



Tainted Tea: Slave Labour in your Cuppa?

May 2016

Cividep India
Workers' Rights &
Corporate Accountability

Author **Pramita Ray**

Research Assistance **Tamara Harmsen**

Overall Coordination **Laura Ceresna-Chaturvedi**

This report has been produced with the support of The Norwegian Forum for Development and Environment (ForUM).



The Norwegian Forum for Development and Environment (ForUM) is a network of 50 Norwegian organizations within development, environment, peace and human rights. Our vision is a democratic and peaceful world based on fair distribution, solidarity, human rights and sustainability.



Cividep India is an NGO based in Bangalore, India, which works to ensure that businesses comply with human rights, labour rights and environmental standards. With this objective, Cividep studies the effects of corporate activities on communities and the environment and educates workers about their rights.

CONTENTS

List of Abbreviations	4
1. Introduction	5
2. The International Supply Chain for Tea	8
3. Research Objectives and Methodology	11
4. Violations of Workers' Rights on Plantations in Assam	12
4.1 Abysmal Wages	13
5. The Tea Auction System	16
5.1. How Tea is Sold: The Role of Brokers	16
5.2. The Guwahati Tea Auction Centre (GATC) Auction Process	17
5.3. The 50%-50% Rule	18
5.4. The Role of the Indian Tea Board	18
6. Exporters and Importers	19
7. International Blenders and Packers: Hindustan Unilever (HUL)	21
7.1. Tea Labels and Retail	21
7.2. Certification	22
7.3. Responsible Sourcing and Compliance: The Unilever Responsible Sourcing Policy (RSP)	22
7.4. Do Unilever's Words Hold Weight?	26
8. Certification Schemes and Bodies	27
8.1. Trustea	27
8.2. Rainforest Alliance	28
8.3. Fairtrade	29
8.4. The Ethical Tea Partnership (ETP)	30
8.5. UTZ	31
9. Conclusion	32
List of References	34
Annex: Websites for the Tea Auction System	35

LIST OF ABBREVIATIONS

ACMS	Assam Chah Mazdoor Sangha
BLF	Bought Leaf Factory
BBC	British Broadcasting Corporation
CCPA	Consultative Committee of Plantation Associations
ETP	Ethical Tea Partnership
FAO	Food and Agriculture Organization of the United Nations
FLO-CERT	Fairtrade International's Certification Body
GTAC	Guwahati Tea Auction Centre
HUL	Hindustan Unilever
IDH	The Sustainable Trade Initiative
INGO	International Non-Governmental Organization
ITA	Indian Tea Association
MNC	Multinational Corporation
NGO	Non-Governmental Organization
RSP	Unilever Responsible Sourcing Policy
SAN	Sustainable Agriculture Network
TCC	Tropical Commodity Coalition
TGB	Tata Global Beverages
tAC	trustea Advisory Committee
tPC	trustea Program Committee
Trustea	India Sustainable Tea Programme
UK	United Kingdom
UNICEF	United Nations Children's Emergency Fund
URSA	Understanding Responsible Sourcing Audit (Unilever)
USAC	Unilever Sustainable Agriculture Code
USLP	Unilever Sustainable Living Plan
UTZ	Utz Kapeh

1. INTRODUCTION

The main objective of this study is to trace the Assam tea supply chain from the plantations to well-known retailers in the UK, which is a major consumer of Assam tea. Greater clarity on how the tea trade system works can provide fresh ideas on how to achieve greater transparency in the supply chain.



At work: A typical plantation in Assam. Photo by Rajan Zaveri, Nazdeek

In September 2015 a BBC investigation of working conditions on the tea estates of Assam, many of which supply tea to popular labels in the UK, revealed deplorable conditions on several estates. Among them were plantations owned by the tea giant McLeod Russel. Surprisingly, many of these were certified by recognized bodies like the Rainforest Alliance.

Workers live in abject poverty as a result of wages that are even lower than the statutory minimum wage in the state. They were found living in ramshackle houses on the estates that were in a state of utter disrepair. Walls were damp, ceilings leaked, there was often no electricity, and the shared latrines nearby were clogged or broken and completely unusable. Workers were forced to defecate among tea bushes. Open drains overflowed into living areas.¹

¹ <http://www.bbc.com/news/world-asia-india-34173532> Accessed 12/12/2015



Workers on their way to spray pesticide, but without personal protective equipment (PPE). Photo Courtesy of Accountability Counsel

One plantation owned by the Assam Company was employing children below the age of 15 years, while workers on a McLeod Russel-owned estate were found spraying chemical pesticides without proper protective equipment. Young children and infants are often malnourished, and die of preventable diseases.

The BBC team faced resistance from the estate management while trying to enter a plantation, even though it is legally permissible for members of the public to visit the areas where workers live. This is symptomatic of the opaqueness of the supply chain, which makes it difficult to hold companies selling irresponsibly sourced tea accountable. There is an immediate need to make the supply chain more transparent in order to hold companies to account on the question of protecting human rights in their supply chains. Identifying pressure points will make it easier to assess where leverage exists, and to use it to effect positive change in the sector.

Not only is transparency crucial for addressing human rights violations against workers, but it also benefits businesses in a number of ways. Investor confidence in a brand increases when its operations are transparent and open to public scrutiny. As more consumers become conscientious about how products are sourced and produced, prominent brands can no longer afford to ignore their social and environmental impacts.

In 2015, the UK legislated to bring into effect the Modern Slavery Act. Section 54 of the Act makes it mandatory for commercial organizations undertaking business in the UK and having a global turnover of £36 million or more to publish an annual 'slavery and human trafficking statement'. This statement must demonstrate that the company is taking steps to ensure that slavery and human trafficking are not present in any of its

supply chains, and must be uploaded on its website or be made available to anyone who asks for it within 30 days of such application.²

The statement must be signed by a director, designated member, general partner or partner of the organization. This entrusts the highest authority in the company with the responsibility of ensuring and guaranteeing the truth of the statement. It must be published every financial year, and must include steps taken to eradicate modern slavery in the company's supply chain and in its businesses. If no steps have been taken, the report must state so. Organizations are also advised to include information about the following:

1. Sectors in which the company operates, and whether any of its work is seasonal.
2. Organisational structure, business model and group relationships.
3. Supply chain information.
4. The countries it sources goods and services from.
5. Identified high risk areas in their supply chain.
6. Slavery and trafficking eradication policies.
7. Due diligence processes.
8. Relationships with suppliers and others, including trade unions and other bodies representing workers.

These points are recommended and not mandatory. There is no obligation to include specific information. According to government guidelines, organizations are expected and encouraged to take steps based on their reports every year, failing to do which would merely “damage the reputation of the business.”³ Moreover, the onus is on “consumers, investors and Non-Governmental Organisations to engage and/or apply pressure where they believe a business has not taken sufficient steps.” There is neither a legal penalty for providing false information, nor provisions for verifying the contents of the statement.

While the Modern Slavery Act's weakness is that it lacks a monitoring and sanctioning mechanism, it is still a step in the right direction to hold companies accountable and demand the eradication of modern slavery from their supply chains. It remains to be seen whether it can have a positive impact on tea workers in Assam, and how this will be achieved.

2 <http://www.legislation.gov.uk/ukpga/2015/30/section/54/enacted> Accessed 25/11/2015

3 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/471996/Transparency_in_Supply_Chains_etc__A_practical_guide__final_.pdf Accessed 25/11/2015

The international supply chain for tea is described in the next section. This is followed by an explanation of the research questions and the methods used for the study. The main labour and human rights violations in the Assam tea industry are then outlined.

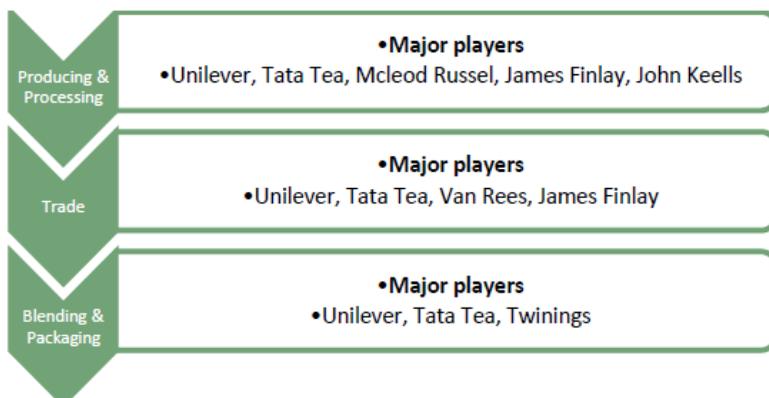
The chapters that follow look in detail at the way the tea auction system in Assam functions (including the role of brokers and the Indian Tea Board), the Indian exporters and British importers involved in the trade, and how responsible sourcing and verification work for one of the world’s largest international blenders and packers of tea. The report considers the various certification bodies and schemes active in the tea sector before concluding with recommendations for powerful actors to transform conditions in the supply chain.

2. THE INTERNATIONAL SUPPLY CHAIN FOR TEA

The international tea supply chain is characterized by the concentration of market power, and in particular, by a very strong vertical integration, with only a few companies controlling the entire tea supply chain (Van der Wal, 2008). Three multinationals, namely Unilever, Tata Global Beverages (formerly Tata Tea) and Associated British Foods, which owns the Twinings brand, control one-fifth of the market (Groosman, 2011). Unilever and Tata are the main tea packers globally, and therefore control the most profitable nodes of the supply chain apart from retail. McLeod Russel, another large multinational, focuses on the production and processing of tea.

Figure 1: IDH Sector Overview for Tea

A diagram from Groosman’s 2011 Sector Overview for Tea (IDH Sustainable Trade Initiative) is reproduced here. It names the biggest global entities in the key areas of production, trade, and the final stage in the supply chain before tea is sold by retailers – blending and packing.



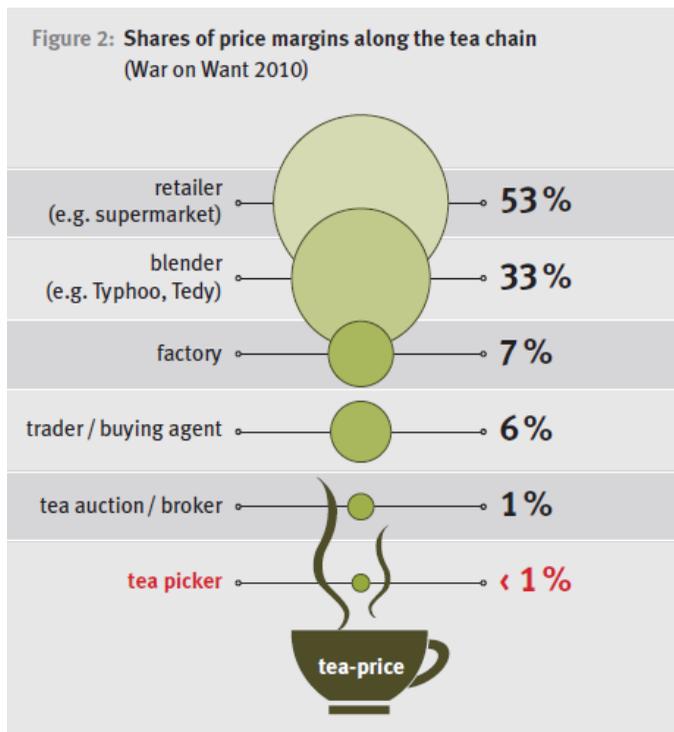
Source: Groosman, 2011: Figure 1

According to statistics from the Food and Agriculture Organization of the United Nations (FAO), global tea production in 2011 was 4.7 million metric tonnes (IISD, 2014). The major tea producing countries are China (35% of world production), India (21%), Kenya (8%), Sri Lanka (7%) and Turkey (5%), accounting for 76% of the global production. From 2013 to 2014, India produced 1,208,780 tonnes of tea (FAO, 2016).

Tea production has historically been dominated by large tea estates. Since the mid-1990s, the number of smallholdings is increasing. In India, 73% of total production still takes place on large tea estates (TCC, 2010). The tea sector is very labour intensive, and employs approximately 13 million people around the world. The task requiring maximum labour is tea-picking, and is performed almost exclusively by women workers.

Figure 2: Misereor - Harvesting Hunger: Plantation Workers and the Right to Food

The following diagram from the Misereor report *Harvesting Hunger: Plantation Workers and the Right to Food* (2014) adopts the concept of a figure in *A Bitter Cup, War on Want's* 2010 article on the UK tea industry and the exploitation of plantation workers in India and Kenya. It demonstrates how much of the final price of tea goes to each part of the supply chain. Only 1% goes to the tea picker, while 33% goes to the blender and 53% to the retailer.



Source: Misereor, 2014: Figure 2 (derived from War on Want, 2010: Figure 1)

Processing, which involves drying, fermenting and cutting the tea leaves, is performed in processing plants. Most plantations have their own processing units. Small growers, however, have to sell their green leaf to independent Bought Leaf Factories (BLFs) or to nearby estate factories (TCC, 2010). Black Assam tea is produced in two different ways: 'orthodox' or 'CTC' (crushed-torn-curled or cut-torn curled). Quality depends on the size of the processed and dried leaves. The liquor, aroma and appearance of the leaf determine the quality and price of the tea. Once it has been processed, it is sold in packets and chests (Groosman, 2011).

Figure 3: TCC Tea Barometer 2010

This is a reproduction of a diagram depicting the tea supply chain from the TCC's 2010 report Tea Barometer. Tea is produced on smallholdings and large estates before being processed at the plantation's own processing unit, or at a Bought Leaf Factory. It is then sold, usually through auction or with the help of a broker. The purchased tea is blended and packed by companies for their own tea labels before being sold by retailers at shops and supermarkets.



Source: *Tropical Commodity Coalition (TCC), 2010: Contents*

The next stage – one of the most lucrative in the supply chain – is in the tea importing countries, where blending and packing companies import minimally processed tea. Most of the profit is made not in the tea producing countries, but in the major tea importing ones (TCC, 2010). Branded tea is sold for prices that are six times higher than that of unblended and unpacked tea. The popular blended brands dominate, making up more than 70% of the UK market. A blend consists of several different kinds of tea (in terms of origin and quality). This makes it very difficult to trace tea back to the estates (TCC, 2010). Groosman (2011) says that “[t]he composition of a blend, in terms of origins and estates, is a closely guarded commercial secret.”

Direct links between tea buyers and tea packers have increasingly led to wholesalers being bypassed. There has also been a tendency for centralization in tea buying. A large

percentage of the leading companies' budget is spent on marketing and advertising (Lines, 2006). Retailers make a profit from the promotional margin allowances from packers by adding small margins on the tea (Groosman, 2011).

A large part of the tea produced globally – around 58% – is consumed by the producing countries, while 42% is exported for consumption outside the countries of production (TCC, 2010). India is responsible for 22% of global tea consumption. Among the non-producing countries, Russia (with 5%), the UK (with 4%), and the USA (with 3%) lead the list (TCC, 2010).

3. RESEARCH OBJECTIVES AND METHODOLOGY

The main purpose of the study is to find linkages between Assamese tea estates and the international packing and blending companies which procure tea from them, as well as with retailers selling the final blends. This can help place responsibility for human rights and labour rights violations, and pinpoint where the power to change the status quo is concentrated in the supply chain.

It looks at the two largest blenders and packers in the global tea market, Hindustan Unilever and Tata Global Beverages, which use Assam tea in the blends sold by their internationally recognized labels. As one of the largest importers of Indian tea, the study also focuses on blenders and packers in the United Kingdom. Attempts have been made to link major UK importers with estates supplying Assam tea through Indian or multinational sellers. The long-term objective is to assess large multinational and UK-based buyers' leverage to make a positive impact on wages and labour conditions in the Assam tea industry.

The largest multinationals involved in packing and blending were contacted by e-mail. There was no response from Tata Global Beverages, but Hindustan Unilever responded to a request for information regarding their supply chain, sourcing policy and business practices.

Various senior officers of the Tea Board of India did not respond to e-mails. The Secretary of the Tea Research Association, which operates the Tocklai Tea Research Institute, suggested that the General Secretary of the Indian Tea Association should be contacted for information about the supply chain, since the Institute's focus is on research and development and not marketing. An email to the ITA asking for information did not receive a response.

The next step was to purchase export data on Assam tea shipments that had left Calcutta Sea Port for various ports in the UK in the months of July and August 2015. This is part of the peak period for the sale and export of tea. Names of British importers and Indian

exporters who had sold them tea were noted, and efforts were made to find the estates that could have supplied the tea being shipped.

The Guwahati Tea Auction Centre (GTAC), where much of the trade in Assam tea is transacted, was visited in March 2016. No links between buyers/sellers and specific estates emerged, but the visit provided important insights into the working of the tea auction system and indicated future courses of action that could be adopted to track down information on tea being sold by particular estates. A meeting with a high-ranking official of the Indian Tea Board took place during an impromptu visit to the nearby offices of the Board. Attempts to secure an appointment had been unsuccessful.

4. VIOLATION OF WORKERS' RIGHTS ON PLANTATIONS IN ASSAM



***A worker is seen spraying pesticide without any protection.
Photo Courtesy of Accountability Counsel***

There is extensive research documenting the nature of labour rights violations on tea estates in Assam. These violations include the denial of health care and subsidized food, unsuitable accommodation, no proper water supply, sexual harassment, poor occupational health and safety (especially during the spraying of pesticides), and ineffective trade unions that are not representative of workers' interests (Misereor, 2014

and Van der Wal, 2008). Tea estate workers lack bargaining power in their interactions with employers, and representation through labour unions is the exception rather than the rule. In some regions of Assam, the Assam Chah Mazdoor Sangha (ACMS) monopolizes the space for trade unions. It has been criticised for failing to represent workers' interests.

4.1. Abysmal Wages



At home: A family of workers pose for the camera. Photo by Rajan Zaveri, Nazdeek

The procurement costs of leading tea companies and retailers have declined in recent decades. However, for producers, the tea business has become more difficult due to rising energy prices and the depreciation of the US dollar against local currencies. Over the past decade, prices have come under pressure with the large companies' withdrawal from primary production. They have chosen to concentrate on packaging and processing instead as it is more profitable. When Hindustan Unilever left the plantation business in the mid-2000s, 12,000 plantation workers in India lost their jobs

This has resulted in a loss of livelihood, as well as a major deterioration of their nutritional situation.⁴

⁴ <http://www.iuf.org/w/sites/default/files/2014%20Harvesting%20Hunger.pdf> Accessed 22/12/2015



A view of the garden: Picking in the sun. Photo Courtesy of Accountability Counsel

Labour costs account for about one-half to three-quarters of the total production cost of tea (Lines, 2006). Thus when tea prices fall, wages come under pressure and are the first to fall. In Assam, wages are significantly below the poverty line defined by the World Bank. Workers now typically earn INR 115 (\$1.74) per day instead of the new minimum wage of INR 177 (\$2.67), which has been challenged in court by tea growers' associations. According to the Indian Tea Association (ITA), they are also paid a bonus as a "deferred wage" and in-kind benefits that add up to INR 249 (\$3.76) per day.⁵ A study by two PhD candidates from the Department of Economics of the Indian Institute of Technology, Guwahati in June 2014 calculated the fair living wage for tea plantation workers to be INR 330 (\$4.96) per day. This estimation was based on wage calculation standards established by the Tripartite Committee of the 15th Indian Labour Conference in 1957 and in later directives from the Supreme Court of India.⁶

5 <http://www.indiatea.org/downloads/ITA%20Statment%20on%20Welfare.pdf>. Accessed 14/04/2016

6 <http://www.indiachinainstitute.org/wp-content/uploads/2014/10/Modern-day-Feudalism-on-Tea-Plantations-2.pdf> Accessed 04/05/2016

It is also common practice for Assamese employers to use the payment of “in-kind” benefits to justify low cash wages. According to the Indian Tea Association, the main association of tea producers in the country: *“The Wage Board in recommending the wage [in 1966] took into account the cash wage as well as the perquisites being made available to a worker resident on a tea estate under the purview of various legislations and agreements. This “in principle view” on inclusion of Fringe Benefits as a part of wage has also been enunciated in the 1951 Chetia Committee Report of the Government of Assam which laid the foundation of minimum wages for the Tea Industry. Tea Plantations customarily pay wages partly in cash and partly in kind which is permissible under the Minimum Wages Act, 1948.” Therefore, the ITA argues, “The increase in the cash wage should [...] be viewed in the backdrop of the total package of Fringe Benefits entitlements of housing, medical, education and welfare, foodgrains under the purview of Plantation Labour Act and bilateral agreements.”*⁷

The ITA press release on the revision of wages notes that *“...the Government has recognized that higher cash wage component is applicable in cases of plantations where the Plantation Labour Act of 1951 does not apply and workers are not entitled to receive Fringe Benefits under the 1951 Act.”* It is not clear which plantations are being referred to here, but since the Plantations Labour Act 1951 excludes plantations that are less than five square hectares in area and/or employ less than fifteen people from its purview, it can be surmised that this clause refers to small private estates.

Statutory minimum wages for tea plantation workers in Assam have now been revised. According to established practice, the new minimum wage was decided bilaterally in 2014 by the Employers’ Associations, represented by the Consultative Committee of Plantations Associations (CCPA), and the Assam Chah Mazdoor Sangha (ACMS), the largest trade union representing tea plantation workers in the state. The ACMS has been criticized for failing to adequately represent workers’ interests. A wage agreement was negotiated to gradually raise the measly minimum wage of INR 94 (\$1.41) by a total of INR 43 (\$0.65) over a three-year period between 1st January 2015 and 31st December 2017.

In August 2015, the Assam Government proposed to almost double the minimum wage and raise it to INR 177. This was challenged in the Guwahati High Court by the Assam Tea Planters’ Association and the North East Tea Association. The ACMS was also part of the litigation, which is currently underway.

Wages that are far below the subsistence level and poor working conditions have led to widespread malnutrition in the state. About 30 per cent of the children of tea estate workers are physically under-developed. Their physical growth is far below the national

7 <http://www.indiatea.org/downloads/PRO20315.pdf> Accessed 14/04/2016



Four walls do not make a home: Houses on tea estates are ill-maintained.
Photo by Rajan Zaveri, Nazdeek

average (Misereor, 2014). In 2006 the Regional Medical Research Centre in Dibrugarh, Assam conducted a study to assess the growth and nutritional status of the school-age children of tea estate workers between the ages of six and fourteen years. The study revealed a high prevalence of malnutrition: more than half of all adolescents in the 9-14 years age group were stunted, and most of them were thin. The mean height and weight of children on tea estates was less than the national average at all ages. (Medhi, 2006)

5. THE TEA AUCTION SYSTEM

The visit to the Tea Auction Centre in Guwahati afforded much greater clarity on the tea-selling process, but the connections between tea estates and buyers or sellers were not as easily revealed. These are trade secrets with a bearing on competition, and are carefully protected.

5.1. How Tea Is Sold: The Role of Brokers

Tea is sold through three different processes, of which the first two involve brokers, who are engaged by sellers/producers for the sale of their produce. There are eight brokers in Assam, of which the largest, J.K. Thomas and Co. Private Ltd., is also the

largest tea broker in the world. It handles over 200 million kg of tea every year.⁸ By law, brokers have to be registered with the corresponding tea board, which limits the number of brokers in Kolkata to four for example.

1. Auction: The brokers, who communicate information regarding supply and demand, represent a crucial linkage between tea producers and buyers. Around 70% of the global tea production is sold in auction centres. The three most important auction centres in the world are located in Kolkata (India), Colombo (Sri Lanka) and Mombasa (Kenya), and the world market price for tea is determined here. Since only a few companies dominate sales, collusion among brokers is likely, and quality, quantity and demand continuously vary. Smallholdings with limited access to market information are at a disadvantage within the system (TCC, 2010).

2. Guwahati Tea Auction Centre private sale: Only sellers and buyers registered with the GTAC are involved in these transactions. The assamteexchange.com website displayed a notice stating that GTAC private sale statistics would be available soon, but these are unlikely to be visible to the public.

3. Direct sale: Brokers are not involved in these sales, which take place directly between buyers and sellers at the auction centre.

5.2. The Guwahati Tea Auction Centre (GTAC) Auction Process

Only registered members of the GTAC can take part in the auction process. The four types of members are producers, buyers, brokers and warehouses.

The auction process runs through an approximately three week long cycle. The producers send 'lots' of tea to the registered warehouses in Guwahati. A 'lot' refers to a quantity of tea that is of uniform grade. The number of bags of tea per lot varies with the season and the producer. There can be up to 500-600 bags of tea in a single lot during the peak season, which begins in April. Warehouses are owned by separate entities, and producers must pay in order to store their bags of tea in the facilities.

Brokers go to the warehouses and catalogue the lots of tea that have arrived from various estates. These are then offered up for sale in around three weeks' time. The brokers take samples of each lot and deliver them to every buyer registered with the GTAC. Buyers assess the lots with three things in mind: the colour and physical appearance of the tea leaf itself, the taste of the infusion (liquid from pouring water over the tea leaf), and the taste of the 'liquor' (the liquid that is produced by brewing tea leaves in water).

⁸ <http://www.jthomasindia.com/About.aspx>. Accessed 14/04/2016

Based on the quality of the leaf, the brokers make recommendations for the price of the tea. This is included in the catalogue that they produce. The catalogue includes every lot of tea from each garden, classified by grade and accompanied by a price valuation from the broker.

The main days in the week for the auction are Tuesday and Wednesday. Since 2009, tea has been sold online through the e-auction system.

5.3. The 50%-50% rule

The Tea Marketing Control Order was changed in October 2015 to stipulate that 50% of tea must now be sold through auction. For the seller, the key advantage of selling through auction is that the larger number of buyers provides a wider market for the tea. The buyer also benefits, as there is more competition because of the auction. On the other hand, direct sale is logistically easier and quicker, and there is no need to pay warehouse owners or brokers. Payment is also instantaneous. The role of buyers in the auction process was examined to see if the biggest ones, like Tata Global Beverages and Hindustan Unilever, employ particular strategies to drive prices down. It has been suggested that companies could be colluding to ensure that auction prices are kept low.⁹ However, it was found that even though buyers try to pay the lowest possible price, there is no specific way in which the big companies keep prices down during an auction.

GTAC has to report the details of every transaction to the Indian Tea Board, which supervises the entire auction system. Only registered producers, sellers, warehouses can access the details of transactions, such as which estates particular buyers are sourcing from.

5.4. The Role of the Indian Tea Board

The Tea Board, which is under the Ministry of Commerce and Industry, has various functions including the regulation and licensing of auction members. There are seven auction centres under the Board. Each of these has its own set of rules, but these are largely based on Central rules.

In keeping with the revised Tea Marketing Control Order, 50% of tea is now sold through auction. In 1984, 70% had to be sold through the auction centre, but this was changed to no-restriction in 2003. After 12 years, it was decided that the compulsion to sell all produce on the open market was unfair, and the figure was changed to 50% in 2015.

9 <http://cds.edu/wp-content/uploads/2014/07/NRPPD23.pdf> (pp. 21-23.) Accessed 18/04/2016

According to the Tea Marketing Control Order 2003, every registered manufacturer has to submit a statement of monthly returns in Form 'E'. The Tea Board has developed an online portal for the filing of Form 'E' returns monthly, which are due on the 7th of each month. A copy of the form could not be obtained since it is not public. The Tea Board compiles the data from the E-Forms and publishes the results on its website, listing them region-wise.

The seven auction centres have had individual online auction systems so far. However, an upgrade to a uniform system was underway when the GTAC was visited. The new system can be used by users anywhere in the world to buy tea. Running trials of the system were taking place at the time of the visit, since it was due to be launched in March 2016. In April, the system was found to be up and running.¹⁰

It was reiterated that information about the estates buyers were sourcing from was a trade secret, which could not be made public by the system. If the names of gardens a company has bought tea from are revealed, the particular blend that it is making would be given away.

The Tea Board does divulge this information to certain bodies under some circumstances, when there is a risk of adulteration or other danger to consumer health. However, under Section 8(d) of the Right to Information Act, "information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party" is exempt from disclosure.

An estimated 1200 million kg of tea is produced every year, of which 200-250 million kg is exported. These are the best quality/premium teas, produced mainly in the May-June period. The UK and Germany get 10-15 million kg respectively, while a lot of tea goes to Pakistan via Dubai (160-170 million kg). Many of the big UK brands, like Twinings, source tea from Assam, mainly through exporters. Every consignment of tea that is for export is checked for quality by the Tea Board.

6. EXPORTERS AND IMPORTERS

Export data for the months of July and August 2015 indicated that shipments of Assam tea exported by Rossell India Limited, Telojan Tea Company, SSK Exports, Jalinga Tea Company, Purba Tea Exports, Baghmari Tea Company, Newby Teas Overseas, Godfrey Phillips India, Saket Impex, and Agri Import & Export left Calcutta Sea Port for various ports in the United Kingdom.

¹⁰ <https://www.teaauction.gov.in/Home.aspx> Accessed 20/04/2016

With the exception of Godfrey Phillips, all the companies are headquartered in eastern India, in the city of Kolkata. Godfrey Phillips India Ltd. is mainly involved in the tobacco industry, and tea makes up only 11% of its total revenue. Tea is the main product of all the other businesses.

Rossell India Limited, Telojan Tea Company and SSK Exports name their estates on their respective websites. They are all certified by one or more entities like the Rainforest Alliance, Fairtrade, UTZ and the Ethical Tea Partnership (ETP). The other Indian exporters do not publicly name the estates that they own or purchase tea from. Newby Teas Overseas produces, packages and exports tea to be sold by Newby Teas UK in the United Kingdom. Purba Tea Exports lists Fortnum & Mason and Ringtons as their clients.¹¹ This was confirmed by the export data.

Evolution Tea & Spices, Van Rees Ltd., Ringtons, Bettys & Taylors of Harrogate, Typhoo Tea Ltd., Newby Teas (UK) Ltd., Char (UK) Ltd., and Keith Spicer Ltd. were the foreign importers from the UK which appeared in the export data.

Taylors of Harrogate is an easily recognisable name, and has its own popular brands in the UK. Our export data found that it had received supplies from Rossell India Limited and Agri Import & Export. The BBC exposé on working and living conditions at Assam tea estates found child labourers below the age of 15 years on the Doomur Dullung estate (belonging to the Assam Company), which supplies tea to Taylors for its Yorkshire Tea line.¹²

The BBC's follow-up story found that Taylors of Harrogate, along with Twinings and Fortnum & Mason, had suspended business with the Assam Company. However, Taylors has said that it will "maintain a relationship with the estates and support efforts to improve standards." Twinings will continue to work with the Ethical Tea Partnership and review the Assam estates it sources from in the coming months.¹³

Ringtons, Typhoo and Newby blend and pack their own tea, which is then put on super-market shelves with their own brand labels. Godfrey Phillips, Jalinga Tea Company and Baghmari Tea Company were found to be exporting tea to Typhoo, Newby's tea is produced and packed in India by Newby Teas Overseas.

Keith Spicer Ltd., also known as Spicers, sells its Assam tea under the 'Tea India' brand name. Char Teas sells pouches of loose leaf tea online, and has its own store in Winchester, Hampshire. Their shipments were from Saket Impex. Other companies, like Evolution Tea & Spices and Van Rees Ltd., are engaged in trading and sometimes blending tea.

11 <http://www.purbatea.com/clients.html> Accessed 18/04/2016

12 <http://www.bbc.com/news/world-asia-india-34173532> Accessed 12/12/2015

13 <http://www.bbc.com/news/business-35235293> Accessed 19/04/2016

Attempts to establish connections between the tea bought by UK importers and specific estates were futile, as this part of the supply chain is very opaque. This is almost certainly deliberate, but for competitive reasons. The secret of a company's unique blend can be revealed if the plantations from which its teas are sourced are identified.

After initial scrutiny, no match was found between numbers and figures in publicly accessible auction/sale records or export data and estate registration or identification codes, which could have helped link the tea changing hands to particular estates. This information is available only to brokers, buyers, sellers and warehouses through password-protected e-auction systems. Other parties cannot open an account with the online tea auction systems that hold these records.

7. INTERNATIONAL BLENDERS AND PACKERS: HINDUSTAN UNILEVER (HUL)

Hindustan Unilever was the only large multinational tea blending and packing company to respond to an e-mailed request for information about sourcing practices and accountability mechanisms within their supply chain.

HUL declined to answer questions regarding the identity of their direct suppliers in Assam, citing competitive reasons. However, it stated that it does not own any tea plantations in India, and that tea is sourced through both auctions and direct purchases from some tea estates. The company sources 12.08% of the total volume of tea for domestic sale and exports from the Guwahati Tea Auction Centre, and 9.79% from the Kolkata Tea Auction Centre. Tea for domestic consumption is processed and packed in Kolkata, Puducherry, Bengaluru, Etah, Ballavgarh and Silvasa, while products for export are processed and packed in Pune, Kolkata and Kochi.

7.1. Tea Labels and Retail

In India, HUL sells Assam tea in a number of brands. These are Lipton Yellow Label, Brooke Bond Taj Mahal (including tea bags), Brooke Bond 3 Roses Dust (including Brooke Bond Natural Care), Brooke Bond Red Label, Brooke Bond Natural Care, Taaza, Ar, Top Star, Super Dust and Ruby Dust. Official communication stated that Assam tea is sometimes used in teas that Unilever sells outside India, but this depends on factors like availability, quality and cost. The tea is used in blends such as PG Tips, PG Tips Gold, Lyons Gold and Lipton.

The main retailers and supermarkets in India stocking Hindustan Unilever's Assam teas are Food Bazaar (Future Group), Reliance, More (Aditya Birla Retail Ltd.) and D Mart.

The company did not name the main retailers selling HUL's Assam tea abroad, merely stating that leading retailers in the UK and Europe stock their tea brands. Therefore, it is very likely that major retailers like Sainsbury's and Waitrose sell blends that contain Assam tea. The company told us that only some blends of PG Tips contain Assam tea from time to time, based on factors such as availability, quality and cost.

7.2. Certification

The Rainforest Alliance has certified 93 of HUL's Assam tea suppliers, while 55 are certified by trustea. The company's response stated that: "As part of our Unilever Sustainable Living Plan (USLP), we are committed to source 100% of our agricultural raw materials from sustainable sources by 2020 – including tea." HUL is a founding member of trustea, the Indian tea sustainability code launched in July 2013 under the aegis of the Tea Board of India. HUL describes this programme as aiming to "...help and guide producers to adopt sustainable practices and attain certification. HUL, IDH, Solidaridad and Rainforest Alliance, Tata Global Beverages Limited and Consultative Committee of Plantation Associations (CCPA) under the chairmanship of the Tea Board form the program committee of trustea."

The trustea website describes the initiative as *"...an informal assembly of key Indian tea industry stakeholders committed to working together to enhance the accountability and credibility of the tea programme in general and the Indian Tea Code specifically."*¹⁴ Interestingly, there are no trade unions or Indian CSOs on the trustea Advisory Committee (tAC).

According to the website, *"The tAC provides opportunity for developing coordinated and coherent positions for the tea industry stakeholders under one umbrella. It further provides opportunity for the Indian tea industry stakeholders to shape the tea code development and its implementation according to Indian realities."*¹⁵ It is not representative of all key stakeholders, since workers' representatives are excluded. Therefore, trustea fails to comprehensively take into account the voices of all stakeholders while improving and implementing the Tea Code.

7.3. Responsible Sourcing and Compliance: The Unilever Responsible Sourcing Policy (RSP)

Hindustan Unilever's Responsible Sourcing Policy¹⁶, which was launched in 2014, relies on self-assessment by suppliers. HUL stated that direct suppliers have to carry out

¹⁴ <http://www.trustea.org/trusteaCode.php> Accessed 12/04/2016

¹⁵ <http://www.trustea.org/program.php> Accessed 12/04/2016

¹⁶ https://www.unilever.com/Images/slp-unilever-responsible-sourcing-policy-2014_tcm244-409819_en.pdf Accessed 7/01/2016

an annual online self-assessment, which requires them to declare whether they meet mandatory requirements stipulated in the RSP. The RSP consists of 12 Fundamental Principles, which are as follows:

1. Business is conducted lawfully and with integrity
2. Work is conducted on the basis of freely agreed and documented terms of employment
3. All workers are treated equally and with respect and dignity
4. Work is conducted on a voluntary basis
5. All workers are of an appropriate age
6. All workers are paid fair wages
7. Working hours for all workers are reasonable
8. All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively
9. Workers' health and safety are protected at work
10. Workers have access to fair procedures and remedies
11. Land rights of communities, including indigenous peoples, will be protected and promoted
12. Business is conducted in a manner which embraces sustainability and reduces environmental impact

HUL stated that according to self-assessments submitted online, all of their Assam suppliers meet the mandatory requirements of the RSP. These mandatory requirements are an expansion or elaboration of the 12 Fundamental Principles. The self-assessments are then verified by Unilever's Understanding Responsible Sourcing Audit (URSA), which is conducted only for supplier sites that do not have Rainforest Alliance, Ethical Tea Partnership (ETP) or trustea certification. HUL did not name any of the third party auditors engaged by the company for the URSA process. A self-assessment does not seem to be a strong tool to detect non-compliance or violations, and certainly does not possess the same credibility as verification by the buyer or third party auditors.

On the topic of the company's plan for moving suppliers of Assam tea to Mandatory and Good Practice respectively by the end of 2016, Unilever merely stated that it was initially focussing on large suppliers. However, the target number of suppliers for this objective was not defined.



Hospitals on some tea estates lack basic facilities. Photo by Rajan Zaveri, Nazdeek

When they were questioned on whether the company's Sustainable Agriculture Code¹⁷ was followed by all Assam tea suppliers, HUL said that if an estate had Rainforest Alliance or trustea certification, it meant that it followed sustainable practices and was compliant with the Unilever Sustainable Agriculture Code (USAC). Since it says that all certified estates are compliant with the Code, the implication is that all suppliers whose estates are not certified may not necessarily be compliant.

HUL did not directly respond to questions regarding the number/percentage of suppliers fulfilling mandatory requirements in the Social and Human Capital checklist, the precise number of suppliers certified by company-recognized certification bodies like the Rainforest Alliance, Fairtrade International, etc. No details were provided of suppliers' use of assessment software, the process of self-rating against requirements of the Sustainable Agriculture Code to determine compliance levels, the company's own monitoring and evaluating mechanisms for the self-verification process, and action taken by it in case of misrepresentation, even though information on all of these points had been requested.

Furthermore, HUL did not provide an answer to the crucial question of whether suppliers pay the statutory minimum wage to their workers – a particularly pressing challenge on Assam's tea plantations. A 2014 report by Misereor found that tea workers

¹⁷ https://www.unilever.com/Images/sac-2015_tcm244-427050_en.pdf Accessed 7/01/2016

on Assam tea estates delivering to Unilever were receiving “in-kind payments” like housing, fuel, firewood and subsidized staple food, and that these were given a cash value. It also did not describe the main challenges in implementing the RSP with regard to tea plantations in Assam.

The company thought that certification schemes provided an important structure for improvements, and therefore supported the strengthening of these models, specifically in terms of labour rights and working conditions. However, no data on supplier compliance with the requirements of the various recognized models was furnished to support this statement.

It welcomed the changes to existing standards for certification announced by the Rainforest Alliance at the end of 2015. These changes are the result of the latest review of the Sustainable Agriculture Network’s Sustainable Agriculture Standard, which happens about once in five years. The aim is to adapt the certification system to emerging needs and challenges. The new Standard will be published in September 2016, and will be applicable for audits from July 2017.¹⁸

Unilever had acknowledged that the success of the RSP depends on the ability of suppliers to translate it into action. With this objective in sight, it has organized capacity-building workshops for suppliers in India and other countries. Details of the event in India for 2015 were requested, including the number of Assam tea suppliers involved. Unilever gave the following reply:

“We recognise that driving sustainable sourcing is not a one off event and needs to be a process of continual engagement. For example, we held a supplier workshop in 2015 in India which included tea suppliers from Assam. Our view is that positive changes are being made on the ground but more needs to be done at an accelerated pace. We believe that we can achieve more by working in multi-stakeholder partnerships and we are committed to collaborating with the Government and others to deliver more impactful results.”

Training suppliers is not enough if this learning cannot be translated to action on the ground, as the BBC found with McLeod Russel, one of HUL’s suppliers in Assam. A system of frequent and rigorous monitoring can ensure that this is done. Self-assessment, especially when unverified, is not a reliable system and cannot achieve the same results.

¹⁸ <http://www.san.ag/standard-consultation-center/sanag/> Accessed 18/04/2016

7.4. Do Unilever's Words Hold Weight?



The worn, pockmarked walls of a worker's home. Photo by Rajan Zaveri, Nazdeek

The BBC's special investigation last year exposed appalling living and working conditions on tea estates in Assam, including those belonging to the tea-producing giant McLeod Russel. The BBC reported that McLeod Russel's estates supply tea for the PG Tips and Liptons labels, among others. Both of these labels are owned by Hindustan Unilever. The Moran and Behora tea estates, where the BBC found miserable living conditions, supply tea for the PG Tips brand. Houses on the estates were leaking and had no electricity, while workers had to defecate among tea bushes because of clogged or broken latrines. HUL acknowledged the BBC's findings and claimed that some progress had been made. It also stated that there was more to be done, and that it was working with suppliers on the issue of responsibility and sustainable practices.

At McLeod Russel's estates, workers were found to be living in run-down, leaking homes with broken or clogged toilets. The contents of open drains were overflowing into living areas. Workers often drank rainwater pumped from a stream. On one McLeod Russel estate, workers were found to be spraying pesticides without proper protective equipment or clothing. It is not clear whether this estate was among those supplying tea for PG Tips or Lipton. It can be surmised that by sourcing from McLeod Russel, HUL is violating the 9th Fundamental Principle in its Responsible Sourcing Policy – protecting workers' health and safety at work.

Unilever planned to source the contents of all of its Lipton teabags from plantations certified by the Rainforest Alliance by 2015.¹⁹ It now states that all Lipton tea bags are 100% Rainforest Alliance certified blends.²⁰ Since there was no response to our question on the number of suppliers who are now certified by the Rainforest Alliance and similar bodies, it is not known if the company has fulfilled this objective.

The company's focus is on credibility through certification – it studied three certification schemes before choosing the Rainforest Alliance over Fairtrade and UTZ because the former complied with Sustainable Agriculture Network standards. HUL felt that Fairtrade did not have the scale or flexibility to certify large industrial estates, and UTZ had low consumer recognition at the time.²¹ However, these actions are meaningless if the company continues to source its tea from estates where workers live in unsanitary conditions that endanger their health and well-being, handle pesticides without adequate protection, or are paid abysmally low wages.

8. CERTIFICATION SCHEMES AND BODIES

8.1. Trustea

The trustea code is developed and managed by an association of Indian tea industry stakeholders. The Program Committee (tPC) includes the government (the Indian Tea Board), tea producers' associations like the Indian Tea Association, large brokers like J. Thomas & Co., certification bodies like the Rainforest Alliance, multinational tea companies like Hindustan Unilever, and the INGO Solidaridad – the program's implementing partner. Local, grassroots NGOs and trade unions representing tea workers are absent from the committee.

The India Domestic Sustainable Tea Program is currently funded by Hindustan Unilever and The Sustainable Trade Initiative (IDH). The Rainforest Alliance acts as its technical advisor. The 5-year program runs from 2012-2016, aiming to target 500,000 tea plantation workers and 40,000 smallholders. It describes its main focus as the acceleration of the transformation of the Indian tea market, in close partnership with tea

19 <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/sustainable-sourcing/sustainable-tea-leading-the-industry/> Accessed 12/04/2016

20 <http://www.liptontea.com/article/detail/157723/lipton-and-sustainability> Accessed 21/04/2016

21 <http://www.saiplatform.org/uploads/Library/IMD-CaseStudyUnileverSustainableTea.pdf> Accessed 14/04/2016

industry stakeholders. This “includes the development and implementation of a cost effective and practical to implement sustainability code based on Indian realities but without compromising on globally accepted sustainability principles. The India specific sustainability tea code will be developed from the industry, by the industry and for the industry.”²² Workers’ organizations and trade unions are conspicuously absent from the process, making the tea sustainability code less than representative of workers’ interests.

Trustea does not name verified plantations in each Indian state, but lists all such estates in North India and South India respectively. It names 128 plantations in North India, most of which seem to be in Assam and the northern part of West Bengal.

8.2. Rainforest Alliance

The Rainforest Alliance, along with other members of the Sustainable Agriculture Network (SAN), created a certification scheme covering over 100 crops, including tea. The SAN is a coalition of independent, non-profit conservation groups. Rainforest Alliance certification is based on three principles of sustainability, namely environmental protection, social equity and economic viability. Farmers must comply with the SAN Standard, which includes 100 criteria covering all three areas, in order to earn the Rainforest Alliance Certified™ seal.

The Rainforest Alliance certified its first tea plantation in 2007 – Kenya’s Kericho Estate. It claims to have certified more than 200,000 hectares of tea farms in 12 countries since then. Changes to SAN’s Sustainable Agriculture Standard were recently announced, based on a review of the Standard that takes place once every five years. The new Standard will be published in September 2016, and will be binding for audits from July 2017.

The Network has described the main revisions to the standard on its website. The 2016 SAN Standard is based on four principles of sustainability instead of ten. These are:

- Increased farm productivity and profitability
- Biodiversity conservation
- Natural resource conservation
- Improvement of livelihoods and the wellbeing of farmers and their families.

It includes criteria to promote planning for enhancing productivity and a better model of pesticide control and use. However, what is of greater significance for this research is the following statement: “Work requirements have been strengthened and in addition

²² <http://www.trustea.org/faq.php> Accessed 12/04/2016

to basic issues such as decent wages and workers' rights, they focus on satisfying the essential needs of workers and small farmers, such as access to drinking water, education and health. Moreover, plantations that provide housing for their workers must ensure that it is safe, free from disease and provides protection against extreme weather conditions.”

After the BBC's story broke, the Rainforest Alliance asked all certified estates worldwide to bring about improvements in housing conditions, sanitation and access to drinking water, or risk losing certification. It gave McLeod Russel two months to improve conditions for tea workers on the Moran and Behora estates. A manager on the Moran estate stated that there was “a huge backlog of repairs”, but the Rainforest Alliance had not decertified the estates because these were “not critical criteria” previously.²³

The body has decertified the Assam Company after a gross violation of safety standards on the use of personal protective equipment was found at the Hajua estate. Since certification is ‘cluster’-based, all estates belonging to the company were automatically decertified along with Hajua.

A map on the Rainforest Alliance website shows eleven certified tea producers in Assam. These appear to include both individual estates and clusters of estates belonging to particular companies. We found two spots belonging to Apeejay Tea Limited (Apeejay Tea Group, Assam), McLeod Russel's Cluster A, and one spot each for Warren Tea Limited, the Assam Company, Halmira Estate Tea Pvt Ltd, the Jorbagh Tea Company and Jorehaut Tea Ltd. The Romai Tea Estate, Andrew Yule & Co. Ltd's Tinkong Tea Estate and the Amarawati Tea Co. Ltd's Duliabam Tea Estate were the individual estates marked on the map.

8.3. Fairtrade

The international Fairtrade system consists of Fairtrade International and its member organizations. Fairtrade International develops the Fairtrade Standards to be used in the certification process. Its members include three producer networks, and 25 Fairtrade organizations worldwide which promote it to companies and consumers in the countries where products are sold. FLOCERT is a global certification body founded in 2003, which acts as a certifier for Fairtrade and undertakes verification for social and environmental standards within supply chains. In 2009, Fairtrade International, along with the World Fair Trade Organization, adopted the Charter of Fair Trade Principles, which it says “provides a single international reference point for Fair Trade”. A 2013 article in the Guardian said that at the time, 12 Fairtrade certified plantations in Assam

²³ <http://www.bbc.com/news/business-35235293> Accessed 18/04/2016

only sold an average of 10% of their tea on Fairtrade terms. This allowed them to pay “50 cents extra per kilo in Fairtrade premiums for workers to invest in programmes to improve their own lives.” Thus, 90% of the tea from these certified estates was not sold on Fairtrade terms. Wages had not been raised to desirable levels because Fairtrade certified tea estates were reluctant to act outside collective bargaining agreements in the industry.

Currently, Fairtrade’s certification agency Flo-Cert lists only three certified estates in Assam. These are Jamguri Tea Estate (Ambootia Tea), Tonganagaon Estate (Tonganagaon Tea Co. Pvt. Ltd) and Jalinga Tea Estate (Jalinga Tea Co (India) Pvt Ltd).

8.4. The Ethical Tea Partnership (ETP)

The Ethical Tea Partnership (ETP) is an international non-profit membership organization aiming to “improve tea sustainability, the lives and livelihoods of tea workers and smallholder farmers, and the environment in which tea is produced.” Its vision is to achieve a “thriving tea industry that is socially just and environmentally sustainable”. Its focus is on four areas, including raising standards and climate & environment. In India, it is one of the implementing partners of the India Sustainable Tea Programme (trustea), along with Solidaridad.

McLeod Russel’s Moran and Behora estates, where workers were found living in squalid conditions, are both certified by the Ethical Tea Partnership. ETP released a Statement on 9th September 2015, and again on 15th March 2016, stating their commitment to improving sanitation on Assam’s tea estates. It says that it had partnered with the Indian Tea Association and UNICEF many years before to improve the installation of water pumps and latrines. This “was designed to demonstrate efficient ways of improving facilities to enable further roll-out and replication by estates. There is increasing investment by tea producers but there remains much more to be done.”

The statements also talk about eliminating child labour and exploitation and improving wages and benefits, as well as providing training to improve standards of health and safety. It admits that workers often spray chemicals without personal protective equipment, but says that this is “despite provision of proper equipment and training programmes, often because of the incredibly humid climate.”

The ETP does not list certified tea plantations on its website. Among its current members are Taylors of Harrogate, Twinings, Tesco, Newby Teas, Ringtons and the Tetley Group.

8.5. UTZ

The UTZ certification program's main focus is on sustainable agriculture and production with good agricultural practices. It is meant to ensure that producers "*manage their farms profitably with respect for people and planet.*"²⁴ It works in partnership with certification bodies which conduct third-party audits for certification of businesses against the UTZ Standard. The Standard is primarily used to certify actors in the coffee, tea, cocoa and hazelnut supply chains.

The Standard operates on the basis of a Code of Conduct, which governs the growing and harvesting process, and the Chain of Custody, which covers products as they move through the rest of the supply chain.

Registered plantations and companies in Assam include the Bhumya Tea Co. Pvt. Ltd's Jamguri Tea Estate, Ambootia Tea Exports Pvt. Ltd., Teloijan Tea Co. Ltd., Jayshree Tea & Industries Ltd's Upper Assam Plantations and the Bhubrihat Tea Co. Pvt Ltd's Bhubrihat Tea Estate.

²⁴ <https://www.utz.org/what-we-offer/> Accessed 19/04/2016

9. CONCLUSION

The power to make a positive impact on wages and labour conditions in Assam's tea plantations is in the hands of buyers, large blending and packing companies, and retailers. Since the UK is one of the largest importers and consumers of Assam tea, businesses based in or operating in the country have a lot of leverage in the Assam tea industry. These companies should comply with national law in the countries of production, as well as international standards on labour and environment. The UK's Modern Slavery Act 2015 is a positive development for the tea sector, as it is for others. Much remains to be done to ensure accountability at all levels in international tea supply chains.

The Government of Assam must enforce the law on matters of wages and workers' labour rights, and must uphold the new minimum wage of INR 177 per day. This has been challenged by the Assam Tea Planters' Association and the North East Tea Association in the Guwahati High Court. The Associations must withdraw their case in the High Court and pay workers at least the new minimum wage, which is still far from a living wage.

Large blending and packing MNCs like Hindustan Unilever and TATA Global Beverages must ensure greater transparency in their supply chains. There must be more openness and transparency in interactions with civil society organizations, which will also help increase credibility. Responsible Sourcing Policies must be strictly adhered to in choosing and retaining suppliers. Where self-assessments are the norm, it is not a reliable tool for evaluating compliance, and must be replaced by audits by a third-party auditor or by the company itself. There must be proper verification even in the case of certified plantations as numerous violations of labour and human rights have been found on such plantations.

The companies must urge their suppliers to withdraw litigation challenging the increase in minimum wages, and to pay workers at least the new daily minimum wage rate of INR 177. They must commit to paying sustainable prices and purchasing regular volumes of tea in order to enable suppliers to pay their workers a living wage of INR 330. Furthermore, they must also encourage suppliers to protect workers' freedom of association by not preventing them from joining unions of their own choice.

Certification bodies must make their standards more stringent, and must not relax these under any circumstances. Violations on certified estates detract from their credibility. They must not wait for these to be publicly exposed before decertifying errant plantations.

Finally, plantations should be open to public scrutiny and operations must be transparent. In the case of the BBC investigation, the management in some cases sought to physically prevent reporters from entering estates and interacting with workers. Such actions are illegal, show open disregard for the Plantations Labour Act 1951 and must not be tolerated by the Assam State Government.

The intention of this report was to find linkages between Assamese tea estates and the international packing and blending companies which procure tea from them, as well as with retailers selling the final blends. This proved to be difficult as the supply chain and the system for trade in tea is incredibly opaque. As mentioned earlier, the greatest leverage to change the status quo clearly lies with buyers, large blending and packing companies, and retailers of Assam tea. The conditions of tea workers in Assam can be improved only through increased supply chain transparency and rigorous compliance with laws and international human rights standards. Further research is required to investigate conditions on various plantations, especially those certified for sustainable and responsible practices.

LIST OF REFERENCES

FAOSTAT - Food And Agriculture Organization Of The United Nations Statistics Division. (2016) *Faostat3.fao.org*. Retrieved 19 April 2016, from <http://faostat3.fao.org/home/E>

Groosman, M. (2011). *Tea Sector Overview*. IDH Sustainable Trade Initiative.

Lines, T. (2006). *Sustainable Livelihoods for Indian Tea Workers: The International Dimension*. Traidcraft Exchange.

Medhi, G., Barua, A., & Mahanta, J. (2006). *Growth and Nutritional Status of School Age Children (6-14 Years) of Tea Garden Worker of Assam*. *Journal Of Human Ecology*, 19(2), 83-85.

Harvesting Hunger: Plantation Workers and the Right to Food. MISEREOR. (2014).

Potts, J. & Voora, V. (2014). *The State of Sustainability Initiatives Review 2014: Standards and the Green Economy (p. Chapter 14)*. International Institute for Sustainable Development (IISD).

Tea Barometer 2010. Tropical Commodity Coalition (TCC). (2010).

Van der Wal, S. (2008). *Sustainability Issues in the Tea Sector: A Comparative Analysis of Six Leading Producing Countries*. Amsterdam: Centre for Research on Multinational Corporations (SOMO).

A Bitter Cup: The Exploitation of Tea Workers in India and Kenya Supplying British Supermarkets. War on Want. (2010).

ANNEX: WEBSITES FOR THE TEA AUCTION SYSTEM

1. Broker websites:

Most brokers have their own websites. The www.contemporarybrokers.com site offers some information under the statistics tab. The J Thomas website has a searchable version of their catalogue.

2. www.assamteaxchange.com:

This is the website of the GTAC. In order to access auction statistics on the website, one requires log-in information available only to registered members. The only data publicly available indicates the quantity and grade of tea sold, and average prices per broker and tea garden.

3. www.teaboard.gov.in:

This website has production and price statistics under the Indian Tea Statistics tab.

4. www.teaauction.gov.in:

This is the website where the e-auction takes place. The auctioneer, buyers and sellers have their own portal and passwords. This system is powered by NSEIT Limited.

Cividep India

Workers' Rights &
Corporate Accountability

cividep.org

#12, 1st Cross, Venkatramaiah Layout, Near New Baldwin School, Banaswadi, Bangalore 560043

Tel +91 80 41305013 eMail info@cividep.org