



Twinnings
Social Impact
REPORT 2016

The central graphic features a circular logo with the text "SOURCED WITH CARE" and "TWINNINGS" in the center. To the right of the logo, the title "Twinnings Social Impact REPORT 2016" is written in a mix of gold and black fonts. The background of this section is a white, textured brushstroke.



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We believe...

... everyone has the right to a decent quality of life and to be able to provide for themselves and their families. This belief inspires our approach towards the vast tea agricultural sector from which we purchase. Twinings aims to buy from the best tea estates, both in terms of quality and social standards, but even these can be improved further, which is what we aim to do.

Our Sourced with Care programme is designed to help support the changes needed. We work to enhance livelihoods, enable life opportunities and improve living standards for communities in our supply chain.

Twinings has been in the tea business for over 300 years and we have always been innovators. Our Sourced with Care programme is no different; we are dedicated to applying our experience and resources to ensuring quality of life for all those from whom we source.

Together with our partners, our Sourced with Care programme has already impacted over 130,000 lives. We will continue on our journey to drive further change.

CHIEF EXECUTIVE'S INTRODUCTION

Sourced with Care is at the heart of what we do at Twinings and informs every level of decision-making within the company. All around the world people grow, make and process things on which our business depends. This gives us the opportunity and responsibility to act as a “force for good” and, in some small but meaningful ways, change lives for the better.

Our aim is that our Sourced with Care programme leads to a “virtuous circle”. Our interventions make a real difference to people’s lives, but also draw attention to the issues and challenges. This encourages other gardens and also increases demand for improved social conditions from other tea buyers, and so leads to change at a wider scale and a virtuous circle of improvement.

We recognise that we are small in relation to the size of the sector so this probably seems like a lot to hope for. But we are committed to using our influence, passion, innovative spirit and strong partnerships to create better conditions for workers, farmers and communities in our supply chain.

I am really optimistic, despite the many possible obstacles, because everyone from the tea-picker right the way through to the tea drinker knows that this is “the right thing to do”.

The engagement from producers in our Community Needs-Assessments and some of the progress we have seen to date reassures me that this optimism is well placed. In the last couple of years we have directly improved the lives of thousands of people across our supply chain and this report shows what has been achieved. We have set ourselves the ambitious goal to **improve the lives of 500,000 people in communities where we source our products by 2020** as we grow our programme, expertise and partnerships.

Twinings has been at the forefront of progress in the world of tea, in one way or another, for more than 300 years. I believe this programme has us leading the way in our commitment to improving social conditions in the industry. Our influence only goes so far, but we also strive to do what we can to catalyse more systemic change beyond that limit.



Bob Tavener
Chief Executive Officer



ABOUT TWININGS

OUR HISTORY

Thomas Twining opened the first dry tea shop in 1706. At a time when coffee houses were a popular feature of London life, Thomas went against the tide in order to share his love of tea. The family soon started to export to America. Later on the company was an early maker of tea bags and flavoured teas. Today, Twinings sells teas in over 100 countries and has manufacturing sites in 4 (UK, Poland, India and China). The company is owned by Associated British Foods plc.

“ We now sell tea in 117 countries and our reputation continues to reassure our customers. Our programmes to give back to local communities from which we source have also expanded and are very much part of the way Twinings does business. I think that Thomas Twining would be proud to see this. ”

Stephen Twining.

OUR VALUE CHAIN

TEA

Twinings does not own any plantations; instead we buy teas from selected tea gardens across the world and blend them with expertise before packing them for consumption. We source tea from dozens of gardens in China, India, Kenya, Malawi, Sri Lanka, Argentina and Indonesia. The hundreds of thousands of people working on plantations and smallholder farms growing tea are not employed or contracted by Twinings but by tea producers based in these countries.



The model of production varies from country to country; in India most of the tea we buy comes from large plantations with hundreds of workers who live on the estates with their families, whilst in China, most of the tea is produced by individual farmers who then bring their leaves to a preliminary factory for processing. In Sri Lanka, Malawi, Kenya, Argentina and Indonesia, our teas come from a mix of large plantations and small tea growers. **For all regions, we have full traceability and we know exactly from which estates or gardens we are sourcing from around the world.**

86% of our tea is bought directly and we have many longstanding relationships with producers due to our long history of sourcing quality tea.



Twinnings' Value Chain

TEA



HERBAL TEA

HERBAL TEA

At Twinings we also have a wide range of herbal teas and infusions which are made from over 50 different plants from all around the world. Our key items are peppermint, camomile, hibiscus, linden flower, ginger, rooibos, rosehips, blackberry leaves, cinnamon and lemongrass, which combined represent 75 % of our overall volume, but we also source some items in very small quantities (only a few kilograms a year).

Some ingredients are cultivated in large plantations (peppermint), some by smallholder farmers (hibiscus), whilst others are wild collected in forests and hedge rows (rosehips or blackberry leaves). Therefore, due to the supply chain structures, the wide range of ingredients and the relatively small volumes, sourcing herbal ingredients is highly complex and achieving full traceability is more challenging. That's why we work with European processors who source these ingredients in large volumes on behalf of companies like us.

OTHER PRODUCTS

There is more to our sourcing than just the agricultural side, and we also source other products including tins, tea bags, flavours, wooden presentation boxes or tea cups, to enable us to manufacture, sell and market our products. We currently have almost 400 first tier non-tea suppliers which include packaging, co-manufacturers, flavours and promotional items suppliers, in 40 countries.

MATERIALITY AND RISKS

As a company, tea is essential to us. Tea, like many agricultural commodities, faces major challenges, from shortage of labour and poor working conditions to climate change. We work to improve the lives of farmers, producers, workers and their families that produce our key raw materials in order to build strong supply chains and a sustainable supply of high quality tea. That is why tea has been identified as a key priority for the business and our Social Impact work focuses on addressing the needs of tea communities from which we source.

Tea is also where we can have the greatest impact due to our relationships with producers and the relatively high volume we buy (and therefore increased leverage) compared to some of our other supply chains. It does not mean it is straightforward and our influence is sometimes quite small; both in China and India the majority of tea produced is consumed internally and we buy less than 0.5% of the tea produced in these countries. That's why we are partnering with others to achieve the improvements to which we aspire (see more about our strategic partnerships on page 20).

Besides tea, we are looking at our other product categories from herbal teas to packaging, in order to promote respect for the basic rights and freedoms to which all people are entitled. Depending on our level of control and the supply chain structure we may do this directly, for example through audits, training or capacity building, or by working with others including processors or certifiers, who may have more influence.

Across all of our supply chains we continuously review risks based on country risks, NGO reports, and our own knowledge on the ground, to ensure our work is aligned with the needs of the communities from which we source (see more on how we work on page 19).

GOVERNANCE

Twinings' work in this area is run by the Social Impact team, a global function which reports directly to Twinings' CEO and works closely with key buying functions across the business. The team includes Ethical Sourcing Managers based in key sourcing origins, who provide a direct understanding of the issues on the ground and enable the team to drive change at a local level.

Each programme is developed and regularly reviewed by a team of Senior Managers within the business. This ensures that each intervention is aligned with our priorities and is impactful, sustainable and scalable.



OUR VISION

“The opportunity for a good life in the communities where we source our products”

OUR FOCUS AREAS

LIVING STANDARDS

Supporting communities through housing, sanitation, water and hygiene



LIVELIHOODS

Protecting the rights of workers, and improving incomes through skills, new technologies and access to market

LIFE OPPORTUNITIES

Empowering women and young people and improving health

OUR GOAL

*Impact
500,000
lives by
2020*

HOW THE PROGRAMME WORKS

SOLID FOUNDATIONS

Making certain that all of the suppliers and producers we work with are meeting international social and ethical standards and respecting human rights.



DRIVING CHANGE

A tailor-made approach that begins with the diverse social issues facing tea communities and is scaled up to tackle the broader challenges facing the industry, through working with NGOs, other companies and governments.

ABOUT OUR SOURCED WITH CARE PROGRAMME

Twinings has been involved in the wellbeing of communities where we source our products for some time. Most notably we were one of the founding members of the Ethical Tea Partnership 20 years ago and we have been partnering with Save the Children in China for over 10 years. In 2010 we also started ground-breaking programmes in India, first with UNICEF in Assam, focusing on young adolescent girls who live on tea estates, and then in Darjeeling with Mercy Corps, helping populations around tea estates with better access to water and sanitation. Both programmes achieved significant improvements for the beneficiary tea communities.

Sourced with Care sets the ambitious goal to **improve the lives of 500,000 people in communities where we source our products by 2020**, in the areas of Livelihoods, Life Opportunities and Living Standards. These focus areas were identified through our close engagement with local communities, partner organisations and local experts, as the most important to improving the lives of workers and their families in our supply chain. They also

reflect our commitment to support the Sustainable Development Goals.

We start by making sure that basic conditions in factories/estates/farms are achieved, in line with core ILO conventions and more recent legislation such as the Modern Slavery Act, in order to ensure that **Solid Foundations** are in place.

Then, through our Community Needs-Assessments, we identify priorities and align our interventions with the needs of local communities. Each approach is therefore tailored to countries, regions and communities. We also strive to ensure that each project is scalable and sustainable. This is all about **Driving Change**.

We work closely with local and international organisations, including industry bodies, NGOs, consultancies and independent auditing firms to ensure that our Sourced with Care programme remains robust and relevant. We are determined to be flexible and evolve our programme based on ongoing results and challenges to ensure we achieve the greatest impact.

Sourced with Care is a journey to ensure everyone in our supply chain has the right to a decent quality of life and is able to provide for themselves and their families. We do this because healthier, empowered and sustainable

communities are essential to ensure strong supply chains, but also because we believe this is the right thing to do. I have seen first-hand the challenges that face tea communities, but I have also had the privilege to see the positive impact our work has on these communities and hear about it from individuals themselves; this is the most fulfilling aspect of my work.

This report relays personal stories of people that have been impacted by our work in China, India, Kenya and Malawi. It also sets out the work we have been doing (from October 2014 to September 2016) to improve lives in the communities from which we source, as well as our plans ahead.

Healthier, empowered and sustainable communities are essential to ensure strong supply chains, but also because we believe this is the right thing to do.

We hope that these stories will bring to life the human face behind the packs of Twinings tea, highlight the challenges that people face in tea communities and give you an understanding of our Sourced with Care programme and its impact.

CELINE GILART, HEAD OF SOCIAL IMPACT





Meet
Usha



Usha is 38 years old; she works on a tea estate in Assam, in North East India. Every day she helps to grow and pluck the tea which Twinings buys from the estate.

Her work is either plucking or pruning the tea bushes, depending on the season. During the plucking season Usha collects 24-30 kilos of tea leaves a day. The tea leaves are then loaded into a truck to be taken to the estate's factory for processing.

Her husband died three years ago and she has been responsible for taking care of her 3 daughters who are now 14, 16 and 20. She says warmly that her daughters are working hard to be able to support her in the future, as she has worked so hard to support them.

“
At first plucking was hard but now I chat, joke and sing with the other women as I work. There is always lots of excitement on the estate.”

Usha's determination and resolve are characteristic of the women, men and children living and working on tea estates in Assam, as is her lifestyle. Usha's sense of family, her hope and her enjoyment of life in spite of its difficulties are clear!

She does not necessarily know about Twinings or that she is directly helping to supply us with tea, but we are all too aware that without people like Usha we would not have high quality tea leaves, and therefore a sustainable business, nor would we have the tea which we all enjoy.

That is why our work begins with examining the needs of the individual in the communities from which we source. We find a way to address these needs, ensuring that our solution is both sustainable (and so will stand the test of time) and scalable (so that we can achieve change on a greater level).

This approach of starting with the individual and scaling up is the backbone of our Sourced with Care programme. Through this programme we aim to have happy, thriving tea communities, and so a sustainable business, whilst also contributing to alleviating some of the problems faced by people around the world.







Progress so far

32,609

people reached by hand washing and hygiene programmes



7,038

women & girls took part in life skills development initiatives

29,800

people adopted clean cookstoves



396

people reached by financial inclusion programmes



39,064

women & girls with better health

134,700

People impacted so far



5,365

gained access to sanitary latrines



5,054

farmers received training to increase their income

12,600

workers benefited from improved conditions and treatment



96%

of our high priority sites (non-tea) have been audited

14,319

children supported through health and education initiatives



5,904

people gained access to clean drinking water



30%

of our key herbal tea items sustainably certified

100%

of tea gardens we source from are part of the ETP Programme

75%

of the tea gardens we source from are sustainably certified

THE WAY WE WORK

Sourced with Care aims to improve the quality of life in communities where we source our products. We aim to achieve this by first having Solid Foundations; ensuring that ethical sourcing industry standards are met. We also go beyond this by Driving Change, whereby we work to deliver brighter futures for the communities from which we source. These two inter-connected ways of working shape our work in each of our 3 focus areas.

SOLID FOUNDATIONS

Making certain that all of the suppliers and producers we work with are meeting international social and ethical standards and respecting human rights.



DRIVING CHANGE

A tailor-made approach that begins with the diverse social issues facing tea communities and is scaled up to tackle the broader challenges facing the industry, through working with NGOs, other companies and governments.



Solid Foundations is about ensuring people producing our goods and ingredients, or working at our suppliers down the supply chain, as well as in our own sites, are treated in line with the requirements of our Code of Conduct, and that human rights are respected. To do this we have different approaches depending on the product and therefore the supply chain structure (from audits to the Ethical Tea Partnership).

Our commitment to ethical sourcing has been integrated into the business as a whole and is now a standard business practice rather than a standalone policy. We conduct regular buyers training on the Code of Conduct and the Ethical Sourcing Programme.



FOCUS ON MODERN SLAVERY

WHAT'S THE ISSUE?

There are still 46 million people living in modern slavery today. Modern slavery can take many forms, including forced or bonded labour, child labour or human trafficking.

Modern slavery continues because there is willingness by some to exploit people for profit, made worse by problems of corruption or discrimination in some areas of the world. People in poverty are sometimes desperate for any job, do not understand their rights and are extremely vulnerable so may end up being exploited by labour brokers.

For example, if factories confiscate the passports of migrant workers they are fundamentally trapped working there, sometimes with very little pay. In countries where passports are used as ID cards this can cause issues for people moving around within the country itself, let alone trying to return home.

As an international business, we have a role to play in eliminating these practices and respecting human rights across our own operations and supply chains.

WHAT ARE WE DOING ABOUT IT?


No company can say it is slave free; this is a nebulous problem and can occur far down the supply chain. There is still much to learn about how to identify modern slavery in supply chains and what to do if it is found, and we continuously review our processes to ensure we have a robust approach to the problem. In October 2016 we were **shortlisted for the Thomson Reuters Foundation Stop Slavery Award, which recognises companies that are taking concrete initiatives to eradicate modern-day slavery from their supply chains.**

Our approach to tackling Modern Slavery has a range of elements:

- **Our Code of Conduct sets out our intolerance to forced labour** and all of our suppliers are required to sign and comply with this Code.
- **Assessing the risk:** We have worked with independent experts to identify which of our supply chains are at risk of modern slavery, for example by looking at the global slavery index and workforce structure.

- We have piloted **new ways of auditing in order to capture modern slavery risks in the workplace**, from flying in auditors from the country of origin of migrant workers to more participatory approaches
- **Buying practices:** Our Code of Conduct is in the T&Cs of any joint venture or new supplier contract.
- **Training our Employees:** Directors in buying roles received training on the issue of modern slavery from our parent company ABF plc. We have workshops planned with our own buyers and HR teams in 2017.
- **Training our Suppliers:** We conducted training on Modern Slavery for our UK-based suppliers and subcontractors. We are also looking into extending the programme to our international suppliers throughout 2017.

You can find our Modern Slavery Statement as part of the Associated British Food plc. (ABF) statement here: http://www.abf.co.uk/documents/pdfs/ar_cr_2016/modern_slavery_act.pdf

A photograph of a tea plantation. In the foreground, several women wearing headscarves and aprons are working. One woman is bent over, filling a large woven basket with tea leaves. Another woman stands nearby, holding a white plastic bottle. In the background, a line of workers is walking away, carrying baskets on their heads and backs. The tea bushes are neatly arranged in rows, and there are trees in the distance. A large yellow gear-like graphic is visible in the top left corner.

OVER 75%
of the gardens we source from are
certified and we aim to increase
this to 100% by 2020.



TEA

Most of the gardens we are buying from are certified by third party organisations (such as Rainforest Alliance, UTZ Certified, and/or Fairtrade). Certification means that we are working with producers who meet internationally recognized social and environmental standards and who are audited regularly using third party auditors. Currently over 75% of the gardens we source from are certified and we aim to increase this to 100% by 2020.

Twinings is a member of the Ethical Tea Partnership (ETP), a membership organisation created 20 years ago to improve the conditions in the tea sector and bring together the joint leverage of companies with a common interest. We work through the ETP to address issues from discrimination and poor health and safety practices, to unsafe use of pesticides and low wages, not only in the tea gardens we buy from but in the sector as a whole. Where the estates



are not certified (mainly in China and Sri Lanka), the ETP also works to monitor and improve conditions and support producers achieve certification. Through the ETP, we have been able to raise core standards and continuously improve working practices.

“

Twinings was one of the founding members of the Ethical Tea Partnership, which was established by forward looking companies to bring together the collective impact of tea-buying companies to improve the lives and livelihoods of the workers and farmers producing their tea and the communities and environment in which they live. Twinings continues to play a leadership role in the Ethical Tea Partnership and have always been very focused on ensuring positive social impact in tea communities. ”

Sarah Roberts

Executive Director,
Ethical Tea Partnership.

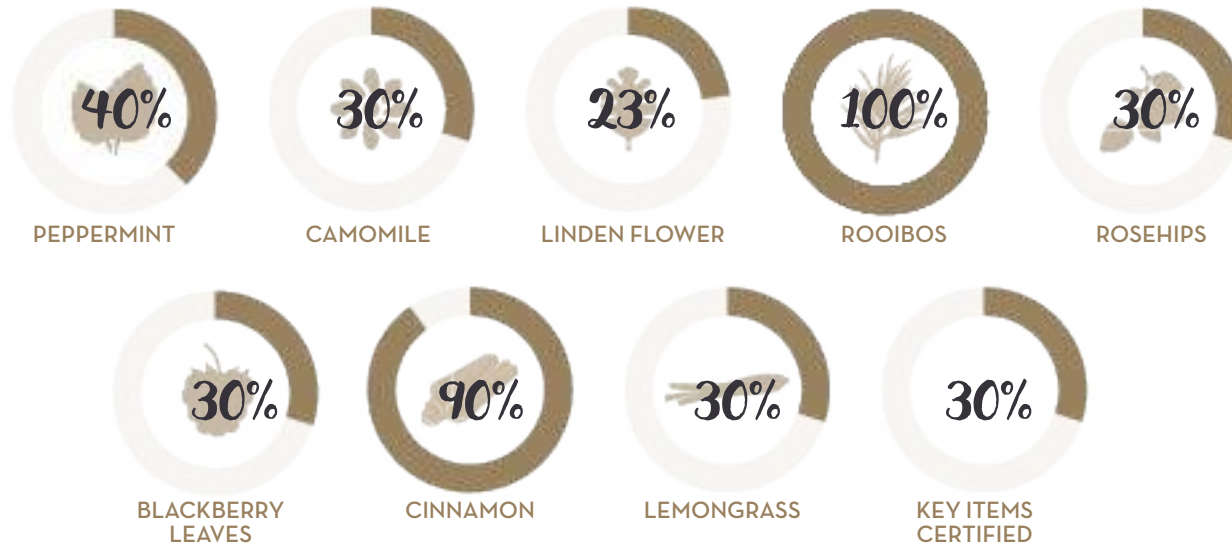
HERBAL TEAS

Herbal teas include over 50 different types of herbs grown in 30 countries (from peppermint and ginger to linden flowers and lemongrass) and we employ different approaches to ensure strong ethical foundations are in place. We mainly buy our herbal items from European processors, and we work with them to ensure that they conduct due diligence in their supply chains and that workers, farmers and collectors have decent working conditions and a good quality of life.

For example, we have started to buy certified herbal materials (both UTZ certified and FairWild), as certification helps ensure that strict social and environmental criteria have been met down to the grower or collector level.

Where possible, we also look at conditions ourselves. Last year, we commissioned a study with Fair Working Conditions in the rosehip supply chain in Chile to look at the conditions in which the product is collected as well as the living conditions of the people involved in collecting it. We are considering a similar exercise in 2017 in our hibiscus supply chain.

TOP 10 HERBAL ITEMS SUSTAINABLE CERTIFICATION STATUS



OUR ROSEHIP RESEARCH

Rosehip grows wild throughout the southern part of Chile and is collected from both private land and land not privately owned, such as forests and public land.

Rosehips are only harvested for a couple of weeks and for most collectors it is a welcome additional income to their full time employment or pension. The sector is naturally informal but our research showed that there are mostly recurrent collectors, payment is good and they are paid in a timely manner without discrepancies.

The key issue highlighted was the lack of health and safety compliance within the sector. For example, none of the collectors were provided with protective equipment. The report suggested meaningful steps to make a real difference to the wellbeing of the collectors including providing bottled water, cooler boxes for their lunches, parasols for eating under as well as basic protective equipment such as caps and gloves. These findings have been discussed with the supplier to put new best practices into place.



OTHER PRODUCTS

As a first step, we monitor and promote compliance with our Code of Conduct by conducting ethical audits of our **own sites, co-manufacturers and first tier suppliers** (and in some cases second tier suppliers).

We have a risk-based phased approach based on **country risk ratings** (using available data from sources such as Maplecroft, Modern Slavery Index and ITUC (International Trade Union Council) Global Rights Index); **workforce structure** (to identify the presence of potentially vulnerable workers such as migrants, women, seasonal or young workers); and available information about the **product category**. High risk suppliers are prioritized for audits, but we also conduct spot check audits on lower priority suppliers.

Our audits are conducted by third party local auditors or internal qualified ethical auditors on a semi-announced or unannounced basis and include worker interviews. Twinings is also member of SEDEX and AIM Progress and we use these platforms to reduce duplication of audits.

However, we recognize that audits are only a tool and we work hard to make this process more robust and find new ways to identify non-conformances and human rights abuses in our supply chain. This year, we have piloted new ways of conducting audits in order to capture modern slavery risks in the workplace (see text box on Modern Slavery).

So far, 190 Twinings audits (for our “other products” supply chains) have been conducted (this includes initial, follow up audits and re-audit), which covered 96% of our high priority

sites. We plan to cover the remainder at the beginning of 2017. 90% of the audited high priority sites have been approved, which means that they have no significant non-conformances.

We always prefer to support sites to become compliant with our Code and help improve the conditions for the workers rather than immediately walk away following the identification of a non-conformance. Besides providing individual support, we are also building sites’ capacity to deal with ethical and legal requirements in the workplace through training on health and safety, working hours and discrimination, in order to ensure that improvements are sustainable and not a quick fix for the next audit (find out more about this on page 27). Any suppliers who are not approved due to serious failings in ethical compliance are reported monthly to the senior management team to ensure that there is accountability for driving improvements within our supply chain. Ultimately, if a supplier fails to improve within a strict timescale and after being given appropriate support, we will stop sourcing from them. Likewise, the business can only start using new suppliers once the site has been ethically approved.

Solid Foundations across our operations and supply chains are essential to operate as a responsible company. Audits and improvement programmes enable us to ensure compliance with labour rights in our supply chain and to address worst practices. However, they alone cannot guarantee the better quality of life that we aspire to for workers, farmers and their families in our supply chain.

In order to address the broader human rights issues, and have a positive long-lasting impact on the lives of people from whom we source, we go beyond traditional auditing, certification and Code of Conduct with our Driving Change work.

So far, 190 Twinings audits have been conducted, which covered 96% of our high priority sites. We plan to cover the remainder at the beginning of 2017. 90% of the audited high priority sites have been approved, which means that they have no significant non-conformances.

DRIVING CHANGE

At Twinings we aim to go beyond established ways of working in order to drive sustainable change in our tea supply chain. While certification offers a valuable tool to improve social and environmental performances and address the worst practices, it alone does not guarantee the existence of social conditions that we consider acceptable. Recent findings indicate that despite certification, many farmers are still living in poor conditions (regarding housing standards, sanitation, nutrition, etc.) and other approaches are needed to improve the livelihoods of these communities. This is why, once standards are met and certification is achieved, Twinings continues to work with tea producers to ensure they are continuously improving and addressing wider issues which may affect their workers, local communities or the environment.

“

We're very impressed by the Twinings community needs assessment and feel it has great potential to become a strong leadership example of human / child rights engagement in the tea sector. ”

Simon Pickup,
Head of Child Rights and Business Engagement, UNICEF UK

TWININGS COMMUNITY NEEDS ASSESSMENT (TCNA)

In 2016 we started piloting our Twinings Community Needs-Assessment (TCNA); a detailed holistic framework developed in consultation with expert organisations including UNICEF, WaterAid, Solidaridad, GAIN, Conservation International and others. This approach is designed to help us gain a deeper and direct understanding of the status and needs of farmers, tea workers and communities we are sourcing from. We cover 10 areas which we believe are important elements of improving the lives of communities in our supply chain and ensuring that their human rights are respected: Gender, Health and Nutrition; Housing; Water and Sanitation; Children's Rights; Land Rights; Livelihoods; Natural Resources; Farming Practices; and Working conditions and Relations.

The TCNA is conducted by members of the Social Impact team based in key tea sourcing regions, and involves focus group discussions, individual interviews and some surveys/observations over several days. So far assessments have been conducted in India, Sri Lanka and China, with plans to extend coverage in these regions and to roll out to all other tea sourcing regions in 2017. We will then report on findings and progress.



“

The needs-assessment allows Twinings to have a first-hand account of the situation on the ground. It provides the opportunity for workers to explain their needs and for producers and other stakeholders to express what they believe are the potentialities for change and improvement.”

Bipul Borah,

Twinings Ethical Sourcing Manager for India and Sri Lanka.

Once conducted, the TCNA gives us the basis for an action plan with producers so human rights issues and community needs can be addressed, either directly by the producers or through joint project interventions. These actions aim to enhance livelihoods, enable life opportunities or improve living standards. We already have various initiatives in China, India, Kenya and Malawi under each of these 3 focus areas, from improving access to water and sanitation on tea estates (see page 45) to protecting young girls at risk of trafficking (see page 37) and we will continue as we get a better understanding of, and expertise in, the issues on the ground.

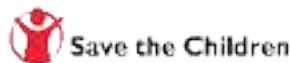
Workers and union members in Assam and Sri Lanka quite often mention during the assessment process that “...nobody had ever come to ask or discuss these types of issues with us that affect our lives.”

This new approach is still in its early stages, but 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 to producers to have the greatest impact on tea communities.

STRATEGIC PARTNERSHIPS

We know that industry-wide change will only happen if all of our work can be scaled up and leveraged. That is why we always try to link up with others: NGOs, supply chain partners, companies, governments, industry associations and local communities to help tackle the broader, structural challenges affecting the tea sector.

We carefully select our partner organisations based on their expertise, understanding of the issues on the ground and ability to leverage change at a higher level. We then work with the selected local or international NGOs and supply chain actors to jointly develop interventions that are relevant and tailored to the needs of the local communities. Our Ethical Sourcing Managers in country then work with the partner, monitoring the implementation of activities and ensuring that learnings are shared across all our regions.



We aim to buy from estates and sites where workers and their families have a happy life, but we recognize that there is still lots that can be done. We have a dedicated team, committed senior management, ground breaking projects, an innovative approach and industry membership to drive this forward, and find new ways, in order to do all we can to improve the lives of people in our supply chain.

“

We are delighted to be partnering with Twinings in some of our estates. Twinings have been providing innovative solutions to the social issues in the supply chain and have been working tirelessly in unison with the producers and the local communities. We are happy that we share similar beliefs of making positive tangible contributions not only to the local communities but also being responsible for our impacts on the environment, on society and the economy at large.”

Binod Gurung,
Goodricke Group Ltd.



Chrissy is a tea farmer in Malawi. Since her husband's death in 2008 her life has not been the same; she must now fend for her four sons alone, depending wholly on her income from growing tea. Chrissy has to contend with loan repayments, low prices for her green leaf and long dry spells which affect her crop, meaning that she barely has enough to cover school fees and food for her family. In the dry season she can only afford one meal a day.

“
Two of my neighbours who do not grow tea are in absolute poverty... Even though I barely have enough for my family, these neighbours are dependent on me for support in terms of food, especially during the dry seasons when there is a shortage.”

Having a stable income with enough to meet your needs and those of your family is absolutely vital in order to have a decent quality of life. That is why we focus on livelihoods as one of our key focus areas; we are working to ensure that people like Chrissy receive a living income and can break their cycle of poverty.



LIVELIHOODS

**Our
commitment:
to protect
the rights
of workers
and improve
income through
skills, new
technologies
and access to
market.**

WHY IS THIS IMPORTANT?

According to the World Bank, today nearly half of the world's population live on less than US\$2.50 a day, of which more than 1.3 billion live in extreme poverty, (which means surviving on less than US\$1.25 a day). While these numbers have declined considerably over the last decades, they remain high in South Asia and Sub-Saharan Africa.

Without a proper income, people are unable to provide for themselves and their family, including health, education, nutrition, proper housing, and are trapped in poverty. This also affects the economic growth of a given country.

Through our operations, we either employ workers directly in our factories or contribute to the employment of many people on tea estates and in other suppliers, and we therefore believe we have a role to play in the economic conditions of these people from smallholder farmers to workers in factories, and their families. Better incomes not only contribute to lifting people out of poverty, but will have a larger impact on society by encouraging spending and injecting stimulus

in the economy, whilst also leading to greater productivity. This will also create stronger and vibrant supply chains for Twinings.

Besides remuneration, we believe that we can support decent livelihoods by providing the right workplace conditions, from health and safety to free and voluntary labour as well as the tools and knowledge for workers to thrive. We have a holistic approach to livelihoods, which covers farmers' income from tea, workers' rights and wages as well as additional income from sources other than tea.

WHAT WE'RE DOING:

SOLID FOUNDATIONS

In line with the UN Guiding Principles on Business and Human Rights, we aim to respect human rights in our own sites and suppliers' workplaces. Through our Code of Conduct we monitor labour rights using third party local auditors and, when issues are identified, work with suppliers to remediate these and promote those fundamental rights. For example, we have conducted training on labour rights issues in our supply chain (see page 14) and will continue to do so to build capacity with our suppliers.

Fair wages remains an important step towards decent livelihoods and for this reason we are part of the Malawi 2020 Coalition to fight for a living wage in the tea sector in Malawi (see page 28).

WHAT'S NEXT?

Going forward, we will continue to identify non-conformances identified during ethical audits and provide training and on-going support to address them. We are also looking at rolling out our health and safety training and grievance mechanisms training to new countries as well as to raise awareness amongst suppliers on Modern Slavery.

We will also pursue our efforts as part of the Malawi 2020 coalition, to make a significant difference in the lives of the tea workers and farmers in Malawi. At the same time, we will gather evidences and learnings from our interventions to support alternative income in tea communities in Darjeeling, so such initiatives could be scaled up.



DRIVING CHANGE

Smallholder farmers are by nature not employed by estates but rather sell leaves to a factory that processes them. This means that their income may fluctuate based on changes in weather patterns, the price of green leaves or supply and demand forces. In many parts of the world tea farmers struggle to make a decent living from tea due to the size of their plots, limited knowledge of good agricultural practices or lack of farm inputs (fertilizers for example). We are supporting Farmer Field Schools with the ETP, teaching farmers how to increase their productivity and quality and how to adapt to climate change, and thus become more resilient.

For smallholder farmers and communities living on tea estates, tea is sometimes only one part of their income and they are reliant on other sources of work or earnings to support their livelihoods. For example, on tea estates in Darjeeling the family of a permanent worker may live on the estate, but not necessarily be employed there on a permanent basis. That's why we are also looking at how we can support alternative income generating activities for tea workers (see page 29).



12,600

workers benefitted from improved conditions and treatment



396

people reached by financial inclusion programmes



5,054

farmers received training to increase their income

A photograph of a tea plantation in Malawi. In the foreground, two women are working in the tea bushes. The woman on the left is wearing a colorful patterned shirt and a headwrap, and is holding a white box and a yellow tool. The woman on the right is wearing a yellow shirt and a headwrap, and is also holding a white box and a yellow tool. In the background, other workers are visible, and a herd of sheep is grazing in a grassy field. The sky is overcast.

“

Malawi Tea 2020 is a rare coalition of parties, including Twinings, that have the collective power to bring about positive change in the industry. We welcome the progress made in the last year on wages, nutrition, and worker representation, particularly in the face of a devastating drought caused by the El Niño effect. ”

Rachel Wilshaw,
Ethical Trade Manager at Oxfam



“

Lujeri Tea Estates Ltd, a black tea producer, together with Twinings, have actively participated in the Malawi Tea 2020 project. This ambitious programme is delivering real wage increases for plantation workers whilst encouraging the development of best practice across all sectors of the supply chain.

Twinings have worked with Lujeri to complete a robust analysis of the social situation on the estates and developed plans to remedy weaknesses and improve processes. It is both Lujeri and Twinings' intention for its Malawi supply base to achieve the Tea 2020 goals ahead of time.”

Sebastian Hobhouse,
CEO of Lujeri Tea Estates Ltd.

JOINING FORCES FOR A LIVING WAGE AND LIVING INCOME IN THE TEA SECTOR IN MALAWI

Since 2013, Twinings has been working as part of a coalition led by the ETP, IDH and Oxfam to better understand wages in the tea sector. It started with an in-depth analysis of pay and benefits in Malawi, Indonesia and India. The report (Understanding Wage Issues in the Tea Sector) highlights that salaries on tea estates are made up of a combination of cash and in-kind benefits, and that cash wages are set at the regional or national level and not by individual companies. The report also highlights that in Malawi, while tea estates are paying above the legal minimum wage and providing a range of other benefits, wages were under the World Bank extreme poverty line

of USD 1.25/day and the standard of living was extremely low. As a result, we are now focusing more extensively on Malawi.

In 2015, Twinings signed the Malawi 2020 Memorandum of Understanding for the Revitalization of the Malawi Tea Sector, alongside tea producers, international tea buyers and retailers, local unions, certification organisations, NGOs and the Malawian Government. We are committed to working with others to create a competitive Malawian tea industry where workers earn a living wage and smallholder farmers are thriving. The programme's roadmap focuses on several drivers to achieve this goal, such as training smallholder farmers in good agricultural practices, improving the wage-setting process through greater worker representation in unions, supporting healthier workforces through the provision of fortified meals, and providing greater opportunities in the sector for women.

This is an example of how, as a company alone, we cannot fully address this vital issue and working together with a wide range of stakeholders across the whole value chain can deliver meaningful and sustainable progress.

We have already seen significant progress in the sector with the first collective bargaining agreement signed and wages increased, so now the lowest-paid worker earns 70% more than the legal minimum wage. In addition, Farmer Field Schools have been established providing training to improve tea quality, farm productivity and farmers' incomes.

These changes will make a significant difference in the lives of the tea workers and farmers in Malawi, and we are committed to pursue our efforts in order to reach the ambitious Malawi 2020 goals.

“

Twinings is absolutely committed to supporting the Malawi 2020 programme. The conference in Blantyre was a great opportunity not only to hear about the significant progress already made but also to better understand the next critical steps needed to maintain current momentum. It was fantastic to see so many stakeholders represented there and served as a reminder that a sustainable, competitive and profitable tea industry in Malawi can only be achieved with genuine collaboration from all parties. ”

Bryony Osmond,
Twinings Senior Tea Buyer.

TACKLING WORKPLACE ISSUES IN OUR FIRST TIER FACTORIES

Our Code of Conduct sets out clear working conditions for our own sites and suppliers to follow, and this is monitored through ethical audits. When we find a breach of compliance against our Code we always support sites to improve through individual advice or training on industry-wide issues

Health and safety is a significant risk across our own business and supply chains and most of the non-conformances found during audits are related to health and safety. Examples range from blocked fire exits and lack of proper training to lack of Personal Protective Equipment (PPE) or unprotected machinery. These issues can have a severe impact on people's lives, from accident and injury to death, but most of the time they are also relatively easy to fix with the right knowledge and management systems in place. This is why, at Twinings, we have been supporting our first tier suppliers with adequate health and safety (H&S) training.

“
The training was an
inspiration to internally
audit our procedures
and the knowledge from
the day will allow us to
improve our health and
safety standards.”

During the reporting period, we organised Health and Safety training for our suppliers in Poland and China, to share best practices and demonstrate practical examples. On an ongoing basis, Twinings' Social Impact team and local H&S teams also offer direct support to factories to help them become compliant with H&S requirements. We have launched a Global H&S toolkit in several languages to help factory managers conduct regular risk assessments and to communicate requirements and best practices across our supply chain.

We have also provided training on effective **grievance mechanisms** so workers are able to raise concerns without the fear of losing their jobs. Participants at the training had themselves noted that their employees did not trust their grievance mechanism processes and were able to take away from the training and roundtable discussions, a number of improvements to their current complain management systems.

Overall, through formal training, we have so far reached 53 sites in 5 countries (UK, China, Poland, India, Thailand), which represents 12,600 workers.



Shankar in Delhi

Shankar is a carpenter who works in a factory in Delhi making sale display materials, which are used by Twinings for our Indian business.

When we first audited the site in 2013 a range of health and safety issues were highlighted, such as: lack of machinery guards; Personal Protective Equipment (PPE) not provided; dusty environment; and a lack of fire extinguishers and fire safety procedures. . We have worked in partnership with them since to address these issues. We undertook training with them on a range of topics, from H&S to HR practices. Our Social Impact Manager visited the site in 2015 and factory staff also attended a training day for suppliers in India in the same year.

Things as simple as guards on machines can be the difference between life and death at work. The same is true of PPE. **“Now, I feel much safer and secure as all safety equipment was made available; like hand gloves, masks and shoes.”**

“The cutter machine blade was exposed and could cause injury. However during and post Twinings training we were made aware of the hazards that can be caused so we as a team decided to cover it with a pulley guard permanently.”

ENABLING INCOME DIVERSIFICATION IN DARJEELING



Our work to improve the livelihoods of tea communities also goes beyond directly improving conditions in the workplace. One example of this pioneering work is in Darjeeling, where only 30% of tea estate residents have permanent employment and the surplus population on tea estates has not been able to find employment outside the tea industry due to the shrinking local economy. As a result, many families struggle to earn enough income to meet their basic needs and many young men have left the area in search

of work in towns and cities. This impacts families and communities and depletes the pool of labour available for tea companies in Darjeeling.

In 2015 we started working with our partner Mercy Corps to create income generation opportunities that provide alternative sources of employment for people living on tea estates. In consultation with the communities, dairy farming was identified as a viable alternative livelihood activity which is not only compatible

with tea growing, but also can provide tea gardens with cow manure fertiliser. In addition, it was also a familiar activity to people, which means that it has the potential of not only being sustainable, but also scalable.

So far we have identified 122 dairy producers and the next step is to set up and build the capacity of producer groups to ensure they are able to collectively bargain, receive the best price for their product and benefit from economies of scale.

Increased financial security often has positive knock-on effects for other factors in people's lives. On tea estates, for example, it means that they have an alternative form of income in the low season when temporary and seasonal workers are off work. Economic diversification such as this leads to better livelihoods and financial advancement for people living on tea estates, as well as more vibrant and sustainable tea communities, and we look forward to seeing how this initiative goes forward.

Suman in Darjeeling

Suman lives on a tea estate in Darjeeling with 8 family members. The income from tea is not enough to sustain this large family, so Suman had tried dairy farming in the past but unsuccessfully.

In 2016 Suman and 24 other dairy producers from the estate were provided with the opportunity to participate in 5 days Dairy Animal Management training through the Twinings/Mercy Corps income diversification project.

He now feels that he has the skills needed to properly care for his cows and increase their yield. **“Many of my misconceptions have been cleared and now I have a better understanding of how to properly manage cows and a dairy unit.”**

Suman is now working to buy more cows and he feels confident that by doing this he will be able to double his current income.

“

We have started a group savings account where I and my group members start depositing money on a monthly basis. After improving my cowshed and adding 2 new cows, we plan to set up a new Dairy farm in our community which will be larger and better managed to get maximum benefits out of it.”

photo credit: Mercy Corps





Meet Khiyoli

Khiyoli is fifteen years old. Fifteen is a difficult age for any girl but considerably more daunting with the threat of early marriage and childbirth, insufficient nutrition, a lack of understanding about the importance of maintaining good hygiene and health practices and a danger of trafficking. Khiyoli lives on a tea estate in Assam, India, with her family and she is only too aware of these threats, which can have implications for the entire community. She wanted to tackle these challenges and so joined an Adolescent Girls' Club on her tea estate, established as part of Twinings ongoing project with UNICEF and the Assam Branch of the Indian Tea Association (ABITA).

“
I like coming to the club,
we can discuss so many
things. I didn't know how
many issues related to our
lives. I now feel empowered
in my life.”

Khiyoli would like to be a teacher when she grows up; when asked why she replies that she would like to pass on her own knowledge and experience to others. Young girls and women in the communities in which we source face all sorts of obstacles to living healthy, happy, empowered lives, we believe that by supporting them and providing them with the tools for better opportunities, they will not only have a better life but bring change for their families and communities.



LIFE OPPORTUNITIES

**Our
commitment:
to empower
women and
young people
in our supply
chain through
health and
education**

WHY IS THIS IMPORTANT?

Empowerment of women and girls is a priority development issue for the global community, as highlighted in the **Sustainable Development Goals (SDG 5** for gender equality and empowerment of all women and girls, **SDG 4** for an inclusive and equitable quality education and **SDG 3** for healthy lives for all).

According to the UN, gender inequality remains a major barrier to human development. In too many places women and girls are discriminated against in health, education, public life, decision making, and participation in productive activities and are also victims of violence and harassment because of their gender.

Over 800 women around the world are dying each day from complications in pregnancy and childbirth which are mostly preventable. Girls between 10 and 14 years old are spending 50 per cent more time on household chores than boys their age. One third of girls in the developing world are married before the age of 18 and 1 in 9 are married before the age of 15. All of these issues affect the physical and social development of women and girls and also have a negative consequence on the health of their children, their family's livelihoods and society.

About 16,000 children under the age of five die every day (5.9 million under-five deaths in 2015), the vast majority due to infectious diseases (such as pneumonia, diarrhea, malaria) and neonatal complications. Malnutrition plays an active role in this, as it puts children at greater risk of dying from common infections, but poor nutrition can also lead to stunted growth which can have irreversible effects on school and work performance later on.

It is a proven fact that educating girls has a positive multiplier effect, since educated girls are more likely to marry later and have fewer children, who in turn will be more likely to survive and to be better nourished and educated. Educated women are more productive at home and better paid in the workplace, and more able to participate in social, economic and political decision-making. Educating girls ensures they are protected and gives the next generation the tools to fight poverty and prevent disease. This is why, as a business, we are committed to gender equality and to empowering women and young people in our supply chain through health and education.

WHAT WE'RE DOING:

SOLID FOUNDATIONS

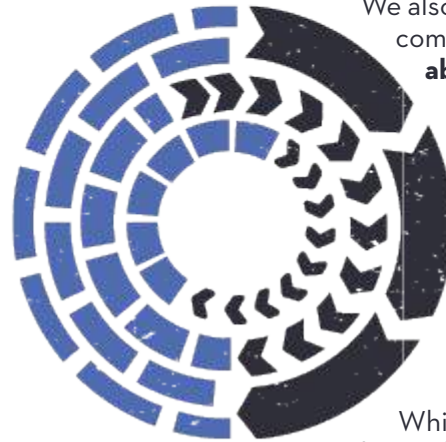
Our business and supply chains provide significant employment to women, who also form the vast majority of the worker population on tea plantations. The principles of equal opportunities and non-discrimination in the workplace are set in our Code of Conduct and monitored during our ethical audit programme for both our own sites and our suppliers. For example, non-conformances identified during Twinings audits, such as lack of non-discrimination policies, non-payment of maternity leave, absence of crèche facilities (as per legal requirement) or lack of grievance procedures so women have nowhere to take their complaints, have been addressed through ongoing support, discussion, advice and sharing of best practices and are monitored on a continuous basis.

WHAT'S NEXT?

We will continue to review women's needs and opportunities in communities where we operate through TCNA and audits.

In 2017 we will extend HERhealth in Kenya and aim to reach 6,000 smallholders farmers and their workers. This will be a new model, as it is targeting farmers instead of factory workers. We will also invest in building a strong business case for further investments in women's health as well as in building capacity of the producers to lead on training activities in order to develop a sustainable and scalable model for the future. We are also looking into how to address gender as part of Malawi 2020.

Our programme in Assam is on track to reach 34,000 girls by the end of 2017 and in Yunnan, we are also already developing a new ground breaking intervention with Save the Children in Yunnan to support children and tea farming communities.



DRIVING CHANGE

We also actively work to empower women and children in communities we source from in line with the **SDGs outlined above (5, 4 and 3)**. Out of the countries where we source our tea, Kenya, India and Malawi have the highest UN Gender Inequality Index, ranking respectively 126th, 130th and 140th out of 155 countries and have been identified as high priority for interventions. We have been working in India (Assam) for a number of years in partnership with UNICEF to address the issues of protection and nutrition amongst adolescent girls who live on tea estates. In Kenya, we have recently run HERhealth to increase women's health awareness and access to health services on tea plantations.

While improving gender equality and access to education will have a long term impact on children's health, we are also working on more immediate interventions, for example by ensuring that mothers and infants in remote tea communities in Yunnan, China, have access to adequate health services.



7,038

women & girls took part in life skills development initiatives



39,064

women & girls with better health



14,319

children supported through health and education initiatives



“
HERproject is a collaborative initiative that strives to empower low-income women working in global supply chains. As part of Twinings’ commitment to support women and girls, we partnered with the company to deliver workplace trainings to increase health awareness and access to health services for female employees at tea plantations in Kenya. Given the success of the pilot, we look forward to scaling up our impact with tea plantations and smallholder farmers in Twinings’ Kenyan supply base.”

Christine Svarer,
HERproject Director, BSR

DELIVERING BETTER HEALTH FOR WOMEN IN KENYA

In 2015 we started a partnership with BSR (Business for Social Responsibility) to deliver HERhealth to our tea producers in Kenya. HERhealth aims to raise female workers' health awareness and access to health services, particularly concerning reproductive health. The approach also benefits the supply chain by reducing absenteeism and improving worker-management relations.

Women make up most of the workforce on tea estates in Kenya. In developing countries women often lack access to adequate healthcare and the knowledge they need to look after their own health. This can lead to high maternal mortality rates, HIV infection, pressure on family finances due to high fertility rates, lack of productivity and low income.

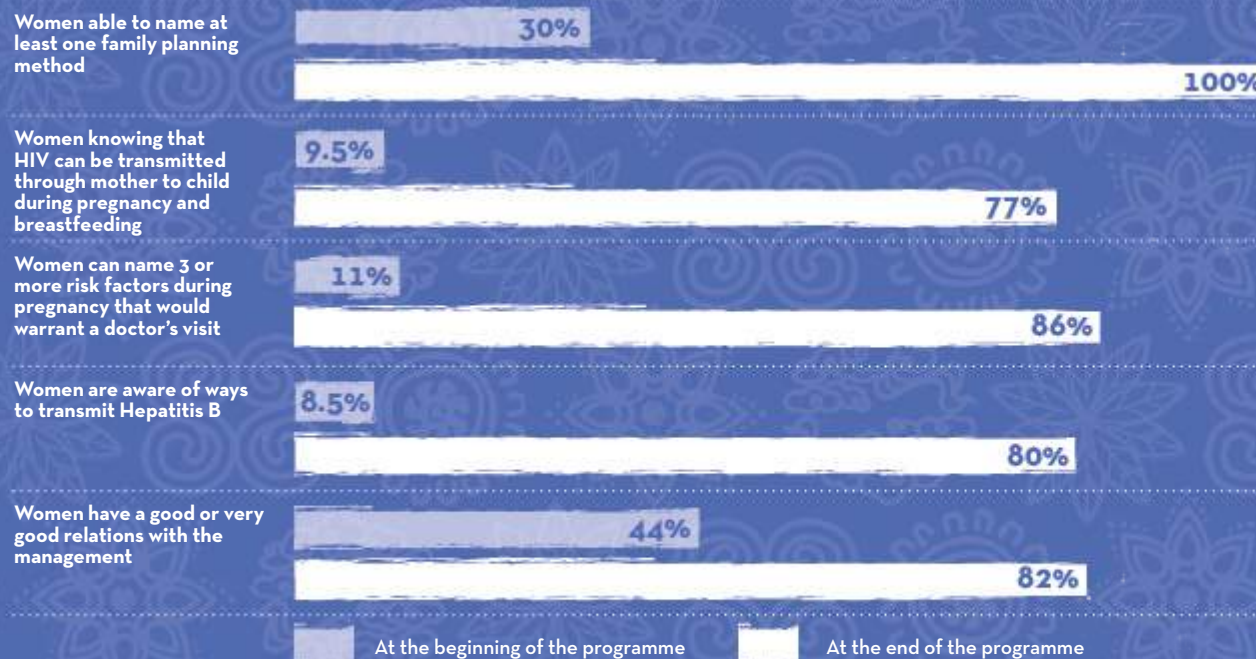
As part of the HERhealth programme a group of workers are selected to serve as Peer Health Educators (PHE). The PHEs participate in a

series of training sessions that take place in the workplace. Once trained, these women share their knowledge with the other workers on the farm during formal training sessions and more informally when chatting during lunch, break time and during their commutes to and from work. The training topics include: reproductive health, preventing sexually transmitted infections, family planning, personal and menstrual hygiene, pre- and post-natal care, nutrition, and non-communicable diseases.

So far, we have reached 675 women and 551 men (men participate on a voluntary basis) in two tea gardens, and we have seen the following improvement in health awareness amongst the women.

Beyond improving women's health awareness, the programme also demonstrated positive results in improving their health behaviour, and we have seen an increase in the use of the farm clinics and nearby health facilities following the training.

HEALTH AWARENESS AMONGST THE WOMEN:





Irene in Kenya

Irene is a mother of three children. She has worked as a picker on a tea estate for more than 10 years.

She says, **“Before the HERhealth project training on family planning I suffered a lot. I gave birth to my three children every year one after the other, and I realized this was affecting my health, leading to low productivity at my workplace. I was determined to find a way of stopping giving birth because it was weakening me, and also I realised the burden that came with having a big family and there was no way my husband could stop me from doing so.”** Irene wanted to use contraceptives as a form of family planning, but her husband would not let her.

When the HERhealth programme came to Irene’s village, she received training as a Peer Educator on family planning. These new skills and knowledge enabled her to speak to and train her husband about the issue and answer all of his questions.

After some thought, he encouraged her to go to the hospital and enquire about family planning options. She is now using a form of family planning that works for her, and they have made a decision not to have any more children.

**“
I now live happily
with my husband.
Thanks to HERhealth
project.”**

Irene’s productivity at work has also increased by 25 percent as a result, and so she earns a better income. Irene says that HERhealth project has brought relief to her and her family.

CREATING A PROTECTIVE ENVIRONMENT FOR YOUNG GIRLS ON TEA ESTATES IN ASSAM

India is the second largest producer of tea in the world and most of it comes from the state of Assam in the North East. While most of the tea produced in India is consumed internally, some of it is exported and it is an important sourcing region for Twinings.

Generally, in Assam workers live on the estates with their family and are provided with housing, primary schools and medical facilities by the management. However, many young girls living on tea estates are anaemic due to poor diet, leading to low learning levels, malnutrition and high maternal and infant mortality rates. In addition, we have learnt from previous interventions, as well as reports from NGOs, that young girls in tea gardens in Assam are also vulnerable to a range of child protection concerns, including being trafficked from tea estates to large cities where they end up in exploitative and/or bonded labour.

In 2010 Twinings started to work with UNICEF and the Assam Branch of the Indian Tea Association (ABITA) in the area to improve the lives of girls who live on tea estates with family members and to create a protective environment in which they can develop and thrive. In 2014 the partnership transitioned from a nutrition-focused initiative to child protection, empowerment and nutrition, making this a pioneering holistic approach. This was based on the increasing recognition that if

adolescent girls are not protected it is nearly impossible for them to maintain and achieve other development goals such as education and nutrition. **We have extended our programme from 15 to 63 tea gardens and we plan to reach 34,000 girls by the end of 2017.**

In these 63 gardens, 134 Adolescent Girls Groups (AGG) have been created to provide a safe place for young girls to meet, learn about and discuss sensitive topics (including how to identify and report cases of abuse, exploitation and violence against children), interpersonal communication, and savings. With these new skills girls are now better equipped to protect themselves and their peers from all forms of harm and potentially access better opportunities. In addition, in each garden a Child Protection Committee (CPC) was established, with representation from the garden management, government social workers and community members, to deal with cases ranging from early marriage to school dropouts, thus creating a safety net for children within the community. As a result, 341 children have been re-enrolled into schools and 82 cases of abuse have been addressed so far.

The programme also focuses on preventing and treating anaemia amongst young girls on tea gardens through the supervised administration of iron folic acid tablets and initiatives to support a healthy diet, such as setting up kitchen gardens,

organising cooking demonstrations and establishing health food shops (which provide locally available nutritious food and hygiene products to workers' families at low cost).

During the first year of the new phase (May 2014 – May 2015), linkages were also established between the project and government initiatives to ensure that the population on tea estates are also included in those. By working with UNICEF in Assam we are therefore able to engage at all levels of government to bring about sustainable change in the industry.

Our achievements so far (since 2010)

Tea gardens covered	63
Adolescent Girls Club	134
Adolescent Girls Club members	8,140
Number of girls who took part in the life skills sessions	4,800
Reduction in anaemia level (in gardens where the nutrition intervention is completed)	14%
Number of kitchen gardens created	150
Number of health food shops	27
Child protection committees established	63

Minakshi in Assam



Minakshi is a thirteen year-old girl living on a tea estate in Assam. She lives with her parents, two brothers and one sister. When Minakshi was 10 she was forced by her parents to leave school and become a maid in a nearby household. Minakshi was not only missing out on her education but her childhood as well; she was away from children her own age with no time to play or learn, instead carrying out daily chores as a servant.

A Community Mobilizer from the Child Protection Committee, which was formed in partnership with Twinings and UNICEF, became aware of the situation. She stepped in and tried to help but Minakshi's parents refused to let her leave employment. The Community

Mobilizer eventually approached Minakshi's employers instead, who agreed that Minakshi had rights and subsequently sent her home. Her parents accepted this and enrolled her in a nearby school, but it took three years to reach this stage.

Minakshi has since joined the local Adolescent Girls' Club on her estate and by attending weekly meetings she not only receives ongoing support but is also able to help other girls in similar situations too. She now has a chance to have the education and childhood she deserves.

She now has a chance to have the education and childhood she deserves.

ENHANCING CHILD HEALTH IN YUNNAN

More children in China die before they reach their fifth birthday than in any other country in the western pacific. Often this figure is strikingly higher in rural communities than urban areas and tea-growing regions are intrinsically rural. We feel we have a unique opportunity to help these children through our direct tea sourcing operations in Yunnan province in China, which in turn will create stronger, healthier and happier communities in our supply chain. Cangyuan, in Yunnan province of Western China, is an important origin for our

tea, but it is also very remote and rural with a high children mortality rate and lack of basic services. That is why Twinings has been working with Save the Children on enhancing children's health and significantly reducing infant mortality rates in the region for over a decade.

Our partnership with Save the Children began in 2004, and since 2014 we have focused on reducing the mortality rate of children under the age of 5 and to support caregivers in Cangyuan. So far more than 7,000 children have been directly impacted and over 14,000 caregivers supported. The project delivers training for village healthcare providers so that they can provide better healthcare support for mothers and children, from advice on breastfeeding and vaccinations, to how to identify and treat common childhood illnesses

In addition, our work with Save the Children also focuses on advocacy with government health bodies in order to scale up the impacts and be able to reach thousands more children in the region.

“

Save the Children and Twinings have been in partnership for more than 12 years. Over that time we have helped transform the lives of hundreds of thousands of vulnerable children in tea farming communities. We are delighted to now be exploring new ways we can achieve even greater change for children and their families who would otherwise be left behind.”

Natasha Parker,

Deputy Director of Partnerships, Save the Children.

So far more than 7,000 children have been directly impacted and over 14,000 caregivers supported.

Due to the success of this programme, Save the Children has presented the findings to the Minister of Health in Beijing to advocate for the model to be rolled out nationwide. This is incredibly valuable as we intend for all the programmes we support to have an element of sustainability that ensures success far beyond our own intervention.

We believe that children deserve the best possible start in life and are committed to making this possible in the communities from which we source in Yunnan.

Xiao in Yunnan

Xiao is a young mother in Cangyuan County in China.

Like many other Wa women in the village, Xiao dropped out of school before completing her junior middle school education. As a young baby, Xiao's daughter Xiaomei was frequently sick, which made Xiao very anxious, particularly as a new mother with little experience of child care.

Xiao's village was part of our project with our partner Save the Children and she participated in several of the health awareness sessions run by the village doctor. She now feels that she better understands how to take good care of her child.

“

I think what the village doctor taught is really useful for my child. I was blank about the knowledge and no one told me that before. Now I know much more than before and I always share the knowledge and skills which I learned with my neighbours and relatives. My child is healthier and does not always get sick as before.”

photo credit: Save the Children



Sailee is 87 years old. She lives on a tea estate in Darjeeling as a retired tea plucker but has difficulty walking due to old age and some health issues. Sailee and her neighbours did not in the past have an accessible toilet nearby, let alone in their homes, so would have to walk some distance to the nearest latrine, or have to go outside. This is a challenging situation for anyone to have to contend with but for an 87 year old woman it is particularly difficult, especially at night or during the monsoon season.

The reality of no nearby toilet, no access to clean water and no sanitation is a very real problem for many living in India, which can have immense impact on overall health and wellbeing. Through our Water and Sanitation Hygiene (WASH) project in Darjeeling we aim to combat these issues.

“
The access to water in my latrine has made life comfortable for me and I feel healthier and happier than before.”

Water, sanitation, health and hygiene are essential to a happy, healthy and dignified life. That is why we work to improve the living standards in tea communities, where it is needed.

photo credit: Mercy Corps



LIVING STANDARDS

**Our
commitment:
to support
our tea
communities
through
housing,
sanitation,
water and
hygiene.**

WHY THIS IS IMPORTANT

Adequate housing is recognized as part of the right to an adequate standard of living in the 1948 Universal Declaration of Human Rights. Beyond habitability, adequate housing also implies access to services and facilities including safe drinking water, adequate sanitation and energy for cooking, heating and lighting. It is also a priority development issue in line with the Sustainable Development Goals (SDG 6 to ensure availability and sustainable management of water and sanitation for all and SDG7 to ensure access to affordable, reliable, sustainable and modern energy for all).

Despite this, more than 600 million people still lack access to safe water, and a third of the global population live without access to a toilet. 1.1 billion people in the world still live without electricity and 2.7 billion people use solid-fuel-based traditional stoves or open fires for cooking and heating. Household air pollution from cooking over smoky fires kills more than 4 million people every year and sickens millions more.

Inadequate access to water, sanitation or cooking energy not only affects the health and wellbeing of communities (for example eye and respiratory problems, waterborne diseases etc.), but also hampers their economic development. Women and children in particular have to spend time collecting water and/or firewood, and thus have difficulty pursuing income-generating opportunities or attending school, often trapping them in a cycle of poverty.

The vast majority of people without access to water, sanitation or energy live in rural areas in Sub-Saharan Africa and Southern Asia. At Twinings we source from rural communities located in these regions and many of them are therefore lacking these vital amenities, which impacts their health and wellbeing. We are committed to improving this situation. In addition, healthy workers are also more able to contribute positively to their communities and will ensure a sustainable supply of good quality tea for Twinings.



WHAT WE'RE DOING:

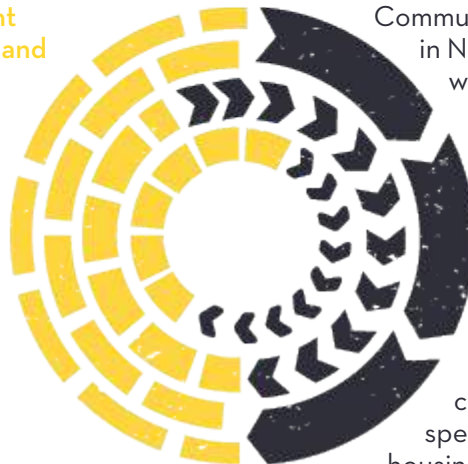
SOLID FOUNDATIONS

Across our supply chain and operations we respect the right to clean water and sanitation and responsible use of water and energy. We ensure, for example, that workers have free access to safe drinking water during their working hours, and that accommodations when provided are safe and hygienic. This is monitored as part of our Ethical audit programme.

WHAT'S NEXT?

Going forward, as we roll out our community needs assessment to more tea gardens and regions, we will be able to obtain a greater understanding of the challenges faced by tea communities and explore further opportunities to address these.

We are also already looking to expand our Water and Sanitation programme to several tea estates in Assam and to support the adoption of clean cook stoves by our producers.



DRIVING CHANGE

Communities from which we source tea in Darjeeling and Assam, in North India, have been identified as lacking access to clean water, sanitation and clean cooking energy. We have been partnering with Mercy Corps in these two regions to address these challenges. In Darjeeling we have worked since 2010 to improve access to clean water and sanitation for tea communities and in Assam, we began piloting clean cook stoves on tea gardens in 2015.

We are continuously reviewing the needs of these communities, based on existing data and information available, as well as that collected through our own community needs-assessment (TCNA), which includes specific sections on water, sanitation and hygiene as well as housing. This ensures our interventions are tailored to the needs of communities on the ground.



32,609

people reached by hand washing and hygiene programmes



5,904

people gained access to clean drinking water



5,365

gained access to sanitary latrines



29,800

people adopted clean cookstoves



“

Our partnership with Twinings has demonstrated real impact by helping communities build sanitary latrines, install water systems, raise awareness and help people access information on health and hygiene in tea estates in Darjeeling. More recently, we introduced fuel-efficient cook stoves to tea estate communities in Assam; they burn less wood and emit less smoke, saving money, protecting the environment, and reducing health risks. The results of our partnership have impressed Indian tea companies who may follow Twinings' lead and expand these initiatives with their own resources. ”

Nilan Fernando
India Country Director

IMPROVING ACCESS TO CLEAN WATER AND SANITATION IN DARJEELING

We have been partnering with Mercy Corps in Darjeeling since 2010 to improve the health and living standards of tea workers in villages around tea estates, and in 2014 we extended our partnership to one of our key tea producers.

While provision of living quarters, toilets and drinking water facilities are part of the legal benefits that should be provided to workers, rising populations on tea estates (of which only 30% have permanent employment) means that the industry has not always been able to provide adequate benefits to all. As a result, many families living in tea estates lack access to sanitary latrines, clean water and basic services and there is a high prevalence of waterborne diseases such as diarrhoea and dysentery. These preventable illnesses lead to school and work absenteeism as well as an extra financial burden on families who have to pay for healthcare.

We aim to achieve at least a 50% reduction in waterborne diseases by providing households with sanitary latrines; improving the water retention capacity of catchment areas; installing systems to supply filtered water closer to the homes and conducting hygiene awareness and education campaigns. Our partner Mercy Corps is present on the ground in Darjeeling to deliver better access

to clean water, sanitation and hygiene awareness, working with communities to develop action plans, secure community contributions (labour or locally available materials) and monitor progress.

Access to clean water and sanitation are basic human rights and these will greatly improve the living standards of those in the tea communities from which we source, but it will also ensure that tea communities will remain vibrant, secure and productive for the long term.

We aim to achieve at least a 50% reduction in waterborne diseases.

Achievements of our water and sanitation work in Darjeeling since 2010

Gravity based water Supply Systems installed **24**

People with access to clean water **5,896**

Pour Flush Latrines constructed **1,102**

People with access to sanitary latrines **5,373**

Community members reached through awareness programmes on personal hygiene practices **5,502**

Reduction in prevalence of waterborne disease (in communities where intervention is completed) **66%**

Anju in Darjeeling

Anju is a tea plucker who lives and works on an estate in Darjeeling with her husband and 3 year old son. Anju, like many on the estate, used to have to wake up at 3.00-3.30am every day and wait in line to fetch water, which could take up to an hour each morning.

Our WASH project in Darjeeling aims to help people like Anju and give them easy access to clean water and adequate sanitation.

“

Earlier we had to use limited amounts of water and we had to carry water from a long distance for everything right from cooking, cleaning and for sanitation purposes. Now there is continuous supply of water and the water point is so near to my house that my family is able to wash, clean and take regular baths.”

This lack of access to water impacted Anju's life in many ways, not just on her health and wellbeing but also making her late for work, which resulted in a loss of a day's wage. Anju explained that since the project **“My rapport with my supervisor at work has significantly improved as I have not been late for work.”**

photo credit: Mercy Corps

INTRODUCING CLEAN COOK STOVES IN ASSAM



In 2015 we started a pilot project to promote the adoption of clean, fuel-efficient cook stoves among workers on 3 tea estates to improve the air quality in their homes, together with our partner Mercy Corps. This project came as the result of a visit to people's homes in several tea estates and interaction with the tea communities in Assam, India.

Traditional cooking and heating mechanisms used on tea estates in Assam produce lots of indoor smoke which causes eye and respiratory problems. Furthermore, a typical household requires three stacks of firewood annually to cook their daily meals: one stack of firewood is supplied by the Tea Estate Management annually and the remaining are bought, collected or illegally sourced from forests by households. As well as reducing the burden on women and children, as they spend a disproportionate amount of their time collecting

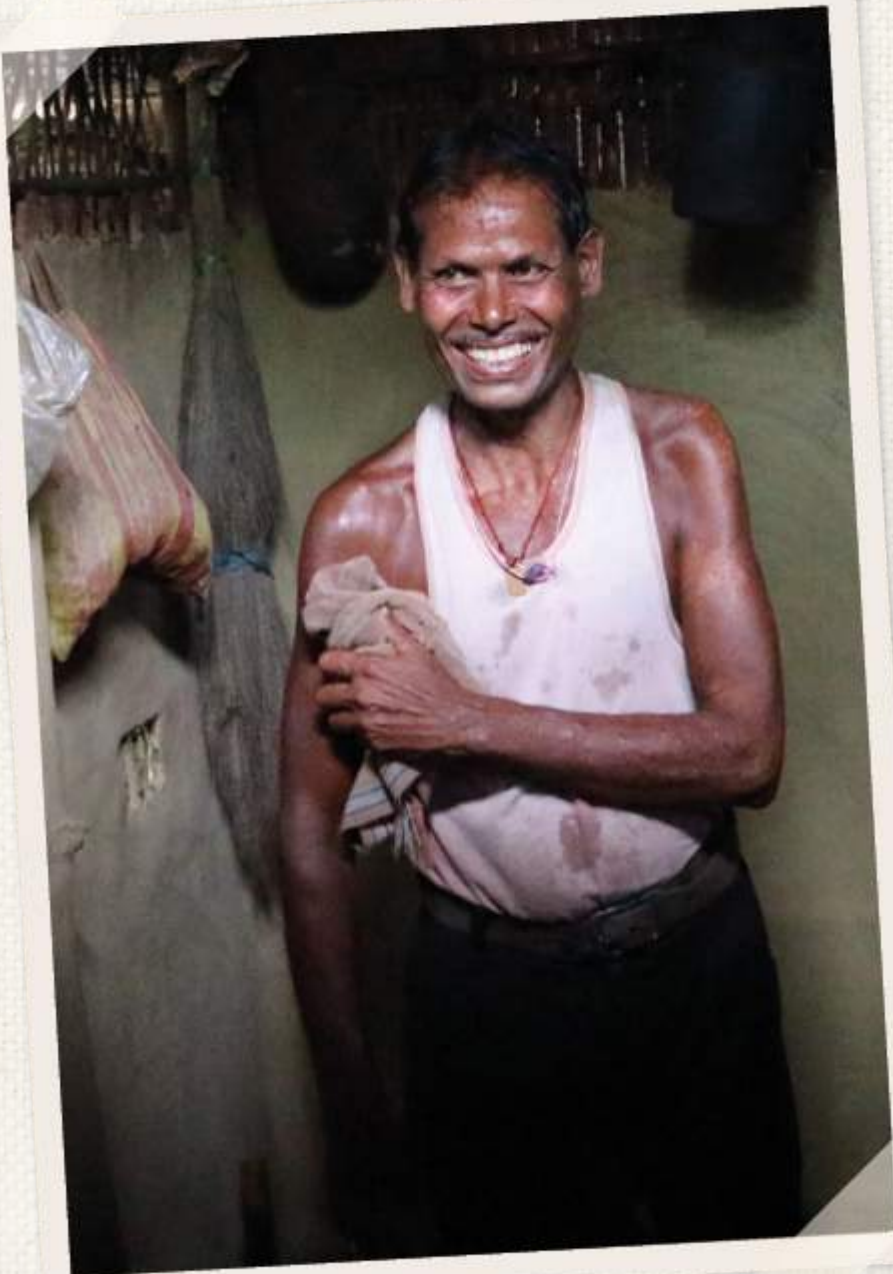
firewood, the clean cook stoves project provided an opportunity to reduce the incidences of smoke-related respiratory and eye problems and therefore improve the living conditions of people who live on tea estates.

Earlier cook stove projects in the area had been unsuccessful because they promoted metal stoves that were too expensive, required users to cut the wood into very small pieces, and could not be locally repaired. Twinings' pilot with Mercy Corps was based on a simple approach of training local people to make, maintain and repair fuel efficient cook stoves, as well as providing them with basic business skills, and then communicating the benefits of these stoves to the local community.

**807 households
have adopted clean
cook stoves and 4,800
people are less exposed
to health risks
from smoke.**

This pilot project has delivered an alternative stove that has been embraced by the communities because they are low cost (\$5-8), consume 4.34kg firewood less per day per household, reduce cooking time and produce less smoke. So far, 807 households have adopted clean cook stoves and 4,800 people are less exposed to health risks from smoke inhalation.

In November 2016 we organised a workshop to disseminate the learnings of this project with producers and interested parties in Assam. This will hopefully enable the approach to be scaled up and have even greater impact on air quality in homes across the region.



Raghuram in Assam

Raghuram is a temporary worker on a tea estate in Assam; his wife works on the estate as a permanent tea plucker. They live on the estate with their children in the same house that Raghuram grew up in.

Raghuram and his wife heard about the clean stoves at a community meeting where they saw how the stove worked in practice. They decided to buy a single pot stove and he told us that **“my family is so far happy with it; it needs less firewood and therefore costs less. It is also repaired for free by the potters who made it, which is a reassurance”**.

“The old stove had turned black and I used to have a coughing problem from the smoke it produced but now things are better.”

Raghuram likes the stove so much that he would like to upgrade to a bigger double-pot stove so that he can have one stove warming the house and one stove to cook on.



Our Sourced with Care programme will work within the framework of the Sustainable Development Goals and UN Guiding Principles on Business and Human Rights to ensure that we continue to improve the lives of workers and their communities in our supply chain.



2017 & BEYOND

So far Sourced with Care has had a positive impact on the lives of 134,700 people. However, more work needs to be done to help us achieve our ambitious target of impacting 500,000 lives by 2020 through more robust livelihoods, the empowerment of women and young people and better living standards. Beyond this, we need to catalyse change at an even wider scale and this cannot be done alone. We are partnering with NGOs, supply chain partners, companies, governments, industry associations and local communities to help tackle the broader, structural challenges affecting the tea sector.

Our Sourced with Care programme will work within the framework of the Sustainable Development Goals and UN Guiding Principles on Business and Human Rights to ensure that we continue to improve the lives of workers and their communities in our supply chain. As we move forward we will continuously review all of our interventions and remain flexible to ensure that we are focused on the right issues and are making a significant and sustainable impact.

In 2017 we intend to roll out our Twinings Community Needs-Assessment (TCNA) to many more estates from which we source, including in new regions (Kenya, Malawi, Indonesia and Argentina). This will enable us to identify new issues and opportunities and work with the local communities and producers to develop jointly-owned action plans to address these.

Following the TCNAs conducted in 2016, we are looking forward to starting some exciting new work; from delivering HERhealth to 6,000 smallholder farmers in Kenya to extending our water, sanitation and hygiene programme with Mercy Corps to Assam and undertaking new interventions in China and Sri Lanka as well.

We will strengthen our Solid Foundations by ensuring that more estates in China and Sri Lanka, as well as herbal teas, are meeting international certification standards, and that our audit programme remains targeted towards high risks areas and leads to improved conditions for workers. As we are also getting closer to 2020 our commitment in Malawi remains strong and we will work harder with our partners to ensure we are delivering change on the ground towards a living wage for tea workers.

We will also be increasing our focus on modern slavery, in line with stronger legislation, through additional training of buying and HR teams and suppliers as well as conducting more specific spot checks on higher risk suppliers across our supply chains.

Sourced with Care is not just a commitment but a journey; and it is one that we are very excited to be on.



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