forced to close</u>, while others are fighting for survival. Market prices have <u>barely changed over twenty years</u>, while costs of production continue to rise – intensified by the war in Ukraine which has increased <u>shipping</u>, <u>fuel and fertiliser</u> costs in key tea growing countries.

On top of this, tea is largely grown in parts of the world <u>most vulnerable to climate change</u>. Erratic weather patterns are already disrupting growing seasons and contributing to <u>lower yields and a lower quality product</u>. <u>Fifteen of India's 25 most climate-vulnerable districts are in Assam</u>, its main tea-producing state. In Kenya, which produces close to half of all the tea consumed in the UK, it is estimated the area of optimal tea-growing conditions will be <u>reduced by more than a quarter</u> by 2050.

#### Structural inequalities

Underpinning these existential challenges is an industry structure that is ill-designed to support decent conditions for workers. A model of estate governance inherited from the colonial era traps workers and their families in a system of dependency on estate management – which, in many of the largest producing countries, is legally obliged to provide necessities including food, housing and healthcare. At the same time, power and value is highly concentrated at the top of the supply chain. A handful of large buyers forms an oligopsony towards which the auction system, which accounts for most tea sales, is <u>heavily skewed</u>. In this context, producers have little choice but to meet the demands of buyers, who too often use their position to <u>place downward pressure on prices</u> within the supply chain. This is compounded by market forces, with a <u>growing global oversupply of tea</u> (albeit of decreasing quality), despite increasingly challenging growing conditions.

#### Workers pay the price

Ultimately, it is workers and their families who bear the brunt of these price squeezes. They face <u>poverty wages</u>, <u>unpaid overtime</u>, recurrent indebtedness and degrading and unsafe living and working conditions – including <u>endemic sexual harassment and abuse</u>.

As estate managers look to cut costs in an increasingly unprofitable industry, there is a growing trend towards the use of temporary contracts, third-party labour providers and <u>other precarious employment arrangements</u>. These heighten workers' vulnerability to abuses, including sexual exploitation and health and safety violations, and make it more difficult for workers to unionise to collectively defend their rights. Labour shortages and rising costs have also driven many producers – especially in east Africa – to mechanise production. For example, tea plucking jobs across six of the largest tea companies operating in Kericho county, one of Kenya's key tea-growing regions, <u>have reduced by 80%</u> due to mechanisation – with 10,000 workers now engaged where there used to be 50,000. Workers who fill the remaining positions must accept worse conditions out of fear of being replaced. As the majority of the plucking workforce, women are <u>disproportionately affected</u>.

#### Moving the needle

The multinational companies at the packaging, branding and retail end, who are reaping the greatest profits, bear the greatest responsibility for transforming the industry and ensuring all participants in the tea supply chain can thrive. This must include changing business practices if, in their current form, they cannot support decent wages and conditions for workers and an adequate standard of living for their families. It is also incumbent upon policymakers – at the regional, national and international level – to enact and implement legislation to support this transformation.

A prerequisite for change is full transparency from companies about where they are sourcing their tea. The auction system means there is considerable flux in individual companies' supply chains from year to year, but it does not preclude transparency.

#### Supply chain transparency

- → What is it? Supply chain transparency means publicly available, up-to-date information about where companies are sourcing their tea. This should, at a minimum, include all producer and processing level suppliers.
- Why does it matter? Without knowing where companies are sourcing their tea, workers, trade unions, civil society and consumers cannot hold companies accountable for rights abuses occurring in their supply chains. Workers have a right to know which companies are profiting from the tea they pluck, and from which they can seek redress in the event of rights violations. Making their supply chain information public can also help tea buyers address human rights risks as it enables other actors, such as civil society organisations, to make them aware of rights abuses that might otherwise go undetected. Transparency can also support collaborative action from buyers; knowing which other companies source from the same suppliers enables companies to work together to influence change at production level.
- → Is it a legal requirement? Disclosing supplier information is not currently a legal requirement under any existing or emerging human rights due diligence legislation. However, transparency is a critical prerequisite for effective supply chain due diligence. Companies which do publish supply chain information will, therefore, be better placed to comply with upcoming legislation such as the <u>EU CSDDD</u>.

## Who wins and who loses from the sale of tea businesses?

In July 2022, **Unilever** <u>completed the sale of its tea business</u> – **ekaterra** – to the CVC Capital Partners Fund VIII for €4.5 billion. The transaction transfers ownership of the PG Tips, Lipton and Brooke Bond brands, along with plantations in Kenya, Rwanda and Tanzania, but excludes **Unilever**'s tea business in India, Nepal and Indonesia, as well as **Unilever**'s interests in the Pepsi Lipton ready-to-drink Tea joint ventures and associated distribution businesses.

The **Unilever** deal is a high-profile example of an increasing trend of investment firms buying up struggling tea companies: it follows **James Finlay's** sale of its Sri Lankan estates (comprising 30 tea farms and 20 processing centres nationwide) to Sri Lankabased investment firm Browns, and <u>the sale of Darjeeling Organic</u> <u>Tea Estates Pvt Ltd</u> (DOTEPL) – Darjeeling's largest tea producer, comprising 14 estates – to a group of European investors, led by Artava AG and Auwa GmbH.

Media reports described the ekaterra sale as "a testing ground for how private equity groups approach workers' pay, conditions and safety in a climate where investors are scrutinising their ethics." The decision by two of the final three bidders for ekaterra (Advent International and Carlyle) to pull out is reportedly attributed, at least in part, to concerns around historic allegations against Unilever and associated social and reputational risks. Although CVC stated, "there is a real opportunity here to act as a responsible ESG-focused investor", there is good reason for labour rights advocates to treat these sales with a degree of scepticism. It is difficult to see how turning a quick profit through the acquisition of struggling businesses, in a sector facing increasingly challenging economic conditions, is compatible with the protection of workers' rights. It is also much harder for advocates to hold a private equity firm like CVC to account than a public company such as **Unilever**, which is beholden to its shareholders and subject to more stringent requirements around transparency and reporting. Any additional complexity in ownership structure also makes it harder for workers and advocates to know where to direct complaints and on what basis. Frequent changes of ownership and/or company and brand name, especially when poorly communicated, can lead to confusion among workers and unions, further obscuring lines of accountability.



### At a glance

#### Human rights abuses in the global tea sector in 2022

This graphics provide a snapshot of the types of rights violations recorded in 2022, where they have been reported to occur and the rights affected. See Annex 2 for a full list of the estates and factories at which alleged abuses occurred and the buyers to which they are linked.

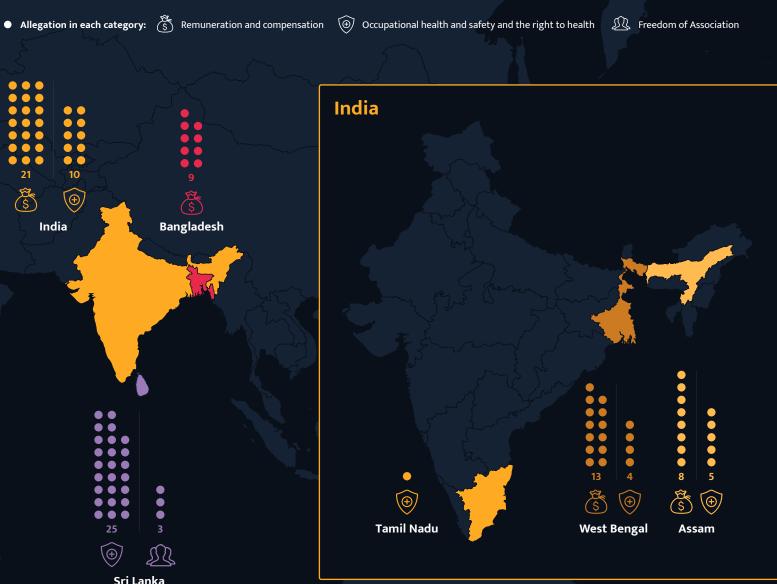
#### The response from tea buyers

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16 companies were linked to allegations - Ahmad Tea, Bettys & Taylors, ekaterra, Goodricke, James Finlay, Jenier, Marks & Spencer, Morrisons, Plus, Ringtons, Starbucks Teavana, Tesco, Tetley, Twinings, Typhoo and Unilever. One (out of 16) did not respond – Plus.



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# Addressing labour rights issues in tea supply chains

Using its <u>Tea Transparency Tracker</u> (developed in 2021 in partnership with Wikirate) and data from <u>Open Supply Hub</u>, the Resource Centre identified 16 brands and retailers buying from the factories and estates where 47 of the 70 alleged human rights abuses occurred – **Ahmad Tea**, **Bettys & Taylors**, **ekaterra**, **Goodricke**, **James Finlay**, **Jenier**, **Marks & Spencer**, **Morrisons**, **Plus**, **Ringtons**, **Starbucks Teavana**, **Tesco**, **Tetley**, **Twinings**, **Typhoo** and **Unilever**. The remainder of abuses occurred on estates and in factories not listed in the public domain, and so their buyers remain unknown.

Tea buyers were asked general questions on their response to the allegations. They were also asked specific questions depending on the nature of allegation(s) to which they were linked – i.e. remuneration and compensation, freedom of association and occupational health and safety. The <u>United Nations Guiding</u> <u>Principles on Business and Human Rights</u> (UNGPs) establish companies' responsibility to undertake due diligence to *"seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts."* Therefore, analysis of the responses sought to understand the effectiveness of systems in place to identify, prevent and mitigate adverse human rights impacts in tea supply chains. See <u>Annex 1</u> for methodological limitations and information gaps.

#### Mandatory human rights due diligence

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The normative framework set out in the UNGPs is increasingly becoming a legal requirement for companies – with a growing body of legislation, principally the upcoming EU CSDDD, obligating companies to take responsibility for supply chain human rights abuses. The Resource Centre estimates the EU CSDDD will apply to 11 out of 16 companies contacted for this research, based on their size and countries of operation – but the findings below indicate the industry needs to go further to comply with these legal requirements.

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#### **Key findings**

- → There was a high response rate to the Resource Centre's outreach. All but one of the companies the Resource Centre contacted in relation to the allegations responded. Most companies answered each question with detail and examples. Full responses (or non-responses) for each company can be found on our website.
- Human rights policy frameworks are largely in place. Most companies cited their human rights policy and specific policy commitments related to the rights categories in question.
- There remains an implementation gap. While companies show overall policy commitments to human rights, reflected in "expectations" placed on suppliers, there is limited evidence on how these commitments are implemented in practice.
- There is a need to go beyond certification to ensure protection of human rights. Companies demonstrated an increasing awareness of the limitations of certification, but there remains an over-reliance on certification standards, like Rainforest Alliance and Fairtrade, to "guarantee" protection of human rights. While certification schemes can confer some meaningful benefits for example uplifts to earnings through Fairtrade premiums and the Rainforest Alliance Sustainability Differential they cannot be seen as a substitute for robust human rights due diligence. The ongoing poverty and abuse workers suffer, even on certified estates, was vividly demonstrated in the BBC Panorama documentary on sexual abuse on Kenyan tea plantations two of which were Rainforest Alliance certified.
- There is a need to mitigate adverse human rights impacts through purchasing practices. In general, companies recognise entrenched human rights challenges within the tea supply chain but fail to acknowledge their ultimate responsibility for driving change through their core business practices.
- OBuyers must account for the tea sector's unique governance model. It is the responsibility of tea buyers to ensure sufficient value reaches the lower end of the supply chain to enable estate management to provide food, housing, educational facilities and medical care to workers and their families. In key producing countries, such as India and Kenya, estates are legally required to provide these necessities.
- → Full supply chain transparency is essential. This report demonstrates the value of more widespread supply chain disclosure to ensure corporate accountability in the tea sector. Those who have disclosed and responded to linked allegations are the industry leaders in terms of transparency. While these companies include some of the largest global tea buyers, there remain many more which have not made details of their supply chains public.
- Companies demonstrated insufficient engagement with stakeholders. Companies' due diligence should focus on the highest-risk parts of the supply chain, not those easiest to reach. Worker and community engagement in these contexts can be facilitated by engaging with local trade unions and civil society organisations, respectively.

#### **Responding to human rights harms**

All 16 companies linked to one or more of the allegations were asked:

- ② Were you previously aware of these allegations? (If only some, please specify which)
- (?) How do you plan to respond to each allegation (including any plans to investigate or remedy the issue)?
- (?) Is there any further information you would like us to know in relation to the allegations and your response?

The company responses revealed some key gaps, as well as better practices.

#### Key gaps

- Shifting the burden for risk assessment. Companies have a responsibility under the UNGPs, and it is hoped under emerging due diligence legislation, to identify and mitigate risk along their whole supply chains. However, **Morrisons** stated it relies on its first-tier supplier to undertake supply chain risk assessments, rather than doing so itself.
- Relying on industry, rather than direct engagement with workers, trade unions and civil society. Companies cited engagement with the Plantation Association of Ceylon and the Ethical Tea Partnership, of which <u>10 companies</u> contacted are members. However, only two companies (Tetley and Twinings) cited direct engagement with workers in relation to investigation of these cases and/or routine human rights due diligence. The apparent lack of direct engagement with workers and their representatives signals a disconnect between companies' policy commitments and their implementation, and means information presented in relation to human rights risks and impacts is likely to be one-sided. Starbucks Teavana, Typhoo and Ahmad Tea stated they rely on suppliers to report human rights-related concerns and breaches. Ongoing dialogue between suppliers and buyers is encouraged, but buyers should note that in highly challenging economic circumstances, there is little incentive for suppliers to report human rights concerns to buyers, which may cut ties in response.
  - When we receive any reports of abuses on estates that we buy from we first go through a process to verify the reports by gathering any necessary data, directly contacting our suppliers and industry partners (such as the Ethical Tea Partnership) and reviewing responses to consider any new evidence."
     Bettys & Taylors
  - **C** 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." **Typhoo**
- Ensuring rights abuses are adequately remedied. No companies explained how they had remedied rights abuses to which they were linked, for example by engaging with trade unions to ensure unpaid wages were backpaid, engaging with unions and suppliers to mitigate the impact of sudden estate closures on workers and residents, or ensuring injured workers received adequate medical treatment.

#### **Better practice**

- Solution James Finlay, Goodricke, Twinings and Unilever said they were previously aware of the allegations indicating some effective processes for identifying supply chain human rights harms.
- I4 companies (all that responded except ekaterra) said they had investigated the cases brought to their attention.
- Tetley and Typhoo stated their buying teams undertake visits to tea estates to better understand conditions at production level.
- Bettys & Taylors and Tetley cited supply chain grievance mechanisms through which workers, communities and stakeholders along the supply chain can report human rights abuses and raise complaints.
- Twinings undertakes "Community Needs Assessments" at estate level, in partnership with <u>Chrysalis</u>, a Sri Lanka-based NGO, engaging directly with workers to understand issues.
- ⊘ Tetley and Twinings referred to worker engagement as part of their ongoing due diligence.
  - **C** *There's no substitute for seeing estates first hand and talking and listening to those that work to produce the tea we buy" Tetley*
- ⊘ Tetley and Bettys & Taylors referred to their own media monitoring processes to identify risk.
- Tetley has invested in training producers on the requirements of the Rainforest Alliance certification standard and supporting them to mitigate challenges faced in meeting the conditions of the standard.
- Three companies (Bettys & Taylors, Ringtons and Tetley) identified the importance of long-term partnerships with suppliers in identifying, preventing and responding to human rights issues in the supply chain.
- Ahmad Tea provided direct assistance (including food rations) to more than 6,000 tea workers and their families in response to the economic crisis in Sri Lanka.



#### Supply chain transparency

Although not currently a requirement under the EU CSDDD, transparency is a critical prerequisite for effective supply chain due diligence.

Supply chain information from 20 companies disclosed in December 2021, together with data held by the <u>Open Supply Hub</u>, enabled the Resource Centre to identify buyers related to 47 of the 70 identified allegations of human rights abuses and bring these issues to the attention of companies. However, a further nine allegations could not be linked to buyers. There is, therefore, a need for the industry as a whole to move towards transparency.

**C** We recognise the role that transparency can play in helping create more resilient and sustainable supply chains. Being open about where we buy from and how we buy can help us to drive progress against the standards we seek." – **Bettys & Taylors** 

All 16 companies were asked to confirm whether the estates and companies to which they were linked (through their 2021 disclosure) remained part of their supply chain in 2022.

- → Fourteen companies (all of those that responded, except ekaterra) confirmed whether the named estates and factories remain in their supply chain.
- **Nine companies** have updated or committed to updating their public supply chain disclosure in full:
  - Six companies (Tesco, Marks & Spencer, Morrisons, Bettys & Taylors, Twinings, Ringtons and Tetley) already publish this information on their own websites.
  - One company (Typhoo) shared updated details of its supply chain with the Resource Centre for inputting to public platforms.
  - Two (Ahmad Tea and Unilever) signalled an intention to publish an up-to-date supplier list in the next 12 months.

See <u>Annex 2</u> for a full list of suppliers where rights violations allegedly occurred, the tea buyers linked to those suppliers through 2021 supply chain disclosure and whether tea buyers continued to source from the named suppliers in 2022.

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#### No accountability without transparency

A <u>BBC Panorama documentary</u>, which aired in February 2023 (after the monitoring period for the analysis in this report), brought international attention to widespread sexual exploitation occurring in relation to tea production in Kenya. It also highlighted greater transparency from tea buyers as a crucial first step for providing remedy for victims of these abuses and preventing them from occurring in the first place.

While the documentary named three brands and retailers as buyers from the plantations in question (**Tesco**, **Starbucks Teavana** and **Sainsbury's**), the Resource Centre was able to use its <u>Tea Transparency Tracker</u> to link the allegations to a further seven companies: **Ahmad Tea**, **Bettys & Taylors**, **Jenier**, **Ringtons**, **Morrisons**, **Twinings** and **Typhoo**. Company responses to the Resource Centre on these allegations can be found <u>here</u>.

The women, who were subjected to serious abuses including rape, alleged that mechanisms for reporting abuses at plantation level did not work: their complaints went unheard or were ignored. Moreover, workers and their advocates did not know about all the reporting channels, including those available through the buyers, as they did not know all the buyers connected to the estates. This is further support for the value of tea buyer transparency: workers who know which companies are profiting from the tea they pluck are more likely to understand avenues for reporting and remedy in cases like these.

It is also beneficial for buyers to know which other companies are sourcing tea from the same estates to enable buyers to tackle the issue collaboratively – leveraging their collective buying power to make changes at farm level. Given the serious and traumatic nature of the allegations in this case, this is even more important to ensure survivors are not retraumatised by overlapping investigations from different companies.



#### **Preventing human rights harms**

In addition to the general questions asked to all companies, the Resource Centre asked companies specific questions depending on the nature of allegation(s) to which they were linked – i.e. remuneration and compensation, freedom of association and occupational health and safety. These questions sought to understand the systems in place at buyer level for protecting these rights and identify gaps which might make these kinds of abuses more likely to occur.

In some cases, companies confirmed they did not source in 2022 from certain suppliers. Nevertheless, based on companies' own disclosure, these suppliers were part of their supply chain during 2021 and may remain on approved supplier lists. See <u>Annex 2</u> for a full list of allegations, companies linked and discrepancies between 2021 and 2022 supply chain data.

#### **Remuneration and compensation**

Fifteen of the identified allegations related to wages, benefits and compensation. This attests to the huge – and growing – gap between the wages paid to tea workers and a living wage in a range of locations around the world. Workers are also suffering from estate managers' responses to rising production costs. In extreme cases, the challenging economic circumstances have led to <u>wholesale abandonment of estates</u>, with wages and benefits unpaid and food rations not provided.

Of the 16 companies linked to any allegations, 14 (**Ahmad Tea**, **Bettys & Taylors**, **James Finlay**, **Jenier**, **Ringtons**, **Starbucks Teavana**, **Tesco**, **Tetley**, **Unilever**, **Twinings**, **Marks & Spencer**, **Morrisons**, **ekaterra**, **Typhoo**) were linked to one or more allegation concerning wages. Those companies were asked how they ensure workers in their supply chains receive a fair wage.

Five companies (**Ringtons**, **Tetley**, **Unilever**, **Morrisons**, **Typhoo**) were linked to allegations concerning nonprovision of non-wage entitlements to workers. These companies were asked how they ensure tea suppliers comply with legal obligations to provide housing, rations and other (non-wage) entitlements to workers.

Five companies (**Tesco**, **Tetley**, **Unilever**, **Morrisons**, **ekaterra**) were linked to allegations relating to the human rights harms to workers and residents of estate closures, partial sale or other changes in business structure. They were asked how they ensure workers have access to appropriate compensation and remediation in these circumstances.

#### Key gaps

- Reliance on policy commitments and expectations. Ten companies (Ahmad Tea, Bettys & Taylors, Marks & Spencer, Starbucks Teavana, Tesco, Tetley, Twinings, Morrisons, Typhoo and Unilever) cited policy commitments on wages, but there was a lack of information about how these commitments are implemented.
- Five companies (Morrisons, ekaterra, Ringtons, Marks & Spencer, Tetley) gave responses some with almost identical wording – indicating a deflection of responsibility for uplifting wages, shifting the burden to other actors such as the local government and their suppliers. While undoubtedly complex, companies have a responsibility to ensure decent wages and livelihoods for workers and their families in their supply chains.
  - **CC** We recognise that wage issues in tea supply chains are complex, caused by a multitude of factors and cannot be addressed by one stakeholder alone. Problems include but are not limited to: low minimum wage levels set by governments; the prevalence of informal, low paid labour; the historically low retail price of tea; and business practices that can result in downward competitive pressure." **Morrisons**
  - **C** We would like all workers in the tea industry to receive a Living Wage. However, we recognise that wage issues in supply chains are complex; they are caused by a multitude of factors and cannot be addressed by one stakeholder alone." **Ringtons**
- (\*) **Tesco, Starbucks Teavana and Tetley cited their requirements for all suppliers to pay the legal minimum wage.** While a necessary minimum requirement, this is also inadequate. Tea buyers should instead require a true living wage throughout their supply chains and ensure prices paid to suppliers can support this. The legal minimum wage for tea workers in most producing countries falls far short of what is needed to support a decent standard of living, and <u>in the case of Uganda</u>, has remained at the same level for decades.
- Solution Limited engagement with the impact of purchasing practices on human rights. From companies' responses, there appears to be little engagement with suppliers or engagement with other actors, such as state governments, trade unions and civil society organisations, to mitigate the effects of estate closure or sale or changes in business structure for workers and residents. Companies need to do more to understand the long-term, structural changes to their business practices which are needed to ensure producers can provide housing, schools, food and other entitlements to workers.

#### **Examples of better practice**

- Our cited a time-bound commitment to living wages for supply chain workers (by 2030), though did not explain how this commitment would be realised in practice.
- Settys & Taylors named workers as a stakeholder group which must be included in living wage benchmarking studies conducted through multi-stakeholder initiatives (MSIs) like the Sustainable Trade Initiative (IDH). As this company has recognised, workers and their representatives must be consulted in relation to understanding and addressing gaps between wages paid and what it would take to ensure a decent standard of living. Participation in MSIs alone is not a stand-in for direct engagement with these groups.
- Tetley set out how commitments to living wages would be realised in practice stating it has agreed letters of intent with several estates, in which a living wage is incorporated within the contract price. In some cases, this is above the previously agreed contracted price of tea (it is not clear how this uplift will be paid in other cases). Tetley states critical check points have been incorporated into these agreements to ensure any additional money provided reaches the intended beneficiaries.
- Tetley also cited a long-term programme on specific estates in Assam to improve the living and working conditions of workers, including in relation to housing, sanitation and hygiene, education and healthcare.



#### **Occupational health and safety**

Eleven of the identified allegations relate to occupational health and safety and the right to health. Workers and labour rights groups highlight <u>widespread non-compliance</u> from estate and factory management with health and safety requirements, relating to provision of personal protective equipment (PPE) and adequate training and guidelines – for example, relating to use of machinery. The reports also revealed animal attacks are a key concern in the remote, forested areas where tea is grown. These attacks are on the rise due to the <u>encroachment of tea plantations into forest land</u>, shrinking and denuding the natural habitat of wild animals and forcing them onto estates – but management negligence is reportedly also a factor. In some cases, occupational injuries are compounded by inadequate – or a complete lack of – healthcare facilities on estates.

Six companies (**Ahmad Tea, Tetley, Unilever, Morrisons, Goodricke** and **Typhoo**) were linked to allegations related to workplace health and safety. They were asked how they ensure tea suppliers have adequate risk assessments and measures in place to mitigate risks and protect workers from harm.

#### Key gaps

- Five companies (Ahmad Tea, Tetley, Unilever, Morrisons and Typhoo) simply referred to policy commitments and certification requirements on health and safety, without detail on how these are implemented throughout the supply chain.
- ⊗ When asked to respond to a concern on wages, Ahmad Tea pointed to its Social Responsibility Standards which call for suppliers to "work collaboratively ... to find a fairer way to calculate earnings away from the practice of being paid on a piece-rate basis." Ahmad Tea reiterated in subsequent correspondence that it does not support piece rate systems. It also provided the below response:
- **CC** The disputes in the BHRRC Report have arisen from the fact that some harder working and therefore more productive tea workers were being paid in excess of Rs. 1000, whilst the least productive workers were getting paid Rs. 880. The decision by the wage board to establish the minimum daily rate to go up to Rs. 1000 caused payment to move away from a productivity-based wage regime to a minimum daily wage regime. This unsettled those workers who had been earning more than Rs. 1000 by being more productive and working more hours. Incidentally, several models presented by the Regional Plantation Companies requesting for the productive workers to earn more than the daily minimum rate of Rs 1000, was rejected by the trade unions taking this collective action to the wage board." (See <u>full response</u> on the Resource Centre's website.)

Piece rate systems typically go against international good practice (see for example: the ILO's <u>Minimum</u> <u>Wage Policy Guide</u> and Fair Labor's guidance on <u>Forced Labor in Supply Chains</u>) as they incentivise working long hours at high speed and carrying heavy loads to earn a decent wage. Tea plantation workers in Kenya are currently highlighting the negative impacts of this wage model on health and safety through the <u>ongoing court case against James Finlay</u> brought by more than 1,000 current and former workers.

#### **Example of better practice**

Goodricke referred to its engagement with suppliers on risk assessment processes specific to the region and sector, citing worker awareness raising and training in relation to health and safety risks, such as animal attacks.

#### Freedom of association and collective bargaining

Two allegations related to <u>harassment and intimidation</u> and/or <u>dismissal</u> of workers on the basis of union or other collective action. As workers' wages and conditions are continually squeezed, it is vital they have recourse to defend their rights and demand a response from the industry, as well as bring attention (from buyers and others) to their cause. Yet the reports of serious alleged attacks by employers on this fundamental right show it is under threat.

**C** Mechanisms must be in place to enable workers and their representatives to advocate for remuneration that suits their needs, including supporting workers to engage in unions and ensuring that workers are aware of and able to exercise their rights" – **Jenier** 

#### Workers defending their rights

Many of the allegations related to wages and health and safety issues were reported through the lens of protests and demonstrations which occurred in response. For example, 50,000 workers from 167 of Bangladesh's 241 tea estates launched <u>protests and strikes</u> to demand a 150% raise in daily wages amid rising inflation. In the Indian state of Assam, hundreds of workers at Limbuguri Tea Estate <u>staged a protest</u> after receiving wages less than the daily minimum rates to which they are entitled. At the Napuk, Jabaka, Mathurapur and <u>Kharjan</u> estates (owned by **Appeejay Tea Limited**), workers undertook protests, including a hunger strike, related to non-payment of salaries and other entitlements such as bonuses, provident funds and travel allowances.

With some regional variation, union membership in the tea sector is relatively high. Most tea estate workers are <u>represented by formal trade unions</u>. As these examples demonstrate, tea workers have collectively defended their rights in many instances. However, the challenging economic conditions facing the sector can make it <u>difficult for unions to achieve meaningful gains</u> for their members and tea workers often face <u>union-busting and discriminatory practices</u> from management.

Tea workers defending their rights – in increasingly challenging economic circumstances – need actors further up the supply chain to support their demands. Global crises cannot become a pretext for a crackdown on freedom of association, as they have in other sectors.

Twelve companies (Ahmad Tea, Bettys & Taylors, Finlays, Ringtons, Starbucks Teavana, Tesco, Tetley, Unilever, Marks & Spencer, Morrisons, Ekaterra and Typhoo) were linked to the allegations related to freedom of association and collective bargaining. They were asked how they ensure these rights are respected, including how they ensure workers are not penalised for union membership or participation in industrial action.

#### Key gaps

- Solution Two companies (ekaterra and Unilever) did not respond to the question of how they ensure freedom of association and collective bargaining rights are respected.
- (Solution) The remaining 10 companies cited policy commitments and certification requirements on freedom of association, with limited detail about the actions undertaken at buyer level to ensure this enabling right is implemented in practice throughout the supply chain. This must go beyond reliance on certification. Starbucks Teavana states:
  - **C** *The Rainforest Alliance 2017 standard [and] ... program ensures freedom of association and collective bargaining rights are protected".*

This response indicates over-reliance on certification as a guarantee of the protection of rights; while certification standards, such as Rainforest Alliance's, include requirements to respect freedom of association, certification of a supplier alone is not enough to ensure these requirements are implemented and respected.

No companies indicated they have signed a <u>Global Framework Agreement</u> with International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) or explained how they encourage collective bargaining at production level.

#### **Examples of better practice**

- Tesco has signed a Memorandum of Understanding with the IUF to "work collaboratively to support workers to access effective representation".
- Ringtons stated it had reviewed its relevant supplier policies and collective bargaining agreements in response to these allegations.
- ⊘ Marks & Spencer conducts supplier training on protecting freedom of association.



## Conclusion and recommendations

The tea sector faces an ever more challenging economic outlook and intensifying climate crisis, both of which present an existential threat to the industry as a whole and to workers' rights specifically. At the same time, businesses' legal obligations – and related scrutiny from consumers, investors and civil society – are growing.

The responses from companies to allegations of human rights abuses in their supply chain show due diligence is on companies' radar, but not yet sufficient in ensuring fundamental change in the long-run and access to remedy for workers impacted by these alleged abuses in the short-term.

Companies must stop relying on top-down commitments and expectations without concrete actions to ensure they are effectively implemented. This means understanding and tackling the root causes of issues – often underlying conditions of economic vulnerability and inequality – and incorporating actions to address supply chain human rights abuses into core business functions like purchasing, rather than as sustainability or corporate social responsibility "add-ons".

Ultimately, conditions will only improve if more money reaches the bottom of the supply chain – and at least some of this additional money reaches workers in the form of higher wages and benefits, such as adequate housing. Tea buyers are not free from the economic challenges faced by the rest of the industry, but no other single actor in the supply chain has greater power to effect change. Recognising and acting upon this is key to driving better conditions. Bold, collaborative action is needed to transform the industry for the benefit of the workers on which it rests.



#### **Recommendations to companies**

#### Full supply chain transparency

Oisclose supplier list: All tea companies should publicly disclose their full supplier list and keep it up to date on their own website and other relevant public platforms and databases.

#### Purchasing practices, business relationships and contracting arrangements

- Focus on purchasing practices: Companies should encourage information sharing between sustainability and procurement teams about human rights risks and demonstrate to buying teams the link between purchasing practices and human rights violations. This could include ring-fencing (fair) labour costs in contracts with suppliers.
- Strengthen supplier relationships (beyond first tier): Companies should seek to establish long-term supplier partnerships and buy directly from producers where possible. Cutting out intermediaries means more money can go to producers, while long-term commitments to buy from key producers will enable them to make investments that would benefit workers (such as housing maintenance and new facilities). Where the auction model, and indirect commercial relationships persist, companies should mitigate this by acknowledging responsibility for the upstream supply chain and putting adequate due diligence in place regardless.
- Target supplier requirements towards addressing root causes: Companies should identify trends and structures driving abuses and address those directly through their contracts, policies and supply chain relationships. This could include, for example, using contracts and codes of conduct to regulate the use of third-party labour providers by suppliers and/or the abuse of temporary contracts, which make workers more vulnerable to rights violations.

#### More rigorous due diligence processes

- Output the supply chain. This includes accounting for risks specific to the structure and geographies of the sector.
- Prioritise stakeholder engagement: All due diligence should include engagement with workers, trade unions and communities in producing regions. Companies should implement mechanisms for stakeholders to report issues to buyers. Stakeholders, such as workers, should be involved in the development of such mechanisms to ensure they are effective.
- Protect freedom of association in the supply chain: Companies must go beyond policy commitments on freedom of association to ensure this enabling right is protected in practice. This should include signing global framework agreements with IUF and deepening understanding of challenges to freedom of association, such as precarious contracts and mechanisation including through direct engagement with workers.
- Our certification as a springboard to go much further: Certification should be seen as a floor, not a ceiling. As the allegations outlined in this report show, certified estates are not immune from serious human rights abuses and certification should not be seen as a substitute for meaningful human rights due diligence.

#### Advocacy

- Be an agent of change: Recognising many of the issues in the tea industry are structural and related to decades-old systems of estate governance, companies should lead individual and collective efforts to reform the system and remove the dependency of tea workers on estate management for basic facets of existence.
- Support due diligence legislation: Lend support to due diligence legislation and regulation to ensure a level-playing field approach and create a conducive environment for improving social conditions across the sector.

#### **Recommendations to policymakers**

#### In destination countries:

- Strengthen existing and emerging mandatory due diligence by:
  - S Mandating supply chain transparency as a vital first step towards human rights due diligence.
  - Requiring worker engagement from companies, i.e. a requirement for companies to engage workers specifically, not just "employees" or "stakeholders" broadly defined.
  - Expanding the scope of due diligence required from companies: The full supply chain, not just the levels with the most direct relationship to companies, should be included. Companies should be required to focus on the highest-risk parts of the supply chain, not the lowest-hanging fruit.

#### In producing countries:

- Enforce implementation of labour laws with particular attention to commonly occurring violations, including health and safety protections, timely payment of wages, working time limits and rest breaks, freedom of association and gender discrimination and sexual harassment.
- Boost minimum wages: Engage in tripartite negotiations with trade unions and industry and exclude in-kind benefits from wage calculations.

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### **Annex 1:** Methodology: Managing limitations and information gaps

Media monitoring and outreach to companies is a core part of the Resource Centre's work. This process is designed to bring wider attention to human rights violations and drive corporate accountability. However, there are inevitable limitations to this methodology, including media coverage biases towards or against certain types of issues and regions. This might be based, for example, on different levels of press freedom and freedom of association in tea producing countries, as well as a focus on more "newsworthy" issues. All the reported allegations identified related to tea estates and factories, rather than to smallholder farms. This is again indicative of an absence of information, rather than an absence of issues. Farmers themselves are vulnerable in the face of rising costs and the unprofitability of the sector, and informal hired labourers on smallholder farms are among the most vulnerable workers.

These gaps highlight the importance of ongoing research in producing countries and direct engagement with workers and other stakeholders to gain a comprehensive understanding of the challenges facing tea workers – as well as steps to mitigate these.

The assessment is based on individual buyers' responses to allegations. This means it does not necessarily include a broad sector assessment of the global tea supply chain. Analysis is based on the responses from tea companies provided to the Resource Centre's questions. No additional research into buyers' due diligence practices was undertaken.



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## Annex 2:

## Allegations of human rights abuses in tea supply chains in 2022 and linked buyers

↓ Estate	↓ Description of alleged human rights violation	Buyers linked (companies in <b>bold</b> confirmed they did <i>not</i> buy from these estates in 2022) <sup>2</sup>
Malnicherra • Bangladesh	1000s of workers launched <u>protests and</u> <u>strikes</u> to demand a 150 percent raise in daily wages amid rising inflation, returning to work only after the government stepped in to raise the daily wage from 120 Tk (£0.98) to 170 Tk (£1.40).	<b>Unilever</b> , ekaterra <sup>3</sup>
Junglebari • Bangladesh		<b>Unilever</b> , ekaterra
Teliapara • Bangladesh		<b>Unilever</b> , ekaterra
Surma • Bangladesh		<b>Unilever</b> , ekaterra
Lakkatura • Bangladesh		
Chandpur • Bangladesh		
Noapara • Bangladesh		
Finlays Bangladesh • Bangladesh		<b>James Finlay</b> – no connection between the two companies, name being used without authority
Bugambe • Uganda	250 workers at <u>went on strike</u> over management's failure to fulfil its promise to increase salaries amid rising living costs.	Morrisons; Typhoo; Tetley, <b>Unilever</b> ; ekaterra
Limbuguri • India (Assam)	Hundreds of workers <u>staged a protest</u> after receiving wages less than daily minimum rates.	Unilever
Agarapatana Plantations Limited Sri Lanka	A writ petition <u>challenging the decision</u> of the wages board to increase the daily minimum wage of plantation workers to Rs. 1000 was filed in February by 20 major tea plantation companies, which reportedly stated that paying the uplifted minimum daily wage would cause them to incur significant financial losses. It was reported that several of the plantation companies refused to pay the uplifted wage to workers.	Ahmad Tea
Balangoda Plantations PLC Sri Lanka		
<b>Elpitiya Plantations PLC</b> Sri Lanka		<b>Ahmad Tea</b> ; Unilever; <b>Tetley</b> ; ekaterra; Starbucks Teavana
<b>Horana Plantations PLC</b> Sri Lanka		Ahmad Tea; Bettys & Taylors: Ringtons; Tesco; Tetley; Marks & Spencer; <b>Unilever</b> ; <b>Morrisons</b> ; ekaterra; Typhoo
Hapugastenne Plantations PLC Sri Lanka		Unilever; ekaterra; Starbucks Teavana

2 In some cases, suppliers may remain on the approved supplier lists for these buyers.

3 The sale of some of Unilever's tea business (under the name ekaterra) to CVC Capital Partners took place during the monitoring period. Therefore, Unilever's 2021 supply chain disclosure was used to link ekaterra to allegations and both companies were asked for clarification on the impact of the sale on the respective companies' supplier lists.

<b>Glenugie (owned by Maskeliya)</b> Sri Lanka	Workers staged <u>demonstrations</u> , protesting the introduction of new targets which have led in practice to wage cuts of more than 50 percent, amid the escalating cost of living.	<b>Unilever</b> , Tesco, ekaterra
<b>Lalan Rubbers (Pvt) Ltd</b> Sri Lanka		
Bogawantalawa Plantations PLC Sri Lanka		Ringtons; Tesco; Tetley; Twinings; Marks & Spencer; Morrisons; Unilever; Plus; ekaterra; Typhoo; Starbucks Teavana
Hatton Plantations PLC Sri Lanka		<b>Ahmad Tea; Bettys &amp; Taylors,</b> Ringtons; Tetley; Marks & Spencer; Unilever; <b>Morrisons</b> ; ekaterra; Typhoo; <b>Tesco</b> ; Starbucks Teavana
Watawala Plantations PLC Sri Lanka		
<b>Udapussallawa Plantations PLC</b> Sri Lanka		
<b>Talawakelle Tea Estates PLC</b> Sri Lanka		<b>Ahmad Tea</b> ; Bettys & Taylors; <b>Jenier, Ringtons</b> ; Tesco; Tetley; Twinings; Typhoo
Namunukula Plantations PLC Sri Lanka		
Natural Plantations Limited Sri Lanka		
Maskeliya Plantations PLC Sri Lanka		Ahmad Tea: Ringtons; Tesco; Twinings; <b>Marks &amp; Spencer</b> ; Unilever; <b>Morrisons</b> ; ekaterra; Starbucks Teavana; Typhoo
Malwatte Valley Plantations PLC Sri Lanka		
Madulsima Plantations PLC Sri Lanka		Ahmad Tea, Unilever, ekaterra
Kotagala Plantations PLC Sri Lanka	wage of plantation workers to Rs. 1000 was filed in February by 20 major tea plantation companies, which reportedly stated that paying the uplifted minimum daily wage would cause them to incur significant financial losses. It was reported that several of the plantation companies refused to pay the uplifted wage to workers.	<b>Ahmad Tea</b> ; Unilever; <b>Tetley</b> ; ekaterra; Starbucks Teavana
<b>Kelani Valley Plantations PLC</b> Sri Lanka		Ahmad Tea; Bettys & Taylors; <b>Jenier</b> ; Ringtons; Twinings; Morrisons; Unilever; <b>Tetley</b> ; ekaterra; Typhoo; <b>Tesco</b>
<b>Kegalle Plantations PLC</b> Sri Lanka		Twinings, Starbucks Teavana
<b>Kahawatte Plantations PLC</b> Sri Lanka	A writ petition <u>challenging the decision</u> of the wages board to increase the daily minimum	
↓ Estate	↓ Description of alleged human rights violation	Buyers linked (companies in <b>bold</b> confirmed they did <i>not</i> buy from these estates in 2022) <sup>2</sup>

↓ Estate	↓ Description of alleged human rights violation	↓ Buyers linked (companies in <b>bold</b> confirmed they did <i>not</i> buy from these estates in 2022) <sup>2</sup>
Baikunthapur • Bangladesh	400 workers and 2,000 family members faced an acute food crisis after not receiving wages nor food rations for nearly a month.	<b>Unilever</b> , ekaterra
Napuk (owned by Appeejay Tea Ltd) • India (Assam)	Workers <u>undertook protests</u> – including a hunger strike – related to non-payment of salaries and other entitlements such as bonuses, provident funds and travel allowances.	Tetley, Unilever, Morrisons, Typhoo, Tesco
<b>Jabaka (Jaboka</b> ) (owned by Appeejay Tea Ltd) • India (Assam)		Tetley, Unilever, Morrisons, Typhoo, Tesco
<b>Mathurapur (Muttrapore)</b> (owned by Apeejay Tea Ltd) India (Assam)		Tetley, Unilever, Morrisons, Typhoo, Tesco
<b>Kharjan (owned by Appeejay</b> Tea Ltd) • India (Assam)		Tetley, Unilever, Morrisons, Typhoo, Tesco
Arcuttipore • India (Assam)	Workers <u>staged protests</u> over the non-payment of bonuses.	Unilever
Carron • India (West Bengal)	Workers staged protests over unpaid wages.	Unilever
Dheklapara • India (West Bengal)	Workers and their families living on closed tea estate did not receive financial aid from the	
Madhu • India (West Bengal)	state government for four months.	
Nalani • India (Assam)	100s of workers at the Nalani Tea Estate staged a protest over Oil India Limited (OIL)'s acquisition of garden land for setting up an oil collection station. Thousands of tea bushes were uprooted for setting up the unit, putting the livelihoods of hundreds of tea workers at stake.	Tetley, Unilever, Ringtons
<b>Daloo</b> • India (Assam)	Workers protested after the Assam government <u>cleared swathes of the estate</u> for the construction of an airport, with management responding by declaring a 'lockout' of the garden, stating that workers would not be entitled to rations or wages.	
Meenglass • India (West Bengal)	Three workers <u>attacked</u> by a bison.	Goodricke
Gairkata • India (West Bengal)	Tea worker <u>attacked</u> by leopard.	
Nallakathu • India (Tamil Nadu)	Tea worker <u>attacked</u> by leopard.	
Karbala • India (West Bengal)	Tea worker <u>attacked</u> by leopard.	
Baradighi • India (West Bengal)	Elephants damaged the houses of eight workers in two separate incidents – with no action taken on the part of management to protect workers.	Unilever, <b>Tetley</b>

↓ Estate	↓ Description of alleged human rights violation	↓ Buyers linked (companies in <b>bold</b> confirmed they did <i>not</i> buy from these estates in 2022) <sup>2</sup>
<b>Lepetkata</b> (owned by Luxmi Tea Company Private Ltd) India (Assam)	A tea factory worker suffered a <u>near-fatal</u> <u>incident</u> after her hair got caught in a CTC (cut, tear, curl) machine. Factory management had failed to provide her with the requisite safety equipment. Workers at the factory had demanded safety gear following the death of a worker in a similar incident in 2020, but it was not provided.	<b>Ahmad Tea</b> (linked to parent company), <sup>4</sup> Tetley, <b>Typhoo</b> , <sup>5</sup> Unilever, <b>Morrisons</b>
Talap • India (Assam)	A worker accidentally entered a roller machine inside the factory, <u>sustaining injuries to</u> <u>several parts of his body, including his head</u> . Management was accused of trying to cover up the incident.	
Fatemabad • India (Assam)	A worker was <u>severely injured</u> after his leg got trapped in a CTC machine.	Unilever
New Dirial • India (Assam)	A <u>tea garden worker was killed</u> by electrocution from a 33,000 volt live wire.	
Hirajuli • India (Assam)	A <u>show cause notice was issued</u> to management for not providing medical facilities to tea garden workers as it is required to do by law.	<b>Tetley</b> , Unilever
<b>Alton (owned by Horana)</b> Sri Lanka	A total of <u>54 workers were reportedly sacked</u> following strike action at three estates (Kakutelle, Alton and Welioya) owned by the Horana Plantation Company in February and March. The police arrested 22 workers (and two youth) at the Alton Estate on reportedly trumped-up charges of physically assaulting and harassing the estate manager. Just four of the 38 striking workers were later reinstated, but without back pay. The strikes were in response to a controversial revenue sharing system, whereby workers are allocated a plot of planted land to tend on a contract basis – rendering them ineligible for Employee Provident Funds and other benefits associated with full-time employment.	<b>Ahmad Tea</b> (linked to parent company), Bettys & Taylors, Ringtons, Tetley, Marks & Spencer, <b>Unilever, Morrisons</b> , ekaterra, Typhoo, <b>Tesco</b>
<b>Kakutelle</b> (owned by Maskeliya Plantations) • Sri Lanka		<b>Ahmad Tea</b> (linked to parent company)
Welioya (Vellaioya) • Sri Lanka		Ringtons, <b>Tetley</b> , ekaterra, <b>Starbucks Teavana</b> , <b>Marks &amp; Spencer</b>
<b>Fairlawn (owned by Horana)</b> Sri Lanka	Imposition of <u>controversial revenue sharing</u> <u>system</u> following suppression of related strikes at other plantations.	Tetley
<b>Stockholm (owned by Horana)</b> Sri Lanka		<b>Tetley</b> , <b>Unilever</b> , Marks & Spencer, ekaterra, <b>Tesco</b> , Ringtons
<b>Gouravilla</b> (owned by Horana) Sri Lanka		Tetley, Unilever, ekaterra, Tesco
<b>Mahanilu (owned by Horana)</b> Sri Lanka		

<sup>4</sup> Ahmad Tea disclosed its supplier list only to the level of parent companies, as opposed to estates. In the absence of more granular supply chain information, Ahmad Tea was asked for its response to all allegations occurring at sites owned by the parent companies to which it was linked.

5 Remains on approved supplier list.

↓ Estate	↓ Description of alleged human rights violation	↓ Buyers linked (companies in <b>bold</b> confirmed they did <i>not</i> buy from these estates in 2022) <sup>2</sup>
James Finlay Kenya Ltd. • Kenya	An employee of James Finlay Kenya Ltd. (JFKL) <u>attempted to run over a worker</u> , reportedly due to the worker's involvement in a class action lawsuit against JFKL in relation to musculoskeletal injuries suffered by thousands of workers at JFKL farms in Kericho.	James Finlay
Aloobari (Alubari) (owned by DOTEPL) • India (West Bengal)	Workers took part in a relay hunger strike to <u>protest non-payment of wages</u> and entitlements – on some estates they were reportedly not paid for six weeks.	Tetley; Morrisons; Typhoo
Happy Valley (owned by DOTEPL) India (West Bengal)		Tetley, Morrisons, Typhoo
Ambootia (Ambotia) (owned by DOTEPL) • India (West Bengal)		<b>Tetley</b> , <b>Unilever, Morrisons</b> , Typhoo
Monteviot (Montiviot) (owned by DOTEPL) • India (West Bengal)		Tetley, Morrisons, Typhoo
Chongtong (owned by DOTEPL) India (West Bengal)		<b>Tetley</b> , <b>Unilever, Morrisons</b> , Typhoo
<b>Padnam (owned by DOTEPL)</b> India (West Bengal)		Tetley, Unilever
Rangaroon (owned by DOTEPL) India (West Bengal)		Tetley, Unilever
Moonda-Bansghari (owned by DOTEPL) • India (West Bengal)		
Rongmook Cedar • (owned by DOTEPL) • India (West Bengal)		
<b>Magarjung (owned by DOTEPL)</b> India (West Bengal)		



#### Business & Human Rights Resource Centre



**Business & Human Rights Resource Centre** is an international NGO which tracks the human rights impacts of over 10,000 companies in over 180 countries, making information available on our 10-language website.

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