

Twinnings Ovaltine Human Rights Position Statement

Updated: March 2021

At Twinnings Ovaltine (TwO), we recognise our responsibility to respect human rights. In this document, you can find out how we put this into action, through the work of our Social Impact team, and the way we conduct our business.

Our Ethical Standards

Our [human rights policy](#) outlines the following:

- What respecting human rights means to us;
- The vulnerable groups we focus on;
- The international Human Rights Instruments we draw from;
- Our belief in the importance of human rights due diligence and grievance mechanisms;
- Our commitment to positively impacting the human rights of the communities we source from.

Our [Code of Conduct](#) outlines the working conditions that we apply in our own operations, and the requirements we ask our suppliers to commit to, before starting business with us.

We also adhere to a number of policies that are in place at the level of our parent company, Associated British Foods (ABF plc), including Anti-Bribery and Corruption and Whistleblowing Policies. ABF's policies can be found [here](#).

Twinnings' Sourced with Care programme is informed by pertinent international frameworks and tools including: the UN Sustainable Development Goals; the Children's Rights and Business Principles; UNICEF Child Rights Impact assessment; the Sustainable Agriculture Network's Guidelines on Sustainable Tea Production; OHCHR/ UN HABITAT Guidance on the Right to Adequate Housing; Water Aid's Hygiene Framework, and FAO's Minimum Dietary Diversity for Women: A Guide for Measurement.

How do we make sure Twinnings Ovaltine staff understand our standards?

We have recently published our Human Rights Policy, in order to help our employees understand the importance of human rights within Twinnings Ovaltine (TwO).

Our Code of Conduct sets out the labour rights expectations we expect our suppliers and commercial partners to apply in their factories and is signed off by our CEO. As a result, TwO staff who interact with suppliers and partners are expected to be well-versed in our Code and how it applies in a factory setting. Many of our buyers have SA8000 (social auditor) training, and our Social Impact team delivers in-person and online training for local buying teams on topics including factory monitoring and improvement and modern slavery. In 2019 we rolled out an e-learning module on modern slavery for all staff who interact with suppliers.

How do we apply our ethical standards across our supply chain?

To ensure our suppliers and business partners put their commitment to our Code of Conduct into action, we commission regular third party independent ethical audits of our high priority first tier suppliers and TwO sites.

The category of "first tier suppliers" includes suppliers providing raw materials, packaging, processing and branded items for TwO. Suppliers who pack Twinnings and Ovaltine products are also

considered as first tier suppliers. There are currently 730 first tier suppliers who fall into this category.

We define “high priority” by calculating the risk and priority of each individual factory. This includes looking at the labour rights conditions of the country our suppliers operate in (as defined by the [ITUC Global Rights Index](#)), the vulnerability of their workforce (for example, whether the factory employs migrant workers, uses recruitment agents, or has manpower workers onsite), the products they are making for us, and our leverage within the business relationship.

25% of first tier suppliers are deemed “high priority”. Along with our own sites, these are ethically audited, either by independent third-party auditors, or by our Social Impact Team, every six months, two years, or three years, depending on how they performed in their previous audits. Sometimes, first tier suppliers may have already had an independent ethical audit, and in order to reduce duplication, we may agree to review an existing audit instead of conducting our own.

Almost every audit indicates areas for improvement. Common issues include health and safety and working hours. Following audits, our team and third-party auditors provide factories with an action plan of issues to resolve, along with timelines. Normally, most issues can be addressed by the factory independently, within an agreed timeframe. However, if we identify very complex issues, we respond with an in-depth approach, tailored to the specific needs of the site. For example, this may involve capacity building for management provided by expert partners.

Our preference is to work with suppliers and their factories so that they can make the changes required based upon our audit findings. However, in extreme cases, we take the difficult decision to stop working with a supplier altogether if we feel our trust has been misplaced or a supplier is unwilling to improve.

For tea, as a minimum, we only source from gardens that have been independently certified by third party organisations such as Rainforest Alliance and Fairtrade. We prefer not to duplicate work by conducting additional ethical audits, but instead focus on assessing the needs of the broader community, through our Twinings Community Needs Assessment (TCNA).

We are working hard to increase ethical and sustainable sources in our herb supply chain. This includes increasing sources which are certified, ethically audited, or assessed using a TCNA.

The TCNA is designed to help us understand the needs of farmers, workers and communities in our supply chains. It is a detailed, holistic participatory framework, developed in consultation with expert organisations including UNICEF, WaterAid, Solidaridad and GAIN. TCNAs cover 10 areas, eight are applied when assessing tea estates; a further 2 apply to smallholder farmers:

- Housing
- Water and sanitation
- Health and nutrition
- Gender
- Children’s rights
- Land rights
- Livelihoods
- Natural resources
- Farming practices
- Labour Standards

TCNAs are conducted by our Social Impact team in the tea gardens, smallholder farms, and factories from which we source our tea. We are working to progressively roll out TCNAs to the herbs supply chain. To date, they have been conducted in China, India, Indonesia, Sri Lanka, Kenya, South Africa, Croatia and Egypt.

The assessments provide the basis for an action plan with producers to address human rights issues and community needs. We believe that having a deeper, first-hand understanding of the issues will help us decide how best to address them through appropriate interventions, and support producers to have the greatest impact on tea and herb growing communities.

Please explore our [Sourced with Care](#) website to read about all the programmes we are involved in to improve quality of life in the communities we source from.

What are the salient human rights risks facing TwO? How do we identify and act on them?

The role of our Social Impact team is to help TwO source from supply chains free from human rights abuses, and to work to improve quality of life in the communities we source from.

To ensure that our Social Impact Team's work targets the key issues and regions in our supply chain, in 2017 we undertook our first independent company-wide human rights risk assessment. We worked with a third party who helped us map the key human rights risks outlined in the International Bill of Human Rights against our whole supply chain and every key stakeholder group. A working group comprising the Social Impact Team and third-party experts reviewed each human rights / supply chain / stakeholder interaction, with a view to the severity and likelihood of each impact.

The assessment confirmed that the salient risks facing us include:

- Health, safety and security at work;
- Forced labour;
- Working hours, remuneration and benefits;
- Community needs and living standards;
- Gender discrimination and harassment;
- Children's rights.

The results of our human rights risk assessment confirmed that our due diligence programme has been focussed on the correct areas of the supply chain.

Please find below further information on how we are working to address human rights risks in our supply chain (high priority first tier suppliers) and in our tea and herb growing communities.

Working with Suppliers to Address Human Rights Risks in the Supply Chain

Forced labour		
Responsible procurement	Malaysia	<p>As part of our response to salient risks identified in our human rights gap analysis, we have adapted our internal policy and process, and enhanced due diligence in the supply chain.</p> <p>In 2019 we updated our Code of Conduct to explicitly ban recruitment fees. Additionally, during 2019 and 2020, we rolled out training for our global HR teams on our Code of Conduct. We also reviewed the wording of the contracts we use with employment agencies, to ensure that they clearly stipulate that workers should not pay any recruitment fees</p> <p>In 2019 we rolled out in-depth migrant worker assessments in supplier factories in Malaysia where there are migrant workers present. We are now working with Impactt Limited (experts in workers' rights), to implement a supplier capacity-building programme in the region.</p> <p>Managers at five supplier sites in Malaysia have received training on the responsible management and recruitment of migrant workers. Capacity-building support will continue throughout 2020/21. Key focus areas of this work include supplier recruitment and hiring policies; the selection and management of recruitment agents; clear communication about employment terms with prospective and existing employees; and approaches to on boarding new migrant workers.</p>
Working hours, remuneration and benefits		
Income and livelihoods	China	Farmer Field School – China
Collective Bargaining/FoA and Grievance Mechanisms	Sri Lanka	Community Development Forum
Community needs and living standards		
Access to water and sanitation	India	Water and Sanitation – Darjeeling and Assam
Access to health	Kenya	Improving women health in tea communities
Gender discrimination and harassment		
Discrimination and GBV	Sri Lanka	Community Development Forum
	India	The Work and Opportunities for Women Programme, an initiative funded by the UK Foreign, Commonwealth and Development Office, to train management and build capacity of worker committees in Assam and Darjeeling. The aim is to empower workers to help prevent and respond to harassment and gender.
Children's rights		
Child protection	India	Protection and Health for women and children in Assam
Better health for children	China	Twinings Child Health Project - China

We will continue to use this page to report on the proactive measures we take to assess, prevent, and remedy human rights risks in our supply chain.