



TWININGS COMMUNITY NEEDS ASSESSMENT FINDINGS REPORT

January 2021

Twinings Sourced with Care programme aims to help improve the quality of life in the communities from which we source. The Twinings Community Needs Assessment (TCNA) enables us to engage with the communities in our supply chain, assess their working and living conditions and identify potential needs and priorities. The TCNA has 10 focus areas, namely Housing, Water and Sanitation, Labour Standards, Gender, Health and Nutrition, Children Rights, Livelihoods, Land Rights, Farming Practices and Natural Resources. This report is a summary of our TCNA findings conducted in our key tea sourcing regions in China, India, Indonesia, Kenya and Sri Lanka on both plantations and smallholder farms.

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Introduction

At Twinings, we recognise our responsibility to source ethically and our ability to act as a force for good by helping improve quality of life in the communities from which we source. Our Sourced with Care programme aims to do just that. Our vision is for healthier, happier, empowered and sustainable communities in our supply chain.

Twinings does not own any plantations and never has done. Instead, we source tea and herbs from suppliers and producers around the world. As a minimum, we source from plantations and farms that are certified by third party certification standards. We currently source tea from 127 gardens and smallholder farms in China, Kenya, India, Argentina, Indonesia and Sri Lanka. These represent over 500,000 workers, farmers and their families living on smallholder farms or large tea estates in our supply chain. Most of the places we source tea from are rural areas in often remote regions of developing countries therefore it is important to continue to invest in these communities, helping them to thrive and to ensure we can build a sustainable supply chain.

In 2016, we piloted the Twinings Community Needs Assessment (TCNA), a detailed holistic and participatory framework designed to assess and help us understand the needs of farmers, workers and the communities in our tea supply chain. We have now conducted 116 TCNAs in our tea supply chain across tea estates and smallholders, in all our key sourcing regions – China, India, Indonesia, Kenya and Sri Lanka. Through these assessments, we have gained a better understanding of the needs in each region, whether they are regional trends or site-specific. It is useful to take stock of what we have learned to date and to plan actions for our Sourced with Care programme for future, while continuing to establish baselines and assess progress.

This report summarizes the findings of our TCNA in our tea supply chain. We believe that being open about the findings will enable collaboration and ultimately tackle the challenges that tea communities may be facing. While we have identified appropriate actions for Twinings through our Sourced with Care programme, collective action from multiple stakeholders is needed to address the scale of the issues in some regions.

We have also started to introduce TCNA in herbs, however given the limited data in our herbs supply chain, we have chosen not to include these at this time. Finally, it is important to note that this report only covers sites from which Twinings sources, and we have not presented findings from outside our supply chain.

About our TCNA

The TCNA is the starting point of our Sourced with Care programme, which aims to help improve the quality of life in communities from which we source. It is a diagnostic tool which can be used for sites from which Twinings sources its raw materials, from large estates with hired labour to smallholder farms.

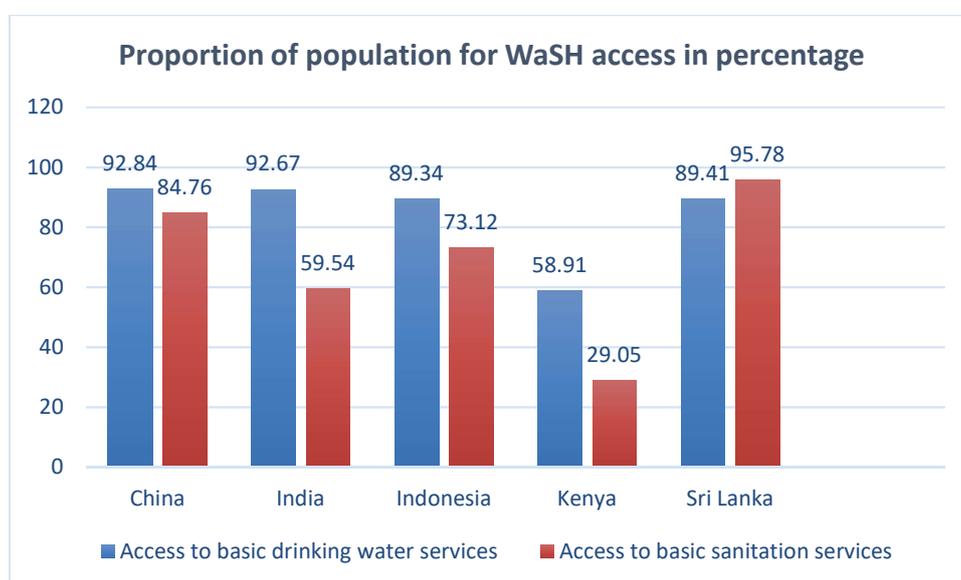
Our TCNA framework was developed in consultation with expert organisations including WaterAid, UNICEF, Conservation International, Solidaridad, Oxfam and GAIN. The objectives of the TCNA are:

- To build a robust understanding of the local needs (across the topics identified) of workers, farmers, and communities in our supply chain through a global, consistent and holistic approach.

- To measure how conditions are progressing over time (this is not about our own impact since there are many other factors that may also impact the conditions over time such as socio-political context, other projects, etc.).
- To align our interventions through Sourced with Care with the needs of communities from which we source from, whilst also contributing to global development priorities.

As a minimum, we source from farms and estates certified by third party standards. However, while it offers a valuable tool to improve social and environmental performances, solely relying on it does not guarantee the existence of social conditions that we consider acceptable. We believe other approaches are needed to improve livelihoods in grower communities. Our TCNA covers 10 areas which we believe are essential to ensuring a good quality of life for communities we are sourcing from:

- **Housing:** Adequate housing is recognized as part of the right to an adequate standard of living in the 1948 Universal Declaration of Human Rights. On tea estates, workers are provided with a house for themselves and their families and in India and Sri Lanka, it is not uncommon for families to live on the estates for generations. Our TCNA assesses whether living conditions are conducive to a decent, safe and dignified life at both estate and smallholder level. We consider the managements' improvement plan on the estate, while conditions for small farmers are linked to level of income.
- **Water and Sanitation:** Access to safe drinking water and adequate sanitation is a priority development issue in line with the Sustainable Development Goals (SDG 6: Clean Water and Sanitation). Indeed, inadequate access to water and sanitation not only affects the health and wellbeing of communities, but also hampers their economic development, for example as women and children spend time collecting water instead of pursuing income-generating activities or attending school. This is a key priority of our Sourced with Care programme.

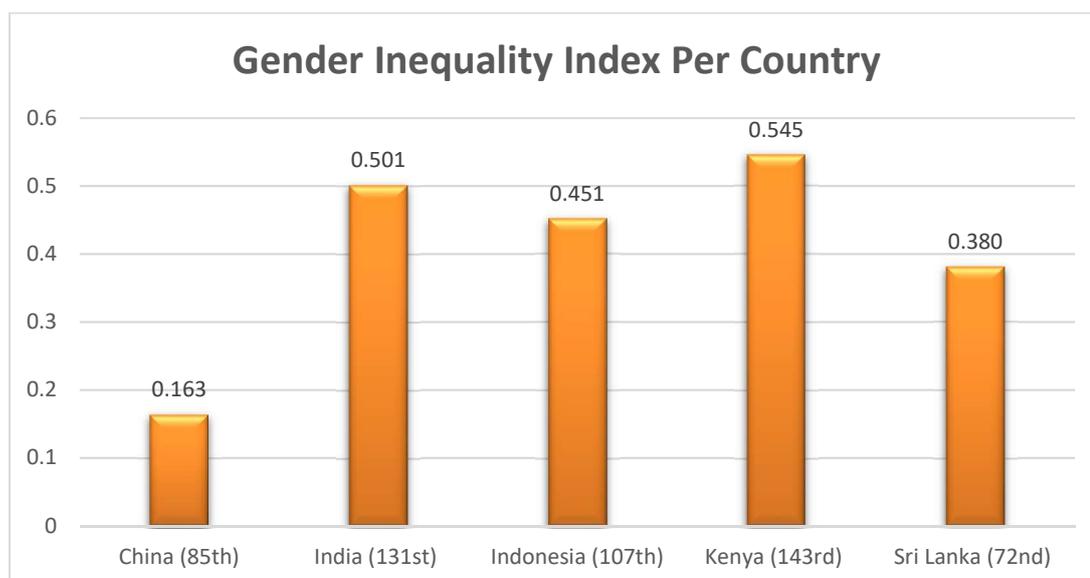


Source: UNICEF Data (2017 data)

- **Labour Standards:** Tea industry being labour-intensive it is essential to consider the working conditions for the hundreds of people working on tea estates and processing factories. Furthermore, seasonality of tea in some regions, impacts on migrant and casual workers as they may not always enjoy the same benefits as permanent workers. A fair and safe workplace, in line with the International

Labour Organisation (ILO) core standards, as well as countries specific regulations, is essential, together with access to the right workers representation and grievance mechanisms.

- **Gender:** Empowerment of women and girls is a priority development issue for the global community, as highlighted in the Sustainable Development Goals (SDG 5 Gender Equality). When women thrive so do the people around them and wider society. As women form most of the workforce in tea gardens and smallholder farms, we are, through our Sourced with Care programme, in a unique position to reach thousands of women. Our TCNA looks at the following topics essential to deliver women empowerment: safety, health and financial inclusion/opportunities.



Source: UNDP Human Development Report

- **Children's rights:** It is also important to assess that children living in tea communities have access to quality education, child protection measures, knowledge of their rights and adequate health facilities due to the remoteness of these places and socio-economic factors. This is in line with the Sustainable Development Goals (SDG 3 Good Health and Wellbeing and SDG 4 Quality Education) and Child's rights and business principles.
- **Health and nutrition:** In developing countries, lack of access to adequate healthcare can be an issue, particularly in remote regions. This can lead to high maternal and infant mortality rates, high HIV infection rate, pressure on family finances due to high fertility rates, lack of productivity and low income. We aim to understand the barriers to accessing health knowledge and services, with a focus on women's health. Malnutrition is also a key priority for us as it puts children at greater risk of dying from common infections and can also lead to stunted growth which can have irreversible effects on school and work performance later. For this, we use internationally recognized questionnaires Months of Adequate Household Food Provisioning (MAHFP) and Minimum Dietary Diversity Score for Women (MDD-W). The former provides an overview of the months of the year that families are short of food. The latter is a quick measure of how balanced the diet is.
- **Livelihoods:** Without a proper income, people are unable to provide for themselves and their family, including health, education, nutrition and proper housing. Fair wages remain an important step

towards decent livelihoods, but we also need to consider that for many families, tea is only one part of their income and they rely on other income sources, due to seasonality, employment status, change in weather patterns or personal choices. This is what we are looking at through our TCNA. From better wages and collective bargaining, to increasing productivity, income diversification and access to infrastructures or technologies, there are many ways to lift people's incomes.

- **Lands rights:** Smallholder farmers rely on their land as their main source of livelihood, but the size of their land holdings and the security of their title can sometimes prevent them from reaching a better future. This is also coupled with the fact that there is a lack of equality of land tenure between men and women. Therefore, when conducting the TCNA, we enquire about land ownership and security.
- **Farming practices:** Assessing the practices of smallholder farmers gives an insight on their technical knowledge and skills. Unlike on large tea estates, they have a disadvantage of not knowing what the industry practices are, at most times and their agricultural practices may not always be giving them the best result. Therefore, our TCNAs help in identifying their needs and improvement areas, thus bridging the communication gap between them and the factories to encourage relevant trainings and proper dissemination of information.
- **Natural resources:** It is essential to ensure that the environment and biodiversity in all the tea growing regions are conserved and protected, used sustainably and efficiently. The changes in rainfall pattern, droughts, pest infestation are results of climate change and is a major area of concern. This aligns with the Sustainable Development Goals (SDG 13 Climate Action and 15 Life on land). Also, with a mass consumption of energy in the tea factories, it is imperative to look at ways to reduce the use of non-renewable energies and plan for carbon offset.

The TCNA process is designed to be participative and therefore focuses on hearing from the workers, farmers and community members themselves, through focus group discussions and individual interviews as well as some surveys and observations. The whole process takes several days per site and is conducted by members of the Twinings Social Impact team, who are based in key sourcing regions.

We strive to make our TCNAs consistent and thorough, but we know that the quality of the data will vary undeniably based on the circumstances at the time. While the TCNA gives us a good understanding, we will always explore further and engage with local communities when developing future interventions.

These assessments enable us to have informed and detailed discussions with producers about the situation and to support them in addressing any gaps. We have also been working to address some of the issues directly, where our interventions can have the greatest impact and make a positive difference on people's lives or could catalyse further change. We work with producers, local governments, civil society organisations and other industry stakeholders. You can find out more about our interventions at www.sourcedwithcare.com

Key findings

This section summarizes the learnings and key findings for the 10 focus areas across tea growing regions in 5 countries.

It is important to note that our findings are based upon the communities that we source from and may not apply to the region or whole country. In addition, some of these communities have been part of various interventions over the years from Twinings and others, while others have not.

Housing

Workers employed on tea gardens are provided with a house for themselves and their families, often as part of the legally required benefits. Houses, while small, are of solid construction but conditions vary greatly across gardens and regions, from barrack style in Sri Lanka and in south India to more modern and private houses in Darjeeling (north India). However, in many tea gardens in Asia, housing is often overcrowded as extended family come to live in the house designed for a small family unit. As a result, workers build extensions out of makeshift materials (bamboo, wood, mud), which then limits ventilation and natural light in the original house and can make the structure unsafe. In Sri Lanka, many estates have started to provide workers with new individual houses, coordinated by the Plantation Human Development Trust.

Tea garden management have plans in place for improvement, including construction of modern new single units, but backlog is often considerable and requires time. This is further exacerbated, in particular in India and Sri Lanka, by the large non-worker population living on the estates (sometimes only 30-35% of the tea garden population works on the estates), putting a strain on the estate's ability to provide adequate services to their population.

Smallholder tea farmers live in their own privately-owned homes. From China to Kenya, housing standards varies with the size of the family, the level of income and the level of development of the region. While farmers in the Eastern part of China have spacious housing with modern kitchens and electric home appliances, in more rural provinces, such as Yunnan, houses are often small and in need of repairs.

In many rural areas, and even more so in the mountainous regions of Darjeeling and Sri Lanka, dirt roads are a challenge during the rainy season, making it difficult for tea communities to access services including health, education or shops.

Housing is a difficult area as it impacts so clearly on people's quality of life, but often it does not belong to workers but to tea producers. When agreeing the action plan after a TCNA, we encourage producers to do more and be accountable on this topic.

Water and Sanitation

Our TCNA findings show that the situation on water and sanitation varies even within individual countries depending upon the reach of public utilities, geographical context and the different solutions available to tea farmers or implemented on tea gardens.

We found some shortage of water during the dry season in Sri Lanka, certain areas of Kenya (Kisii county in Nyanza province) and parts of China (for example in Hunan). Access to water is also an issue in Darjeeling, due to the mountainous terrain and lack of proper infrastructures and in some part of Assam too due to a low water table and high iron content.

Many farmers in Kenya take water from rivers and streams, while generally on estates, water is collected from water pumps. Contamination of water supply is a risk, given the variable levels of sanitation in Indonesia, Assam, and parts of China. In Kenya, workers hired by the smallholders lack proper access to water and sanitation.

Many gardens (Sri Lanka, North India) are also lacking adequate numbers of latrines and repairs/replacements are needed, in Kenya latrines are shared between households. Access to latrines is also rare for most workers in the field during the day. Government and producers are working towards closing the gap, but more interventions are needed to accelerate improvements, and this data is helping define our interventions.

Poor hygiene is also common across our sourcing locations, and this is something we have been addressing through behaviour change campaigns on hygiene (e.g.: hand washing and menstrual health).

Labour standards

Labour Standards are generally adequate, and in line with our Code of Conduct in tea estates. While labour conditions are generally satisfactory within the hired workforce, informal labour on smallholder farmers is less controlled.

The predominant concern in estates is health and safety – both safe use of pesticides in the tea fields, and safe machinery/ working environment in the tea factories. Overtime in high season and its compensation remains an issue in most regions.

Worker-management relations can sometimes be poor, for example workers lack direct communication channels to address grievances with their employers, resulting in unmet needs and aspirations. On estates with Community Development Forum (CDF) established in Sri Lanka, relations have been improved significantly.

Gender

The status of women varies across the countries we have covered. From women workers not collecting their own wages and having little or no control over family finances to women receiving their wages in their own bank accounts and taking part in joint decision making at household level.

However, overall, women seldomly make it to supervisor position within the estates as social norms and traditions make it difficult. In Sri Lanka, women have to pluck more for the same salary as men while in Kenya, women do most of the work on the smallholder farms, but men receive the earnings as the registered landowners. The burden of unpaid care work also makes it difficult for women to access training and this is further exacerbated by the lack of adequate childcare facilities.

Alcoholism remains an issue in India and Sri Lanka, which can lead to Gender Based Violence (GBV). Some regions have dedicated support groups such as Mothers' Clubs and Adolescent Girls' Groups in Assam or 'Samaj' and Women's Committees 'Nari Manch' in Darjeeling, while in China, women rely on informal structures or family networks.

Children's rights

No cases of child labour have been identified on tea gardens covered by our TCNAs and there are strict recruitment practices in place and monitoring systems on child labour.

Primary schools are provided by the plantation company (Assam, Kenya) or run by the government (in Darjeeling, South India and China) and transport is often provided to the children. However, in some regions school buildings are in a state of disrepair and lack access to clean water and toilets.

School dropouts are common for older children (15 and above) and in some region mainly affect girls. Some estates provide extra tuitions for workers' children. Children dropping out of schools have very little opportunity due to the lack of vocational training available and they either remain on the estate or later migrate to large cities for work.

Crèches are provided on many estates, but they often have limited provision (lack of trained staff, child-friendly toilets, play and learning materials, cots, ground mats and ceiling fans and sometimes lack of repair of the crèches) and are underused or not used at all in some cases. In rural areas of China or in Sri Lanka, it is not uncommon for parents to migrate and leave their young children under the care of grandparents.

Due to the vulnerability of tea communities (Assam, Yunnan), there are several child protection issues in the community, with risks of trafficking, substance abuse, GBV or early child marriage. Various interventions are in place, either by producers, government as well as us to strengthen protection and wellbeing of children in tea estates (for example in Assam by establishing Adolescent Girls Club or strengthening Child Protection committees).

Health and nutrition

One of the main findings of our TCNA, was that while people have enough to eat, diet diversity is quite low which results in anaemia and stunting. This could be because of lack of awareness, availability of produce or income. Furthermore, there are lean months, during the dry season, during which farmers are short of food for 2 to 4 months in the year.

There are health centres/dispensaries on each estate, but availability of qualified staff and medicine is variable. For better treatment, people go to the government facilities instead, but estates can often be remote which makes accessing these public services very challenging. This is also a challenge for smallholder farmers which tend to be spread across large areas and often their local clinics do not have professionally trained staff, impacting the healthcare they receive. Often serious illnesses are left undiagnosed for a long time and then the care available is limited.

Distance and availability of health services affect women more, as they have specific needs (reproductive and maternal health, family planning, etc.). In Assam and Indonesia, malnutrition, poor hygiene practices, hypertension and early pregnancy are factors impacting women's overall health and that of their families. In Yunnan, child mortality is double that of urban areas due to lack of access to healthcare, which we have been working to address for a number of years through our programme in the region.

Livelihoods

Across all the regions covered by our TCNA, farmers rely on various sources of income besides tea, including maize, vegetables, coffee, livestock or small business. Their incomes fluctuate because of climate change, seasonality, prices of green leaves (that they sell to a processing factory) and demand. For many, their income is also limited by the size of their land holdings and therefore how much they can grow (in Kenya we estimate between 0.5 and 1 acre).

On tea estates, workers are paid in line with legal minimum wage or trade union negotiated wages. These are made of cash and in-kind contributions such as housing, healthcare or subsidized food rations, but the quality of the benefits provided vary largely across producer groups. Permanent workers earn an income throughout the year, but this tends to be lower during the low season as they do not receive their productivity incentive. Provision to temporary and casual workers vary in line with legal requirements, in Sri Lanka they are not

entitled to any benefits, while they receive Provident Fund, rations and free healthcare in India and annual leave, National Hospital Insurance fund and National Social security fund in Kenya. However, they are a significant proportion of the workforce, up to 70% on some Indonesian estates. Most workers are still paid in cash and while estates are gradually phasing into online bank transfer of wages, a lack of banks and ATMs in proximity to estates makes this an issue.

Family members, casual workers and non-tea workers often find it difficult to find alternative sources of employment due to the remoteness of the estates. Lack of time, financial resources, land, knowledge and infrastructure such as roads and markets also make it difficult to get an additional income. Additional sources of income include agriculture, and small business (bags, taxi, small shops, snack stalls, etc.). In China and Sri Lanka, it is common for younger generations to migrate to large cities to find employment in construction or the garment industry while sending their wages to people on the estate.

In general, people report that their livelihoods have improved over the last five years and people are for example increasingly able to pay school fees for their children. However, inflation remains high and harsh weather conditions, which can reduce crop yields, have a significant impact on farmers livelihoods. Access to technology, local markets and transport infrastructures can be other limiting factors.

In India and Kenya, many households are part of savings groups, in which one person from the group can use the collected money on a rotation basis when needed (for example for weddings, education, repairing houses, festivals, tools, starting small businesses etc.).

New approaches are being trialled. In China, farmers are transferring their land to company which has better capacity to grow and process products that meet market demand, while choosing to work on the estate or migrate to the city. In Sri Lanka estates introduced a revenue sharing model in which they transferred tea bushes to workers family for them to manage. Time will tell if these are successful at improving livelihoods sustainably.

Farming practices

Smallholder farmers usually limit Integrated Pest Management (IPM) practices to manual weeding and insect traps. But far more can be done to better execute and manage IPM in a way that is better for both tea productivity and quality. Farmers are aware of the risks of agrochemicals, both to themselves and to the tea crop, if used incorrectly. However, the implementation of any real agrochemical management is still rare – for example, pesticide containers can be seen around living and working areas rather than disposed of correctly.

In Kenya, most farmers have received some training on good agricultural practices through farmer field schools, and the estates and factories have employed extension officers who work with farmers to provide training and support services. However, due to the small size of land holdings owned by farmers, they rarely uproot their tea bushes to plant new suitable varieties. Improved farming practices would have a significant impact on farmers' livelihoods.

Land rights

We only have limited data on this since we only looked at land rights in the lens of farmers. In China land is owned by the State and farmers have renewable contracts for 30 to 70 years, while in Kenya and Sri Lanka farmers own their land. This poses different problems, from secure tenure to size of land holding reducing from one generation to the next, as it is divided between family members. However, most of these challenges

are the result of complicated political and historical issues that cannot be addressed by company alone or even the industry and require action from government.

Natural Resources

While we recognize that natural resources do not appear as much of an immediate need as other topics covered above, the inter-connection between natural resources and farmers livelihoods and therefore many of the above topics, makes it important to start addressing this. Because of the work of certification, there are generally good practices in place to protect and conserve the environment and biodiversity.

Water pollution (lack of proper waste management system), climate change and soil erosion (due to improper farming practices) are the main issues observed for both farmers and tea gardens. Furthermore, there are instances of human-wildlife conflict (i.e.: with elephants in Assam) due to historical, commercial or development interventions that reduce natural habitats.

Some good examples were noted of rainwater harvesting, Integrated Pest Management, groundwater re-charging and biomass fuel in some gardens. In general, however, more work is still needed.

Next steps

These findings across 5 countries are made of over 100 assessments that have been shared back with individual producers, estates, or cooperative/smallholder groups. For each one, we have recommended actions in several priority areas and we will continue to assess how the conditions of communities in our supply chain evolve over time, through new cycles of TCNAs. But we are confident that we have been able to drive some positive change through these assessments and action plans alone.

We also have already several interventions in place, based on the needs of the communities, including building latrines and water supply provision, providing access to quality healthcare, improving nutrition status of children, enabling safe environment for women and training farmers to enhance their income. For more information on these, please refer to www.sourcedwithcare.com

Considering these findings from the TCNA, we have the following priorities for our action over the next 5 years:

- We will seek to increase access to safe water and sanitation on the tea estates we source from, as in too many places, people still lack proper sanitation and access to clean water.
- We will focus on enhancing protection, health and opportunities for women in our supply chain, as women form most of the workforce but continue to face many challenges.
- We will work with vulnerable children in tea communities to give them best start in life through nutrition, health, education and protection interventions.
- We will help strengthen resilience and income for farming families, with a specific focus on sustainable farming practices and climate change adaptation.
- With regards to housing, we recognize this is still a challenge on many tea estates and we will continue to encourage producers to make improvements in an adequate and timely manner.

These findings need to be seen within the context of the overall development of the countries themselves. The countries where tea is grown and where we source from tend to be lesser developed countries and/or remote rural regions in low-middle income countries. As such we recognise the need to advocate and work

with others for more systemic change in the industry. We also recognise that actions from governments are crucial to tackle some of the development challenges affecting tea communities including land rights, infrastructures and existing labour laws.

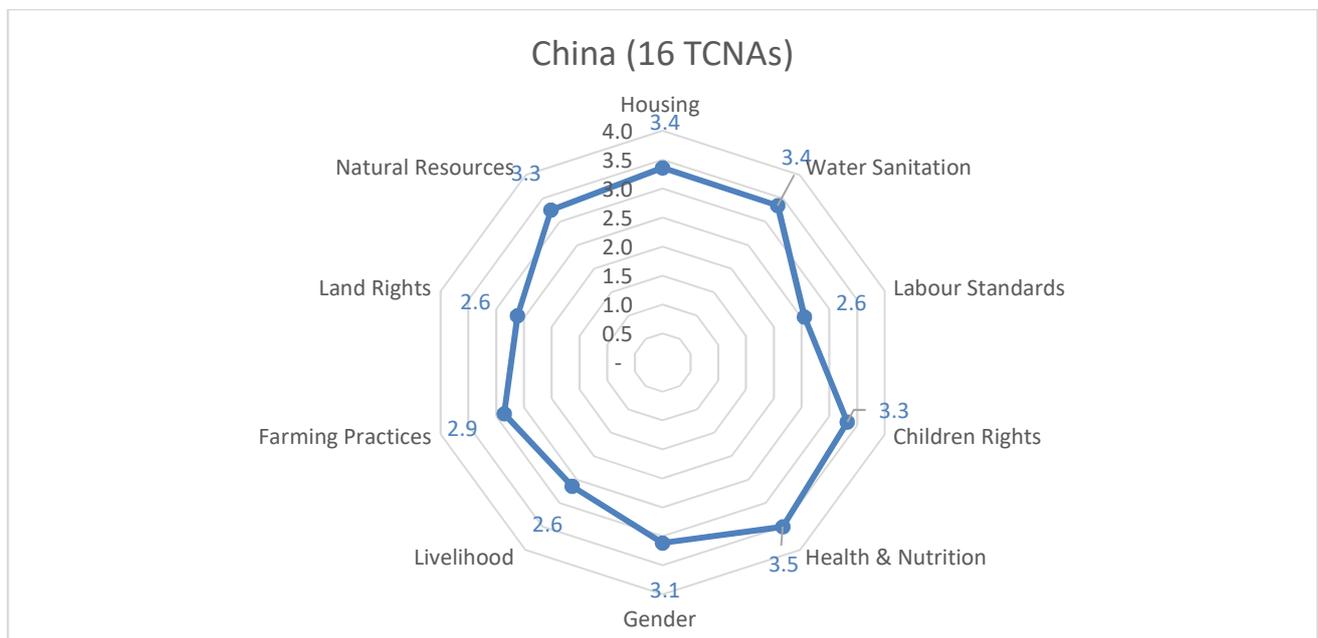
We remain committed to improve the lives of communities from which we source and our TCNA is a valuable tool to help us achieve this vision. We will continue to assess the needs of communities in our supply chain, including expanding to herbs, measure progress over time and improve our framework as we learn more.

Country Summaries

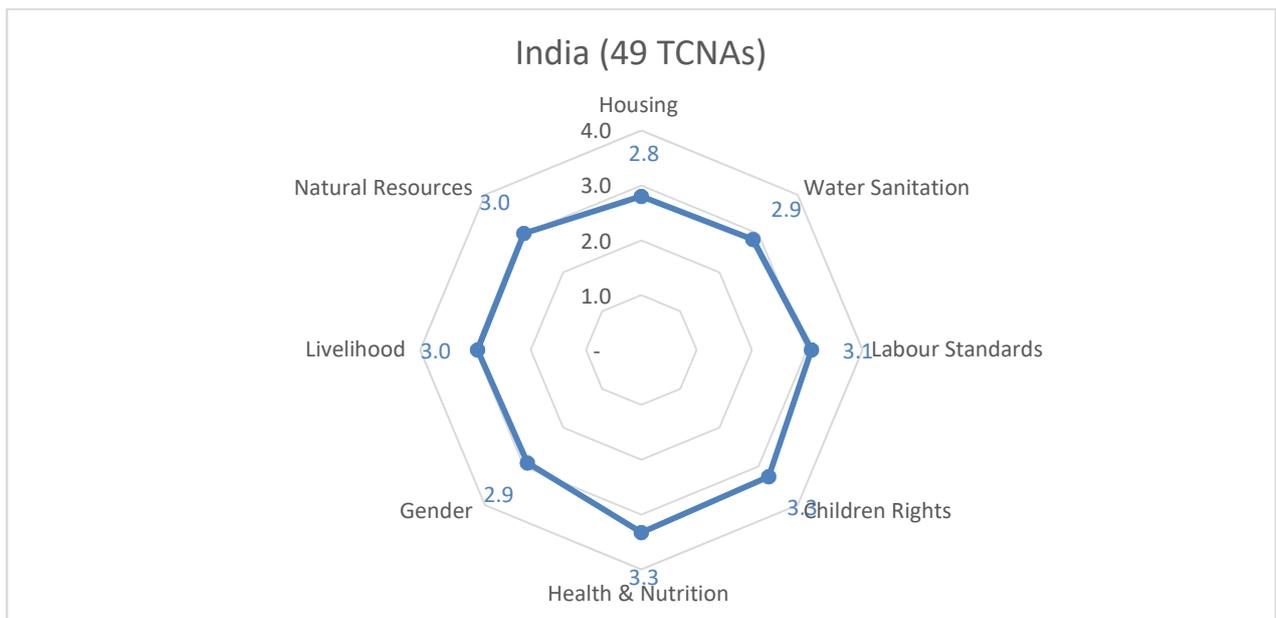
The following country diagrams detail the findings across our TCNA focus areas. Note that they only represent communities from which we source and as such do not necessarily represent an accurate picture of the situation at local or national level. The rating in each sector is applied as per below indicators and is an average across all sites.

- 0: Criteria not met**
- 1: Poor or some progress towards meeting the criteria / criteria mainly not met**
- 2: Good / partly met with minor issues**
- 3: Very good / met a minimum level of acceptable standard but where improvements are still required**
- 4: Best practices on the criteria / good progress and no further action is needed**

China



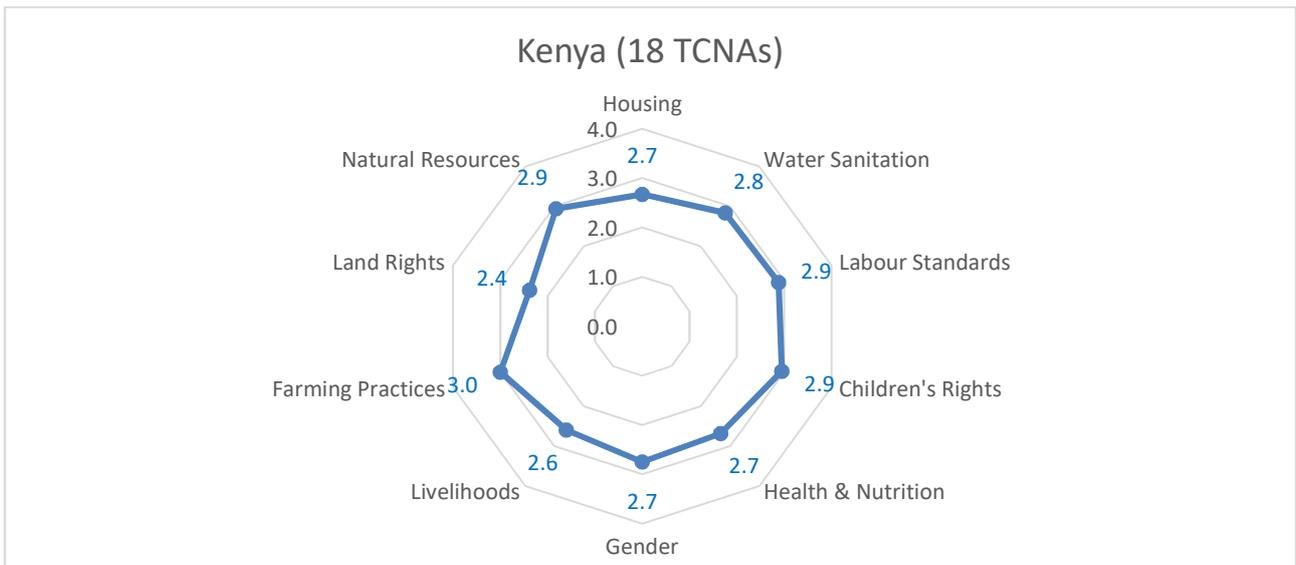
India



Indonesia



Kenya



Sri Lanka

