

Tea but no sympathy – A summary

Social sustainability of tea consumed in Finland



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Cover photo: A worker on a tea plantation in the Nuwara Eliya district in Sri Lanka. The person in the photo is not connected to Finnwatch's investigation. Finnwatch will not publish pictures of the individuals who were interviewed for this report due to consideration for their safety.

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1. Introduction

Millions of people in tea producing countries are directly engaged in the production of tea and many more depend on it for their livelihood. Labour rights abuses are prevalent and well-documented at tea plantations in many of the producing countries. This report explores the working conditions in the production of the tea consumed in Finland. The tea plantations covered are suppliers to both Finnish tea houses and international brands.

More than one million kilos of tea is consumed in Finland each year. The Finnish tea market's value is approximately 55 million euros.¹ The biggest Finnish tea houses are Forsman Tea and Nordqvist, but international brands Twinings (market leader) and Unilever dominate the market. Private label tea products are also gaining in popularity.²

Although both Finnish tea houses source tea directly from the producing countries and flavour and pack their products in Finland, the majority of the tea consumed in Finland is imported from other European countries as ready-made tea products for the consumer market. In addition to international brand products that are imported to Finland from countries such as Poland and the UK, all of Finland's major grocery retail chains, Kesko, S Group and Lidl Finland, source their private label teas nearly exclusively from Central European tea houses. One private label product is sourced from a Sri Lankan manufacturer.

Each year, around 48,000 kilos of Fairtrade certified tea is sold in Finland³. According to a rough estimate, the Rainforest Alliance and UTZ combined have approximately a 20 percent market share of all tea sold in supermarkets⁴. The demand for organic tea is on the rise⁵ but beyond the scope of this report.

The current climate crisis has a significant impact on the cultivation of tea. Tea is said to be one of the crops most adversely affected by climate change. Changes in its yield, quality and production areas will have an impact on tea prices and demand for tea, the livelihood of millions of people and the economy of the producing countries. Tea cultivation also has adverse ecological impacts. The industry needs to develop mitigation and adaptation strategies to cope with climate change.⁶

The original version of this report, written in Finnish⁷, was published in October 2019. This abbreviated English version includes in full the field research findings, conclusions and recommendations presented in the original report. Both have been financed by crowdfunding organised on the People's Cultural Foundation Kulttuurilahja -platform and by the Finnwatch Decent Work Research Programme.

1 Kauppalehti, 14.2.2019, Nordqvist tähtää Suomen arvostetuimmaksi teebrändiksi ('Nordqvist aiming to become the most valued Finnish tea brand')

2 Finnpartnership, Tea in Finland 2017

3 Fairtrade Finland, Jenni Sundberg, email on 9.9.2019

4 Rainforest Alliance, Sven Drillenburger, email on 26.9.2019

5 Euromonitor, Tea in Finland 2019

6 Han W. et al., 2018, Tea cultivation under changing climatic conditions. In: Sharma, V. S. and Gunasekare, M. T. K. (eds), Global tea science: Current status and future needs, Burleigh Dodds Science Publishing, Cambridge, UK

7 Finnwatch, 2019, Teetä ilman sympatiaa – Suomessa kulutettavan teen sosiaalinen vastuullisuus, available at https://finnwatch.org/images/pdf/Teeta_ilman_sympatiaa_fi_nal.pdf

2. India: The Nilgiris

METHODOLOGY

The Craigmores Plantations, Glenworth Estate and United Nilgiri Tea Estates were selected as sites for Finnwatch field research by comparing the supplier information that Forsman Tea and Nordqvist provided to Finnwatch and the publicly available information on other tea brands' suppliers⁸.

Between August and October 2018, Cividep India⁹ researchers conducted interviews with 20 workers from each of the three plantations. Worker interviews were predominantly conducted on the estates in the workers' living quarters in conditions that ensured confidentiality. In addition, Cividep researchers interviewed representatives of local, state and national trade unions that represent plantation workers. In October 2018, a Finnwatch researcher visited the Nilgiris and conducted interviews with tea plantation workers and trade union representatives.

Most of the interviewees were originally from Tamil Nadu. They were interviewed in their mother tongue, Tamil. A small portion of interviewees were migrant workers from Jharkhand, who were interviewed in Hindi. All interviews by the Finnwatch researcher were conducted with the help of an interpreter.

Interviewees were selected randomly from among all workers at the three estates. Most of the interviewees were tasked with tea plucking and maintenance, others with distributing agrochemicals. All the interviewees were from Scheduled Castes (Dalit) or Scheduled Tribes (indigenous peoples). Both groups face systematic discrimination and poverty in India.¹⁰

As is required by Finnwatch's Ethical Guidelines, the Craigmores Plantations, Glenworth Estate and United Nilgiri Tea Estates as well as the certification schemes Rainforest Alliance, UTZ and Fairtrade were given the opportunity to comment on the field research findings before their publication. Their comments are incorporated below where relevant. Both the Craigmores Plantations and United Nilgiri Tea Estates said the findings were false and threatened Finnwatch with legal action should the organisation proceed with the report's publication.

The Rainforest Alliance and UTZ, which are in the process of merging and will in future use the name Rainforest Alliance, submitted a single, joint response to Finnwatch. In the response, the Rainforest Alliance said that they welcomed Finnwatch's research and that it would help the Rainforest Alliance improve its own systems and the conditions in the plantations that it certified. The

Table 1: Composition of the interview sample in the Nilgiris

	Craigmores Plantations	Glenworth Estate	United Nilgiri Tea Estates
Gender: female/male	9/11	14/6	12/8
Educational level: secondary/primary/none	1/6/13	0/4/13 (3 not known)	7/3/10
Type of employment relationship: permanent/casual	17/3 (migrant)	12/8 (seasonal*)	8/12 (seasonal*)

* These casual workers are only employed during seasonal peaks. According to the interviewees, their status remains "not permanent" even though some of them had been working at Glenworth Estate or United Nilgiri Tea Estates since the early 2000s. In their responses, all the estates stated that they did not employ casual workers at all, only permanent workers.

⁸ All three plantation are suppliers to Nordqvist and Unilever. In addition, United Nilgiri Tea Estates is a supplier to Forsman and at least to Yorkshire Tea, Twinings, Typhoo, Ringtons and Marks & Spencer. Glenworth Estate is a supplier to at least Twinings. For more information see the links on a Traidcraft Exchange webpage at <https://traidcraftexchange.org/tea-answers>

⁹ Cividep India is a Bangalore-based organisation working on labour rights and corporate accountability.

¹⁰ For more information see for example Ethical Trading Initiative, 2019, Base Code Guidance: Caste in Global Supply Chains, available at https://www.ethicaltrade.org/sites/default/files/shared_resources/ETI%20Base%20Code%20guidance%2C%20caste%20in%20global%20supply%20chains.pdf

Rainforest Alliance further noted that they were aware of the challenges facing the tea sector in both India and in Sri Lanka and that these challenges were the very reason they were working in both these countries. In addition, the Rainforest Alliance said that they would study the findings and recommendations in this Finnwatch report and communicate to Finnwatch at a later stage on the concrete steps that these have subsequently led to.¹¹

In its response, Fairtrade noted that they took the findings by Finnwatch seriously. Fairtrade said that several of the Finnwatch findings corresponded with the results of its own audits and the impact assessments the organisation has commissioned. According to Fairtrade, those Finnwatch findings that it was already aware of have been appropriately sanctioned, but provided no further details. Fairtrade further noted that those Finnwatch findings that it had not been aware of previously would now be further investigated. According to Fairtrade, challenges such as low wages, the marginalisation of workers, the legacy of colonialism and its related power imbalances are huge, especially in Assam and West Bengal. In order to strengthen their own model, Fairtrade is revising its criteria for sustainable tea as well as the related pricing mechanisms, in consultation with local civil society. The first draft of the revised criteria included suggestions for improvements to workers' wages, participation and housing. The revised criteria are expected to be published in 2020.¹²

THE ESTATES

The Craigmores Plantations, Glenworth Estate and United Nilgiri Tea Estates are located in Coonoor municipality. It is located at a high altitude in the Western Ghat mountain range in Tamil Nadu, in the area known as the Nilgiris (Tamil for "blue hills"). Nilgiri tea is one of the three major Indian teas. The other two are Assam tea and Darjeeling tea. Darjeeling is grown in West Bengal.

11 Rainforest Alliance, Marcus Schaefer, email on 1.10.2019

12 Fairtrade Finland, Mirka Kartano, email on 13.9.2019

Craigmores Plantations Private Ltd, established in 1884, was originally known as the Ceylon Land and Produce Company Ltd. It is part of the Inlaks Group. The Craigmores Plantations comprises several gardens (Craigmores and Pascoe Woodlands Estate). The company employs around 1,400 people and produces approximately 2 million kilos of tea each year. Craigmores Plantations is Rainforest Alliance and UTZ certified. This past financial year, the company managed to sell approximately 36 percent of its production as Rainforest Alliance certified and a mere 2 percent as UTZ certified. According to the company, it does not get a price premium for Rainforest Alliance certified tea and the premium for UTZ certified tea is 0.05 USD per kilo.¹³

Glenworth Estate Ltd comprises two gardens, the Glendale Estate and Adderley Estate. It provides employment to about 1,050 people. The total planted area of the estate is 525 hectares, with a yield exceeding 3,000 kilos of made tea¹⁴ per hectare. Glenworth Estate is Rainforest Alliance and UTZ certified, and according to the company, it manages to sell approximately 90 percent of its production as certified. According to the company, it does not receive a price premium for the certified tea, but rather the price of its tea is dependent on quality alone. The Glendale Factory produces in excess of 1.90 million kilos of tea every year. In addition to tea grown at the company's own gardens, tea grown in other gardens is also processed at the Glendale Factory.¹⁵

United Nilgiri Tea Estates & Company Ltd was established in 1922 and began exporting tea in 1984. It comprises several tea estates, including Allada, Devabetta, Korakundah, Kunda and Chamraj. The company employs more than 1,000 people. In the 2017/18 financial year, United Nilgiri Tea Estates produced almost 3 million kilos of tea of

13 Craigmores Plantations, About, <https://www.craigmoreplantations.com/about.php> and Craigmores Plantations, M.N. Bopana, email on 23.9.2019

14 Green leaf tea is processed to "made" tea in tea factories.

15 Glendale Teas, <http://www.glendaleteas.com/index.php?route=common/home> and Glenworth Estate Limited, R. Rajkumar, email on 25.9.2019

which approximately half was exported. The company has been Fairtrade certified since 1994 and is also certified by Rainforest Alliance and UTZ. United Nilgiri Tea Estates did not provide information to Finnwatch on its sales of certified tea.¹⁶

The Rainforest Alliance publishes the summaries of its audit reports. The Craigmere Plantations and United Nilgiri Tea Estates were last audited by the Rainforest Alliance in February 2019, while the Glenworth Estate was audited in January 2019. According to public audit report summaries, all three estates comply fully with the Rainforest Alliance criteria related to labour rights. Fairtrade and UTZ do not make their audit reports or summaries public. However, with the permission of United Nilgiri Tea Estates & Company Ltd, Fairtrade shared a summary of the non-compliances detected during its most recent audits at the United Nilgiri Tea Estates with Finnwatch.

Both the Glenworth Estate and United Nilgiri Tea Estates are included on the list of India's 50 largest tea exporters.¹⁷

WORKING AND LIVING CONDITIONS AT TEA PLANTATIONS IN THE NILGIRIS

According to the field research findings on the Craigmere Plantations, Glendale Estate and United Nilgiri Tea Estates, the working and living conditions at all three estates are largely similar and therefore, they are all discussed together below. During field research, several local Finnwatch contact points and trade union representatives expressed surprise at Finnwatch wanting to conduct research on these specific plantations, as it was generally believed that working and living conditions on plantations geared towards the export market are better than on plantations geared towards India's domestic markets.

16 United Nilgiri Tea, Annual Report 2018, available at <http://unitednilgiritea.com/wp-content/uploads/2018/07/UNTEA-Annual-Report-2018-Final.pdf> and United Nilgiri Tea Estates, D. Hedge, email on 26.9.2019

17 Tea Board of India, Top 50 Exporters during 2018-19, available at http://www.teaboard.gov.in/pdf/Top_50_Exporters_during_2018_19_pdf1886.pdf

Wages are not sufficient to adequately cover the cost of basic necessities

Most workers at all three estates said that they were paid Rs. 310 per day (4 euros¹⁸). Workers reported no difference in daily pay on the basis of employment type (i.e. permanent or casual employment) or between local recruits and migrants. The daily wage remained the same also regardless of a worker's length of service. A daily wage of Rs. 310 is in line with the settlement agreement between the local plantation sector's employers and employees' representatives, which is valid from July 2017 until the end of June 2021¹⁹. It comprises a basic wage of Rs. 191 per day and a dearness allowance (inflation adjustment) that is revised every three months. The daily wage of Rs. 310 is barely higher than the Tamil Nadu government-stipulated minimum wage for plantation workers²⁰.

According to most of the workers interviewed for this report, tea workers have to pluck a minimum of 35 kilos of tea leaves per day. Some casual workers reported higher daily targets. This is in line with previous studies which have noted how casual labour is engaged in constant negotiations with plantation management on the actual quota they must pluck in order to be paid their daily wage in full²¹. In their responses, both the Craigmere Plantations and United Nilgiri Tea Estates denied that plucking targets were in use at their estates.

Generally, workers said they meet or even exceed the daily plucking target. For anything above 35 kilos, workers are paid a piece-rate

18 1 INR = 0,0126 EUR

19 Memorandum of settlement under section 18(1) of the Industrial Disputes Act, 1947, Arrived on 29th May 2017 at Gudalur

20 The minimum wage for plantation workers in the State of Tamil Nadu was last revised in 2017. The basic wage for tea plantation workers is Rs. 183.50 per day; in other words, the collective agreement wages are a mere Rs. 7.5 higher than the minimum wage. The calculation method for the dearness allowance is the same as in the settlement agreement between local plantation sector employers and employees' representatives. For more information see http://cms.tn.gov.in/sites/default/files/go/labemp_e_59_2017_2D.pdf

21 See e.g. Selvaraj, M.S. and S. Gopalakrishnan, 2016, Nightmares of an agricultural capitalist economy: Tea plantation workers in the Nilgiris

Tea plantation workers typically live in so-called line houses on the estates. Many line houses are in poor state of maintenance. Workers at Craigmere Plantations have attempted to fix leaking roofs with plastic sheets.



based incentive. In its response, the United Nilgiri Tea Estates clarified that the plucking incentive (as per the collective agreement) is Rs. 0.60 up to 41 kilos, Rs. 1 up to 56 kilos, and Rs. 1.5 from 57 kilos onwards.

Interviewed workers reported significant variation in their monthly take home pay. The lowest quoted figures were Rs. 4,000 per month and the highest Rs. 9,000 per month (51.8–116.7 euros). The average estimated take-home pay of the interviewed workers was Rs. 7,650 at the Craigmere Plantations, Rs. 6,450 at the Glenworth Estate, and Rs. 5,500 at the United Nilgiri Tea Estates. In its response, the Glenworth Estate noted that the amount each worker is paid per month is greatly influenced by the number of days workers report to work. At the Glenworth Estate, the worker absenteeism rate is about 25 percent. Other studies have noted that absenteeism is a “persistent problem” for almost all tea producers in India, which the studies attributed to the arduous nature of work on tea plantations, the poor health of workers and low wages, which lead to a need to supplement family income²². According to the Glenworth Estate, absenteeism is mainly due to the workers’ alcoholism.

The vast majority of the interviewees considered their take-home pay insufficient to meet their own and their families’ needs and

nearly all had borrowed money from their relatives or neighbours or taken out a bank loan. Not all interviewees were willing to disclose their reasons for taking out loans, but the most commonly cited reasons by those who did included their children’s vocational or other higher education and medical emergencies. In their responses, all the estates noted that they provide free medical care to their workers, arguing that, therefore, workers need not spend their own money on health care. However, the Craigmere Plantations also said that the company provided interest free loans to its workers for the aforementioned purposes²³. Medical facilities available on the estates are discussed in more detail below (see p. 14).

The United Nilgiri Tea Estates also mentioned that it provides financial support towards the education of its workers’ children. In practice, this means education grants funded from Fairtrade premiums. Currently, 85 youngsters who are training to be engineers and nurses, benefit from these grants, which are used to cover expenses such as tuition. The workers interviewed for this report mentioned such education grants as one of the benefits of the plantation’s Fairtrade certification. However, they also alleged that there was plenty of favouritism in the allocation of these grants (see p. 18).

²² See e.g. Fairtrade (in collaboration with the Lab and ILO), *Improving conditions in tea plantations in Assam*

²³ None of the interviewees at Craigmere Plantations mentioned company provided loans.

Most tea workers found it difficult to obtain a bank loan without their estate management acting as a guarantor for the loan. In practice, this means that loan repayment arrangements are often also handled by the management and deducted directly from the workers' salaries. Loan repayments are noted in workers' payslips, but the interest paid on the loan is not mentioned separately, and the interviewed workers had no knowledge of the interest rate they were paying on their loans. Previous studies have observed that tea workers often paid high interest rates on their loans, and high interest rates have even been noted as one form of labour exploitation at tea plantations²⁴.

Factors related to a workers' personal situation (such as loan repayments, how many days they have worked on or how many kilos of tea leaves they have plucked) greatly impact the worker's take-home pay and partly explain the variation in the sums reported by the interviewed workers.

There is no applicable estimate for a living wage in the Nilgiris tea sector²⁵. On average, interviewees estimated that monthly earnings of approximately Rs. 16,000 (207.4 euros) would be sufficient for them to provide nutritious food to their family and to pay for their children's education and marriage²⁶, and to put aside some savings for old age. In its response, the Glenworth Estate noted that if plantations were to raise salaries, the consequences would be "catastrophic" for plantation companies. According to the Glenworth Estate, the estate's current salaries already account for 70 percent of its production costs. The Craigmere Plantations reported that salaries accounted for 60 percent of its production costs, and that plantations are struggling to survive, because European buyers continue to dump tea prices from one

24 Genevieve LeBaron, 2018, *The Global Business of Forced Labour*

25 Global Living Wage Coalition is however, in the process of calculating one, for more information see <https://www.globallivingwage.org/get-involved/#inprogress> (viewed on 14.8.2019)

26 Despite dowry being illegal in India, a number of families continue the tradition of the bride's parents providing the groom's family with substantial sums of money at the event of marriage.

Migrant workers at Tamil Nadu's tea plantations hail from poverty

Migrants working at Nilgiris tea plantations most commonly hail from Jharkhand in Northern India. Jharkhand is one of the poorest states in India. Almost 40 percent of the population in Jharkhand lives below the poverty line. Poverty is more pronounced in the rural areas where more than 60 percent of children are underweight, and more than 70 percent are anaemic.²⁷ More than 5 percent of the working age population migrate annually to other states in India in search of employment opportunities.²⁸

Previous studies have noted an increase in the volume of migrant labour from Jharkhand at Tamil Nadu's tea plantations. Migrant labour is needed as the local tea labour force is ageing and the younger generation is not interested in seeking employment in the sector due to its low wages, lack of any promotion opportunities and the low social status of plantation work²⁹. In the interview sample for this report, the average age of migrant workers was 28 and that of local tea workers was 44.

27 Government of Jharkhand, *Eliminating Poverty: Creating jobs and strengthening social programs*, available at <https://niti.gov.in/writeread-data/files/Jharkhand%20presentation.pdf>

28 The Times of India, 10.2.2017, *Migration from Jharkhand highest in country: Economic survey*, <https://timesofindia.indiatimes.com/city/ranchi/migration-from-state-highest-in-country-economic-survey/articleshow/57070016.cms> (viewed on 26.6.2019)

29 Lalitha N., V. Nelson, A. Martin and H. Posthumus, 2013, *Assessing the poverty impact of sustainability standards, Indian tea*

year to the next. Furthermore, the company questioned whether plantations can be required to pay living wages to workers when they also provide so many in-kind benefits to their workforce. However, living wage calculations normally do take in-kind benefits into account.

Of the interviewees, generally only migrant workers expressed satisfaction with their current income levels. Migrant workers could only be interviewed for this report at the Craigmere Plantations, and these migrant workers also reported the highest levels of income among all interviewees in the Nilgiris. Migrant workers are relatively young compared to other tea workers meaning that they tend to have fewer health issues than workers, who have worked on tea estates for much longer. They usually work very hard; they are also encouraged by the management, in particular, to work hard. The migrant workers interviewed for this report during the field research also stated that social security contributions were not deducted from their salaries. In its response, the Craigmere Plantations denied this. Migrant workers at the plantation whom Finnwatch contacted again in autumn 2019 confirmed that at least some have since had statutory social security contributions deducted from their salaries.

In addition to statutory deductions such as deductions for social security (Provident Fund, PF³⁰), deductions from workers' wages included trade union subscriptions, and, if the workers lived on the estate (which nearly all did), electricity. Several workers also reported deductions towards a life insurance scheme (Life Insurance Company of India, LIC³¹).

30 State administered Provident Fund (PF) is an important component of India's social security system. Both the employer and the employee contribute a percentage of the workers' salary to the workers PF account. Workers can access funds on their PF account under certain circumstances e.g. to buy a house/land, to build or renovate their house, to pay back mortgage, in the event of marriage, for some educational purposes, and prior to retirement. For more information see http://epfindia.gov.in/site_en/index.php. Another common statutory deduction to workers' salaries in India is the Employee State Insurance (ESI) contribution. However, as there is no ESI hospital in the Nilgiris, no ESI deductions are made from tea workers' salaries in the area.

31 For more information see <https://www.licindia.in>

These deductions are all legal when workers have provided their consent.

At United Nilgiri Tea Estates, some workers reported deductions of Rs. 20 (0.25 euros) from their salaries towards housing which should be free of charge, and towards union membership (Rs. 8, or 0.1 euros), even though they claimed not to be union members (see p. 16). In its response, the United Nilgiri Tea Estates denied any deductions towards housing.

Long working hours without overtime pay

A normal working day at all three estates is 9 hours long including a one-hour lunch break. According to the interviewees, they did not have any other breaks during the day. Workers have the day off on Sundays.

In practice though, tea workers often work longer hours. According to the interviewees, the amount of extra hours they put in varies from season to season. During peak season, several said that they might work as many as 12 hours per day. This includes casual seasonal workers at the United Nilgiri Tea Estates who otherwise reported 5-hour working days. Workers at all three estates also said that during peak season, they often work on Sundays without the weekly rest day. According to one interviewee, "for the last two months, I have been working every single day. We are working all the time." The number of working hours reported by workers during peak season was illegally high³².

None of the interviewees for this report were able to explain how they were compensated for the extra hours they put in, or for Sunday work. However, they had a clear understanding that the extra hours that they put in working in the tea fields were, in general, not considered overtime, which they should lawfully be paid for at twice the normal rate. It appears that tea field workers were paid compensation for the extra hours they put in

32 According to the Plantation Labour Act (Chapter V) the normal working hours for a plantation worker must not exceed 48 hours per week, and working hours including overtime must not exceed 54 hours per week. The law also restricts working hours per day to 9 hours.

at the same piece-rate as they are for over-quota kilos. Most commonly, only tea factory workers are considered to work overtime for which the plantation companies said they are compensated in line with the law.

All interviewees at the Craigmere Plantations, 12 out of 20 interviewees at the Glenworth Estate and 9 out of 20 interviewees at the United Nilgiri Tea Estates felt that they could not refuse to work longer hours or on Sundays. They reported that if they did not comply with the management or their supervisor's orders, their wages could be reduced, their working hours might not be recorded properly, they might be denied work the next day or entries in their plucking cards, or they might not be granted (sick)leave when they wanted or needed it. At the United Nilgiri Tea Estates, three additional workers said that even though they were not compelled to work extra, it was in "their own interest" to do so, as their wages were otherwise so low.

It is not clear from the interviews or from the documentary evidence collected during the field research (such as copies of pay-slips) if the consequences described by the interviewed workers are "mere" threats that were used to push them to work harder or if they were actually also put into practice. In their responses, all three estates denied that workers were pressured or compelled to work extra hours as well as the consequences described by workers. The Glenworth Estate and United Nilgiri Tea Estates also claimed that tea field workers did not work any extra hours or on Sundays. The Craigmere Plantations said that during harvest season workers are sometimes asked to work on Sundays, but that Sunday work was completely voluntary. On Sunday, the working day is 5 hours long and it is compensated for as overtime. In addition, the company noted that workers' claims that salaries had been cut could also be due to workers not understanding their pay slips. Both the Craigmere Plantations and Glenworth Estate also noted that workers are "encouraged" to report to work regularly and to work as "diligently" as possible.

According to a summary of the non-compliances found during the most recent Fairtrade audits at the United Nilgiri Tea Estates, some workers on the plantation worked consecutively for more than six days. Fairtrade standards allow such practices but only in exceptional circumstances and only if the tea plantation has applied for a temporary extension of working hours in advance. In its response to Fairtrade, the United Nilgiri Tea Estates confirmed that the practice was limited only to production peaks and that, in the future, it would seek permission in advance.

Lack of clarity with regard to annual leave and sick leave

Although the majority of permanent workers interviewed at both the Craigmere Plantations and Glenworth Estate said that they were given 14 days of paid annual leave, it was clear from the interviews that there was considerable confusion among workers at all three estates about workers' rights to annual leave and sick leave. At the United Nilgiri Tea Estates, the majority of permanent workers said they were entitled to 12 days of annual leave. Pursuant to legislation, workers should be entitled to 1 day of annual leave per every 20 days of work³³. The amount of annual leave is therefore contingent on the number of days worked by the worker but should generally be about 15 days per year. However, numerous interviewees' had the understanding that they "work all the time" and that they were not given any paid leave ("no work, no pay").

According to Tamil Nadu's state rules, workers should also be able to take 14 days of sick leave each year for which they are paid two-thirds of their normal income³⁴. However, the interviewees at all three plantations claimed that sick leave was not always granted on the basis of how sick they were but largely on the basis of favouritism. Most commonly, the interviewed permanent workers said that sick leave was paid for a period of only three days at a time and at half

33 Plantation Labour Act, 1951, Chapter VI

34 Tamil Nadu Plantation Labour Rules, 1955, Chapter VI

the normal pay rate. The majority of workers from the United Nilgiri Tea Estates, said they are given only 7 days of paid sick leave.

The interviewed migrant workers at the Craigmores Plantations and the seasonal workers at the Glenworth Estate said that they are not entitled to any paid annual leave or paid sick leave. The interviewed migrant workers said that although they could return to their home state once a year or take time off when they were sick, they were not paid during that time. At the United Nilgiri Tea Estates, about half of the interviewed seasonal workers said they were entitled to paid sick leave but not to any paid annual leave.

In their responses, all three estates claimed to comply with annual leave and sick leave legislation and stated that if leave was not taken workers were compensated for this in lieu. The estates also denied all allegations of favouritism in the allocation of paid sick leave and that migrant workers and seasonal workers were treated differently from others. The Craigmores Plantations and Glenworth Estate reported that they even paid the travel fares of migrant workers when they returned to their home states once a year.

Shortcomings in OHS

The most common OHS hazards reported by the workers interviewed for this report were animal attacks by gaurs (Indian bison), sloth bears, leopards, snakes and wild dogs³⁵. At their worst, animal attacks can be fatal to tea workers. According to the Nilgiri Estates Workers Union, examples of safety measures that could be introduced to protect workers from such attacks include fencing. However, in spite of demands from workers, such measures have yet to be implemented.

In its response, the United Nilgiri Tea Estates stated that workers always worked in groups and denied that animal attacks were a significant health hazard at tea plantations.

³⁵ Tea gardens are vast open areas where wild animals can roam free. Only staff and workers' living quarters are guarded.

Other occupational health hazards cited by the interviewees included

- heavy lifting (workers must carry heavy bags full of tea leaves; some agrochemical containers are also heavy),
- use of hazardous machines (especially hand-held trimmers used to trim tea bushes were said to expose workers to vibration and be difficult to handle),
- and exposure to the elements such as heavy, daily rain during the monsoon season and freezing cold weather in the winter. Coonoor gets about 1,500 mm rain per year, mostly during the months of October and November³⁶.

Interviewees, who worked in tea fields e.g. plucking tea leaves, said that they are not provided rain gear or long-sleeved jackets by their employer and instead had to purchase these themselves. To protect themselves from the rain, workers typically used two plastic sheets that they tied around their head and around their waist. The cost of such plastic sheets at the local market was about Rs. 250 (3.2 euros).

In its response, the United Nilgiri Tea Estates claimed that it had provided workers rain gear free of charge. The United Nilgiri Tea Estates also said that the tea gardens had tractors for moving heavier items and, therefore, workers were not required to carry heavy loads. They also stated that as approximately 70–75 percent of its tea gardens were dedicated to organic farming, they used very few chemicals. However, according to workers, tractors could only drive along roads whereas workers could work several hundred meters from the roads and because of this, they were still required to carry heavy loads.

Several interviewees at the Craigmores Plantation mentioned a recent case involving the death of a 56-year-old male tea worker, who had been tasked with maintenance work that involved heavy lifting e.g. removing stones. Once he was allowed to take a break,

³⁶ Shyamali Ghosh, 21.2.2011, Glendale Tea Estate, Coonoor, India. World Tea News, <https://worldteanews.com/tea-industry-news-and-features/glendale-tea-estate-coonoor-india> (viewed on 28.6. 2019)

he complained of chest pains. He was first taken to the garden hospital, and from there, to a government hospital but died on the way. It was later confirmed he had had a heart attack, and this was also confirmed as his cause of death. His family had reportedly received the funds deposited in his Provident Fund account and also his gratuity payment (a lump sum paid to a worker at the end of their tenure, usually upon retirement; the sum depends on a worker's years of service and final salary). However, the law stipulates the family is also entitled to compensation³⁷, which they had yet to receive. According to the interviewees, the family did not know that they were entitled to compensation until the union told them this. In its response, the Craigmere Plantations denied any knowledge of this case. Finnwatch has copies of the man's death certificate and other documents related to the case.

A 2010 amendment to India's Plantation Labour Act strengthened OHS protections of workers tasked with handling insecticides, chemicals and toxic substances. It requires estates to provide workers tasked with the use of these substances training on the involved hazards, periodic medical checks, washing and bathing facilities and PPE³⁸. Certification schemes also have several requirements in place regarding pesticide use.

According to the interviewed workers, fertilisers such as urea and potassium are used on all three tea plantations. In addition, workers at the Craigmere Plantations named two herbicides, 2.4-D and a glyphosate Glycel, that are used at the plantation to kill weeds. According to United Nilgiri Tea Estates workers, the estate also uses 2.4-D. At Glenworth Estate, interviewed workers were not able to name any pesticides, insecticides or herbicides used there. 2.4-D is considered to have generally low toxicity for humans whereas glyphosate is possibly carcinogenic³⁹. Both the Rainforest Alliance and Fairtrade permit the use of 2.4-D and

glyphosate under certain conditions while supervised⁴⁰. In its response, the Craigmere Plantations denied the use of 2.4-D, whereas Glenworth Estate noted that only growth stimulants are used at its tea gardens and no pesticides at all. The United Nilgiri Tea Estates noted that because 70–75 % of its production is certified as organic, the use of fertilisers and pesticides in its tea gardens is minimal.

Workers at all three estates tasked with using agrochemicals said that they had not received thorough training in their use or the necessary precautions. They had simply been shown by either their supervisor or colleagues how to mix and apply them. Despite this, several of them stressed how important it was to wear a mask and gloves when handling chemicals. As such, workers appear aware of at least the most basic precautions. At all three estates, all workers tasked with spraying agrochemicals said that they are provided shared (i.e. not personal) protective equipment and that some of this equipment was in poor condition. Workers were able to wash after they had completed spraying work, but according to the interviewees, at least the Craigmere Plantations did not necessarily provide soap, only water.

In their responses, all three plantations said that workers are given regular training on the safe use of agrochemicals and all the necessary PPE for their personal use. Such PPE is regularly checked and cleaned. Workers have the possibility to wash with hot water and soap at all estates including the Craigmere Plantations, and they underwent regular medical checks. In its response, the United Nilgiri Tea Estates also mentioned that its tea gardens have a Health and Safety Committee that meets regularly. However, none of the interviewees appeared to be aware of the existence of such a committee. According to a summary of the non-compliances found during the United Nilgiri Tea Estates' most recent Fairtrade audits, Fairtrade has also

37 Workmen's Compensation Act, 1923

38 Plantations Labour (Amendment) Act, 2010

39 See e.g. Maaseudun tulevaisuus, 29.1.2018, Luottamus torjunta-aineisiin vähäinen – EU-parlamenttiin uusi valiokunta, <https://www.maaseuduntulevaisuus.fi/politiikka/artikkeli-1.222409>

40 For more information see Rainforest Alliance, Lists for pesticide management v. 1.3, available at https://www.rainforest-alliance.org/business/wp-content/uploads/2017/11/02_lists-pesticides-management_en.pdf and Fairtrade, Hazardous materials list, v. 1.0, available at https://files.fairtrade.net/standards/Hazardous_Materials_List_EN.pdf

noted shortcomings in the provided PPE and their condition in the past.

Medical facilities do not meet workers' needs

According to the interviewees, colds, coughs, chest pain and fever are all common among the plantation population. Most interviewees also complained about various kinds of bodily pains – back pain, leg pain, chest pain – and joint pains. Anaemia and malnutrition were also said to be common particularly among women and children.

Under the Plantation Labour Act, tea plantations are required to provide certain medical facilities and services for their workers. These must cover basic health care, infectious diseases, a maternity ward and pre- and post-natal care⁴¹. In addition, plantations must have their own dispensaries (pharmacy).

Although all three plantations had at least the minimum statutory services in place, the interviewees at the Glenworth Estate said that the estate hospital did not function properly, at least not at the time of the field research. In its response, the Glenworth Estate denied this and stated that the estate had fully functioning medical facilities, an ambulance service and a pharmacy and, in addition to this, e.g. cancer screenings were organised from time to time.

The Craigmores Plantations workers interviewed for this report also found the provided medical services lacking with regard to their needs. They stated that the services provided only comprised simple first-aid even though the hospital there was said to be operating effectively. The plantation also has a statutory maternity ward and pre- and post-natal care, as well as an ambulance and dispensary. According to workers, they needed permission to use the estate ambulance, which often caused significant delays. Its use could even be denied. In its response, the Craigmores Plantations defended the need for prior approval from management for the use of the estate ambulance to avoid its misuse.

The company also denied workers' allegations of inadequate medical services.

Interviewees at the Craigmores Plantations and the Glenworth Estate said that they sought treatment for chronic problems from private hospitals or public health centres in nearby towns. The unions have estimated that tea workers spend around Rs. 2,000 (25.9 euros) each month on medical care, including but not limited to travel costs, hospital fees and medicines. Workers must also pay for getting any medical tests done, even at government-run clinics. As noted above, plantation companies claimed that they provided free-of-charge medical care to their workers, eliminating the need for their workers to spend their own money on medical care. However, it is clear that the medical services available on plantations are not sufficient to meet workers' needs.

Unlike the other plantations, the United Nilgiri Tea Estates has a large hospital facility, which is also used by people who do not work on the plantation but live nearby. According to the interviewees, the hospital operates well, has an abundant staff who are always available and that "all kinds of conditions are treated there". The medical facilities at the United Nilgiri Tea Estates appear to stand out from others, and interviewees at the United Nilgiri Tea Estates did not report a similar need to spend personal finances on health care as interviewees from the other estates did.

Leaking roofs and clogged toilets

Plantation employers have a statutory obligation to provide and maintain rent-free housing for their workers and their workers' families. Tea workers typically live in so-called *line houses* on the estates. Line houses are somewhat like rowhouses. A typical line house comprises six rooms in which one family lives. Each family also typically has their own kitchen and a toilet. In some cases, toilets are located a short distance from the line house.

When a tea worker ceases to work on an estate, the accommodation that was

⁴¹ Tamil Nadu Plantation Labour Rules, 1955, Chapter III

previously in his or her name will be transferred to another member of their family, if they have a family member who will continue to work on the estate⁴². Coupled with very low wages and the tea workers' subsequent inability to save money for housing outside plantations, this rule has effectively forced many tea workers and their families to work on particular tea estates for generations. At both the Glenworth Estate and the United Nilgiri Tea Estates, some interviewees lived in single-family detached houses built under a government housing scheme for people living below the poverty line.

The Tamil Nadu state regulations specify that all line houses must be painted regularly and that they must have toilets, drinking water and electric lighting⁴³. All the interviewees at all three estates had private toilets and washing facilities. All the interviewees also had electric lighting and TVs⁴⁴ in their homes. At the Craigmere Plantations, 5 out of the 20 interviewees also had fans and 1 had a refrigerator. At the Glenworth Estate, all the interviewees had fans and 3 out of 20 had refrigerators. At United Nilgiri Tea Estates, 15 out of 20 interviewees had fans but none had a refrigerator.

Only a handful of workers at any of the three estates had electric heaters, and, thus, most made do without any heating. When temperatures drop close to zero Celsius, these workers and their family members keep a constant supply of warm drinking water to keep warm.

All three plantations had communal water pipes in their workers' living quarters. Although piped water is purified at the municipal waterworks facility, the water supply to communities across India routinely get contaminated via sewage leakage or storm water. Therefore, it is recommended to boil piped water before use. According to the plantation companies, water purity is

monitored and regular tests are performed at all three plantations. The United Nilgiri Tea Estates also said that water is filtered at the plantation. However, in the workers' living quarters water pipes can still be located near open drainage gutters, which increases the risk of waterborne diseases.

At the Craigmere Plantations, some interviewees complained of a temporary scarcity of water, which resulted in workers having to resort to collecting water from nearby streams.

The line houses on all three estates were in poor condition. Nearly all the interviewees on the Craigmere Plantations claimed that their houses had not been regularly painted or repaired. A few complained, in particular, about damaged or leaking roofs. Workers had attempted to fix these leaks themselves using the same kind of plastic sheets that they tied on their waists when it rains. The majority of workers who lived in line houses on the Glenworth Estate also said the houses were very old and not maintained or painted regularly. They claimed to carry out some maintenance at their own expense. At the United Nilgiri Tea Estates, a number of workers claimed their toilets were clogged and could not be used.

In their responses, all three estates claimed to regularly maintain workers' housing and that workers were not required to carry out or pay for maintenance themselves. The Craigmere Plantations claimed to give families "generous sums (of money)" towards paint but added that families were required to paint their houses themselves in order to prevent thefts. The company painted doors and windows, and workers were required to sign paperwork to confirm that painting has been carried out appropriately. Both the Craigmere Plantations and the Glenworth Estate also mentioned that they maintained a system that allows workers to lodge complaints of all kinds on housing issues. A similar grievance mechanism is also one of the requirements for Fairtrade certification. In addition, the Glenworth Estate further mentioned that workers are provided training on hygiene and that the plantation had provided

42 Plantations Labour Act, 1951, Chapter IV. See also Tamil Nadu Plantation Labour Rules, 1955, Chapter IV

43 Tamil Nadu Plantation Labour Rules, 1955, Chapter IV.

44 It should be noted that TVs for example, have in the past been distributed for free by the government of Tamil Nadu to Public Distribution System card holders. This has been attributed to populist policies.

workers with smokeless chulhas (cooking stoves) to ensure their homes remained smoke-free while cooking. Traditional chulhas, which are made from mud, emit a great deal of smoke and, due to the poor ventilation in workers' homes, can cause eye irritation and breathing issues.

As previously mentioned, some of the interviewees at the United Nilgiri Tea Estates who lived in line houses claimed that a Rs. 20 deduction was made from their salaries for housing. In its response, the United Nilgiri Tea Estates denied charging workers any money for housing.

As per the interviewees' testimony, they ate three home-cooked meals a day⁴⁵. Interviewees estimated that, on average, they spent around Rs. 3,000 (38.7 euros) on food for their entire family each month. Families buy food stuff from government-run "ration shops" located on the estates. These shops supply food stuff and certain other supplies to the poor at subsidised prices.

The food consumed by tea workers is often of low nutritional value. Several of the interviewees for this report expressed great interest in receiving further information and training on (occupational) health issues and nutrition. Generally speaking, anaemia resulting from malnutrition is common, especially among children and the female population at India's tea estates. It has been observed that women workers, who took iron and folic acid tablets, increased their productivity by 10 kilos of green leaves plucked⁴⁶. In its response, the Craigmere Plantation stated that the plantation provides iron and folic acid supplements to its workers⁴⁷ and that workers are tested for anaemia twice a year.

No child labour nor discrimination

Workers interviewed for this report reported that they had not experienced or observed discrimination at the plantations in general.

This is in line with previous studies, which have also found no signs of discrimination e.g. towards migrant workers at Tamil Nadu's tea plantations⁴⁸. Of course, the vast majority of the plantation labour force are themselves members of the Dalits and Adivasis groups, which face systematic discrimination in India and are generally poorer than other population groups.

According to the interviewed workers, there was also no child labour on any of the three plantations. As the local tea garden population prefer to send their children to study other occupations instead of taking up work at tea plantations, the youngest workers at tea plantations in the Nilgiris tend to be migrant workers⁴⁹. As noted in some previous studies, it is a relatively new phenomenon that tea workers in the Nilgiris are able to send their children to study outside the estates⁵⁰. Based on interviews for this report, families can only afford to do so if they take out loans specifically for this purpose. Educational grants and scholarship programmes such as the one funded with Fairtrade premiums at the United Nilgiri Tea Estates are exceptions which only a few have access to.

India's legislation requires that all estates that employ fifty or more women must provide and maintain a creche⁵¹. Finnwatch was unable to assess the quality of the creche services provided on the three estates as only a few people in the interview sample had children in these. The same applies to primary schools for 6–12-year-old children at the estates.

In their responses, all three estates claimed to have good creche facilities and primary schools and the Craigmere Plantations even stated that their creche facility was an industry benchmark. The Craigmere Plantations further commented that they had donated 10 hectares of land to the government where middle and high schools were now located. The children of plantation workers have

45 There are no company canteens on the estates. Some plantation companies give contracts to private parties to run canteens inside the estates. At these canteens, food is sold at market rates and there is no subsidy.

46 Ethical Tea Partnership, Team up India: Challenges, opportunities, and ways forward for the Indian tea industry

47 None of the interviewees mentioned receiving such supplements.

48 See e.g. Lalitha et al, Assessing the poverty impact of sustainability standards: Indian tea

49 According to some interviewees, migrant workers have to be at least 20 years old to be employed at the plantations.

50 See e.g. Selvaraj, M.S. and S. Gopalakrishnan, 2016, Nightmares of an agricultural capitalist economy: Tea plantation workers in the Nilgiris

51 Plantations Labour Act, 1951, Chapter IV

access to these schools and are served a free mid-day meal during their school day. The United Nilgiri Tea Estates also has a middle school, in addition to primary schools.

Estates have numerous trade unions but also anti-union activities

Several trade unions were present at all three estates. The Craigmere Plantations recognises two trade unions: Tamil Nadu Thotta Thozhilalar Munnetra Sangam and the Nilgiris District Estate Workers Union. The Glenworth Estate recognises three unions: the Indian National Trade Union Congress (INTUC), the Tamil Nadu Plantation Labour Progressive Union and Anna Thotta Thozhilalar Sangam. The United Nilgiri Tea Estates recognises Anna Thotta Thozhilalar Sangam, the Labour Progressive Federation and the INTUC.

Interviewees were of the opinion that of the plantation unions only the CITU was genuinely representative of workers interests. Out of the three estates covered in this report, only the Craigmere Plantations has workers who are member of the CITU (but the number of CITU members at Craigmere Plantations is on the decline). The management at the Craigmere Plantations does not recognise the CITU, and, according to interviewed workers who were CITU members themselves and CITU officials, the estate management even undertakes anti-union activities targeting CITU members. CITU members were, for example, said to be transferred to new positions for which they do not have the necessary skills or training, and, if they refuse to take these positions, they can be suspended without pay. A commonly cited example of this was the case of an allegedly illegal dismissal of 6 CITU members about 10 years ago. At the time, the affected workers complained about their dismissal to the labour office, but as there was no progress, in 2009 they took their case to a labour court. The workers obtained a favourable decision from the court in 2018⁵², and the company was ordered to reinstate

them and pay them each Rs. 25 000 (322.6 euros) in compensation. However, according to interviewees, the company has appealed the case in a higher court and, at the time this report was written, the workers had yet to be reinstated or compensated. In India, court battles can take many years, which in itself can discourage some workers from seeking justice. In this case, however, the court found that the workers had been slow to respond and, therefore, the compensation they were awarded was relatively small compared to the length of their dismissal. In its response, the Craigmere Plantations denied any knowledge of the case or the related court order. Finnwatch has a copy of the court ruling.

As already mentioned, all the United Nilgiri Tea Estate workers interviewed for this report said that union subscriptions were deducted from their salaries even though they did not believe they had joined a union. Finnwatch considers it possible that these workers have been added as members to management recognised unions without their knowledge. In its response, the Rainforest Alliance noted that the plantation management could usually only make deductions for union subscriptions if the unions could provide the plantation signed consent from workers.

Benefits of certification schemes vary from the viewpoint of workers

All the estates discussed in this report are certified by at least one major social sustainability certification scheme. The majority of permanent workers interviewed at the Craigmere Plantations and the United Nilgiri Tea Estates were aware that these two plantations were certified, while none of the Glenworth Estate workers who were interviewed knew that the estate was certified. At United Nilgiri Tea Estates, all the interviewees who were unaware of the estate's certification were casual workers. Although applicable certification scheme logos are typically displayed on various sign boards around the estates, workers did not necessarily recognise them. Previous studies have also found that the understanding tea workers have of

⁵² Additional Labour Court, Coimbatore, Industrial Disputes Nos. 144/2009, 145/2009, 146/2009, 147/2009, 148/2009 and 149/2009, ruling dated 12.2.2018

certification schemes and their participation in the schemes are generally lacking. This is sometimes believed to contribute to the patronage between tea workers and estate management, which has its roots in the colonial era, and still exists today. This is evident, for example, when tea workers attribute the benefits financed by certification scheme premiums to the benevolence of the management rather than the certification scheme⁵³. Increasing the participation of both workers and their representatives in certification schemes would be one possible solution to this⁵⁴. It also appears to be necessary as even workers who were interviewed for this report and who were aware of certification said that they themselves had nothing to do with the certification schemes. None of the interviewed union representatives at local, state or national level also had ever had any contact with any of the estates' certifiers.

In its response, the Craigmere Plantations said that numerous meetings with trade unions and workers were held at the estate, and information about certification was shared during these. The Glenworth Estate expressed surprise at its workers not being aware of the estate being certified, as the estate has been certified since 2008. The United Nilgiri Tea Estates mentioned an existing Fairtrade Committee that is tasked with informing workers about certification. According to the summary of non-compliances found during the United Nilgiri Tea Estates' most recent Fairtrade audits, Fairtrade has noticed problems at the estate concerning the dissemination of information on certification especially to migrant workers.

According to the workers at all three estates, auditors visit the estate, including labour quarters, talk with the management, write a report, leave and "then, nothing happens". This indicates that the workers were unable to see any improvement in their working conditions as a result of these audits. Usually,

the interviewees were unable to tell the difference between different types of auditors (e.g. buyers' own visits/audits vs. certifiers) and none of them had even been interviewed by an auditor. According to certification schemes, audits include confidential interviews with staff members and tea workers. Auditors often speak the local language and are specifically trained and instructed to personally choose interviewees and never interview workers suggested or brought to them by the management.

Workers also generally cannot tell the various certification schemes apart and have no knowledge of the requirements these schemes have set for sustainable production or their benefits. Only at United Nilgiri Tea Estates about half of the interviewees reported that they were aware of positive impacts of the tea estate's Fairtrade certification from their point of view. According to these interviewees, Fairtrade helps the estate's poorest families financially and in getting their children, for example, a vocational education. However, according to these workers there is considerable favouritism in the allocation of the benefit and only a few families benefit from it. As was noted above, according to the United Nilgiri Tea Estates, 85 youngsters currently receive grants from the scheme.

While this report was being written, Finnwatch heard from the United Nilgiri Tea Estates' workers that the plantation management had "cheated the workers" and channelled less Fairtrade premiums to the community than they should have based on the sales of Fairtrade certified tea. According to the summary of non-compliances found during the most recent Fairtrade audits at the United Nilgiri Tea Estates, Fairtrade has also noticed issues related to monitoring of Fairtrade sales at the estate, as well as in the activities of the Fairtrade Premium Committee and its election.

None of the interviewees at either the Craigmere Plantations or the Glenworth Estate were able to name any positive impacts of certification schemes.

53 See e.g. Makita, R. *Fair Trade Certification: The Case of Tea Plantation Workers in India* (2012). *Development Policy Review* 30(1)

54 See e.g. Siegmann, K.A., *Fair Trade as Civic Innovation? The case of tea certification in India*. INDIALICS Working Paper No. 2017-02

3. India: Assam

METHODOLOGY

As was the case in the Nilgiris, in Assam, Jalinga Tea was also selected as the site for the field research by comparing supplier information provided by Forsman Tea and Nordqvist and publicly available information on the suppliers of other tea brands⁵⁵.

In May–July 2018, Cividep researchers conducted interviews with 20 workers from Jalinga Tea. After initial contact, additional interviewees were identified with a snowball sampling technique. In addition to interviews with individuals, focus group discussions were also held in the area. Interviews were mostly conducted in Bengali, a language spoken by all the interviewees, and in conditions that enabled confidentiality and anonymity.

During the course of the field research, the estate management caught wind of it and demanded the interviews to be halted. Subsequently, Finnwatch suspended interviews with workers, as the safety of the interviewees and the confidentiality of the interviews could no longer be guaranteed. The findings described below are based on data collected up to this point.

Both Jalinga Tea and the certification schemes that have certified it (Rainforest Alliance and Fairtrade) have been able to comment on the following findings before their publication in line with the Finnwatch ethical guidelines.

Table 2: Composition of the interview sample in Assam

	Jalinga Tea
Gender: female/male	2/18
Educational level: secondary/primary/none	6/7/7
Type of employment relationship: permanent/casual	10/10

⁵⁵ Jalinga Tea is a supplier to Nordqvist and also at least to Clipper and Unilever. It has also been a supplier to Forsman.

JALINGA TEA

Jalinga Tea was established in 1935. The Jalinga Tea tea gardens comprise three divisions that are located in the Barak Valley in the Cachar district of Assam. Jalinga Tea produces both green tea and Assam tea.

Assam tea is renowned world-wide. Unlike in the Nilgiris where tea is grown at high altitudes in the mountains, in Assam, tea is grown in river valleys. A tropical climate, characterised by heavy daily rainfall during the monsoon season, temperatures well above 30 degrees Celsius, and riverbed soil contribute to the unique malty flavour of Assam tea.⁵⁶

The Jalinga Tea gardens cover an area of 1,644 hectares of which 657 hectares are used for cultivation. Jalinga Tea produces around 850,000 kilos of tea each year, all of which is exported. Jalinga Tea is a certified producer of both organic and Rainforest Alliance tea. Jalinga Tea's Fairtrade certification was suspended in mid-August 2019 (see more below). According to the company, it sells approximately 150,000 kilos of tea as Rainforest Alliance certified and 150,000 kilos as Fairtrade certified. From the sales of Fairtrade tea, the company claims to get approximately 100,000 USD as Fairtrade premiums. The sum is earmarked for social and economic improvement of the community. Jalinga Tea claims to be the world's first carbon neutral tea plantation.⁵⁷

Jalinga Tea was last audited by the Rainforest Alliance in August 2018. The summary of the audit report is available on the Rainforest

⁵⁶ Tea Board of India, Assam tea, <http://www.teaboard.gov.in/TEABOARDCSM/Ng==> (accessed on 14.8.2019)

⁵⁷ For more information see <http://www.jalingatea.com> and Jalinga Tea/Fairtrade Finland, Mirka Kartano, email on 27.9.2019. Because Jalinga Tea did not respond to Finnwatch, Finnwatch asked Fairtrade Finland to pass on to Jalinga Tea the field research findings for comments. Fairtrade Finland shared Jalinga Tea's response with Finnwatch.

Jalinga Tea is located in the Cachar region in the Barak Valley in Assam. The estate produces both green tea and Assam tea.



Alliance's public database⁵⁸. With the company's permission, Fairtrade shared the full results of the most recent Fairtrade audit at Jalinga Tea with Finnwatch. The results from these audits confirm several of Finnwatch's findings. Audits have found issues with legal compliance as well as compliance with other government orders at Jalinga Tea. For example, according to the Rainforest Alliance's latest audit report summary, the improvements to statutory maternity benefits that were introduced in 2017 have not been implemented at the plantation. Following the suspension of the plantation's Fairtrade certificate, it has had time to undertake corrective actions. If the corrective actions are not satisfactory the company may lose its Fairtrade certificate completely (decertification). According to Fairtrade, Jalinga Tea has sole responsibility for notifying its buyer companies on the suspension and corrective actions⁵⁹.

⁵⁸ Rainforest Alliance, Certificate Search and Public Summaries, <https://www.rainforest-alliance.org/business/solutions/certification/agriculture/certificate-search-public-summaries/> (accessed on 10.10.2019)

⁵⁹ Forsman Tea used to buy Fairtrade certified tea from Jalinga Tea but following the suspension of the plantation's certification, ceased purchases from there. According to Forsman, it has received no information from either Fairtrade or Jalinga Tea about the non-compliances identified at Jalinga Tea. As such it also has no knowledge of the required corrective actions and claims therefore, to be unable to support its supplier in their implementation. Forsman Tea, Ari Santamäki, phone interview on 13.9.2019

In its response, Jalinga Tea admitted that it was experiencing challenges but emphasised that it is committed to making gradual improvements to meet the certification criteria.

WORKING AND LIVING CONDITIONS AT JALINGA TEA, ASSAM

Wage arrears and problems with social security

Tea workers at Jalinga Tea who were interviewed for this report said that they were paid a daily wage of Rs. 115 (1.48 euros), which is in line with the bilateral agreement between planters and trade unions (see text box p. 23). In July 2018, after the field research for this report had already been completed, the state authorities ordered a Rs. 30 increase to tea plantation sector wages. The order was backdated to March 2018. According to Jalinga Tea, it is now paying its workers Rs. 145 per day accordingly. However, according to the findings of the most recent Fairtrade audit to Jalinga Tea, Jalinga Tea has not backdated these payments to March 2018.

Even following the Rs. 30 increase, the wages of tea plantation sector workers are still significantly lower than the lowest minimum

wage for agricultural workers in Assam (Rs. 255).⁶⁰

Tea pluckers at the plantation are almost exclusively women. In order for them to be paid the full daily wage, they must pluck a minimum of 21 kilos of tea leaves. Reaching the target is not difficult, and most exceed it. Plucked tea leaves are weighed 3 times a day, and for anything in excess of 21 kilos, tea pluckers are paid a piece-rate. According to Jalinga Tea, workers pluck an average of 35 kilos a day.

Workers typically work 8 hours a day, six days a week. According to the interviewed workers, tea field workers, such as tea pluckers, do not work overtime but tea factory workers must sometimes work longer hours. Factory workers are compensated for overtime with double their normal wage, which is in line with the relevant laws. According to Jalinga Tea, there is no overtime at the tea factory and during production peaks, the factory operates in two shifts. According to the findings of the latest Fairtrade audit at Jalinga Tea, Jalinga Tea does not maintain proper records of overtime.

The majority of tea factory workers are men. Men are also engaged in maintenance, cutting and trimming trees, preparing and applying compost and organic pesticides and carrying water.

At the time of the field research, some interviewees were still paid in cash although the majority had their salaries paid to their bank accounts. According to Jalinga Tea, all salaries are paid directly to the workers' accounts.

Workers sign a payroll register weekly. According to the interviewed workers, only Provident Fund is deducted from their salary, and their take-home pay in the summer of 2018 was less than Rs. 600 (7.7. euros) per week. The interviewed workers had no payslips but according to Jalinga Tea, all workers can pick up a payslip from the estate office

if they so wish. In its response, the company also noted that workers are only paid for those days on which they report to work and that this partly explains their low earnings. According to the company, absenteeism in the plantation is as high as 50 percent.

Although Provident Fund contributions are deducted from the plantation workers' wages, workers reported delays of up to 5 months in being able to access the funds on their Provident Fund accounts. According to the workers, the delay is intentional and caused by the estate management. Some interviewees also reported cases where workers had been told to resign from their jobs so that they could access their Provident Fund savings when they faced medical emergencies instead of being provided free medical care or a company-guaranteed bank loan for treatment at private hospitals.

In its response, Jalinga Tea denied the workers' claims and said that the company always processes Provident Fund related paperwork in a timely manner. The company also noted that it provides workers with free medical care and, therefore, workers do not need to spend their own money in the event of medical emergencies. According to the findings from the most recent Fairtrade audit to Jalinga Tea, Jalinga Tea does not pay Provident Fund contributions to authorities regularly.

Workers reported no irregularities in the payment of legally required bonuses or gratuities.

Wages are not sufficient to adequately cover the cost of basic necessities

According to the interviewees, their wages are not sufficient to meet their families' needs. Among the interview sample, the average family size was 6 people. In addition to working at the tea plantations, several of the interviewees also engaged in a variety of odd jobs, farming on leased land or running small businesses. According to the workers, they were unable to secure any loans from banks or cooperatives as their ability to repay loans is considered very low. The estate

⁶⁰ The Government of Assam, Labour Commissioner, Increase of VDA under 98 Scheduled Employment, 13.8.2018, available at <https://blog.sgc-services.com/wp-content/uploads/2018/12/Assam-VDA-notification-we.f.e-01.06.2018-1.pdf>

management was said to be reluctant to assist them in securing loans. The inability of workers to secure loans affects their ability to e.g. send their children for further education (see pp. 8–9).

Jalinga Tea agrees that the cash wages it pays to its workers are not sufficient to support a family. According to the company, the combined value of a worker's cash wage (Rs. 145 in September 2019 following the Rs. 30 increase), in-kind benefits (e.g. medical care, housing) and other benefits such as an annual bonus total Rs. 241 a day. In addition to these, the company also takes into account its workers' earnings from the sale of rice, cattle, chicken and fish that the workers grow in the plantation. As such, the company has calculated that total earnings of its workers is in fact Rs. 300 (3.85 euros) a day, which the company considers to be more than a living wage. Jalinga Tea is further planning to provide workers with the seeds of some valuable crops. By growing and selling these high-value crops, the company estimates workers can earn as much as Rs. 350 per day (4.49 euros).

Finnwatch views the fact that Jalinga Tea has made a plan to increase workers' wages as exceptional and believes this indicates that the company is committed to the idea of a living wage. However, Finnwatch considers that a cash wage should in itself be sufficient to cover the basic needs of workers and their families, without the need to supplement their income e.g. by selling farm products. Increasing workers' wages to a level that can be considered a living wage will require that all actors in the tea value chain are committed to this and that the living wage of plantation workers is also taken into account in the price that the buyer companies pay to producers for their tea. When estimating the value of in-kind benefits, it is important to determine how well the benefits correspond with workers and their family members' needs, and it should be ensured that the in-kind benefits that are taken into account in living wage calculations do not serve to maintain the workers' dependency of their employer.

Jalinga Tea workers are given food rations every week by management. This includes 3 kilos of either rice or flour a week per adult, and an additional 2.5 kilos per child at a price of Rs. 0.55 per kilo. Workers are also provided tea dust⁶¹ for their own consumption. According to the interviewees, the employer also provides some of the following for them: pulses, edible oils, clothing, blankets and mosquito nets, around the time of auditors' visits. According to the company, the provision of these products has nothing to do with auditors' visits and they are distributed to workers according to seasons and also at the time of festivals and public holidays.

Tea workers normally eat three meals a day. According to the interviewees, they can only afford meat on weekends or special occasions. They estimated their monthly spending on food to be about Rs. 3,000 (38.5 euros). Several workers reported that malnutrition and anaemia were health issues on the plantation.

Confusion over annual leave and sick leave

According to workers interviewed for this report in Assam, they were given 14 days of annual leave each year for which they were paid half their normal pay rate. Workers are not compensated for any absences beyond these 14 days a year, even in the event of illness. However, pursuant to existing legislation workers are entitled to one day of leave per every 20 days worked⁶² and 14 days of paid sick leave⁶³. Annual leave should be compensated for at a normal pay rate in full and sick leave at a minimum of two-thirds of a normal pay rate. In its response, Jalinga Tea said that the company complies with the Assam state regulations in matters related to annual leave and sick leave.

⁶¹ Tea dust is the dust and fans left over from broken tea leaves, i.e. waste, often used in cheap, mass-produced tea bags.

⁶² Plantation Labour Act, Chapter VI

⁶³ Assam Plantation Labour Rules, 1956 Chapter VI

Collective agreement and minimum wages in the tea plantation sector in Assam

In Assam, tea is cultivated mainly in the valleys of two rivers, Brahmaputra and Barak. According to the latest collective agreement, signed in 2015, wages at tea plantations in the Brahmaputra river valley were increased to Rs. 115. At the same time, it was agreed that wages in the Brahmaputra Valley would be increased to Rs. 137 by 2017⁶⁴. In the Barak Valley where Jalinga Tea is located, wages have historically been lower and were Rs. 115 a day in 2017. This difference in wages is reported to have been introduced by bilateral agreements between the Assam Chah Mazdoor Sangha (ACMS) trade union and the employers' association and has been attributed to a difference in the productivity of the two regions. The state government of Assam, other unions and civil society members have always opposed this difference, but any concrete steps in remedying the situation have yet to be implemented.

The 2015 collective agreement expired in 2017. In 2017, the government of Assam appointed a tripartite committee to determine a minimum wage for the sector. Tea sector wages were below the state minimum wage and the plight of tea plantation workers and starvation deaths in Northeast India forced the government to take action. Despite this, Assam still does not have a valid minimum wage for the tea plantation sector or a new collective agreement.

In March 2018, a tripartite Minimum Wage Advisory Board proposed a composite wage (including cash and in-kind benefits) of Rs. 351 for tea workers in the Barak and Brahmaputra Valleys. The Consultative Committee of Planters' Associations (CCPA) raised objections to this proposed wage. A one-man committee was set up to examine these objections and provide proposals⁶⁵. The committee report is yet to be made public.⁶⁶

In July 2018, the government of Assam gave an interim order to increase the wage of tea plantation workers by Rs. 30⁶⁷ in reaction to the CCPA's objections to proposed composite wage of Rs. 351. The order was backdated to March 2018. Subsequently tea plantation wages should now be Rs. 167 in the Brahmaputra Valley and Rs. 145 in the Barak Valley.

In July 2018, the authorities in Assam issued a proposal for a minimum wage for tea workers in smallholder gardens (less than 25 hectares in size). The proposal was Rs. 245⁶⁸.

64 Memorandum of Settlement between the Tea Industry of Assam Valley and the Employees, available at <http://www.assamchahmazdoorsangha.org/BILATERAL%20AGREEMENT%20PDF/Wage%20Agreement%20of%20Daily%20Rated%20Worker.pdf>

65 Raiot Collective, 1.10.2018, Starvation wages vs. living wages in the tea gardens of Assam, <http://www.raiot.in/starvation-wage-vs-living-wage-in-the-tea-gardens-of-assam/> (accessed on 4.10.2019)

66 Phone interview with a representative of the organisation PAJHRA (Promotion and Advancement of Justice, Harmony and Rights of Adivasis), 4.10.2019

67 Government of Assam, Labour Welfare Department, Order by the Governor, Notification 3.7.2018, available at https://labourcommissioner.assam.gov.in/sites/default/files/swf_utility_folder/departments/coi_labour_unecopscloud_com_oid_14/menu/document/interim.pdf

68 Government of Assam, Labour Welfare Department, Order by the Governor, Notification 6.7.2018, available at https://labourcommissioner.assam.gov.in/sites/default/files/swf_utility_folder/departments/coi_labour_unecopscloud_com_oid_14/menu/document/Small%20Tea.pdf

During field research, it was observed that all information on holidays and any other official notifications were only posted on the estate office noticeboard in English, a language that most likely only very few tea workers can read. In addition, despite a written employment contract being a requirement in many certification schemes, none of the interviewed workers was in possession of such a contract. According to the interviewees, terms and conditions had been explained to them only verbally when they first started working on the estate. Other than this, they receive up-to-date information on terms and conditions or changes to these, mostly from their peers. According to Jalinga Tea, all workers are given appointment letters in Bengali, but according to the most recent Fairtrade findings this is not the case.

Shortcomings in medical services

There is a health centre on the estate, but, according to the interviewees, there has been no permanent doctor only a pharmacist at the estate for more than two years. The health centre functions primarily as a dispensary, and paracetamol is the only treatment provided for most illnesses. However, a doctor⁶⁹ visits the estate twice a week. The estate has a medical emergency vehicle, but, the interviewees claimed that outside of working hours it was only available to permanent workers and not the rest of the plantation population (e.g. semi-permanent or casual workers, or permanent workers' family members, see text box to the right). According to the company, the health centre has a wide selection of necessary medicines and the ambulance service is available to the entire plantation population. The company has been trying to recruit a doctor for quite some time. The Rainforest Alliance and Fairtrade observed shortcomings in first aid during both their most recent audits at Jalinga Tea.

⁶⁹ The visiting doctor is part of a governmental health initiative to address the health needs of under-served rural areas. For more information see <https://nhm.gov.in>

Employment relationships at Jalinga Tea

Jalinga Tea workers interviewed for this report estimated that the estate employs 1,500–1,600 people across three tea gardens. According to them, workers at the estate fall into three categories – permanent, semi-permanent and casual. The permanent workers come from families that have worked at the estate for generations. When parents cease work for any reason, their children take over their jobs. According to Jalinga Tea, jobs are not inherited but when new workers are hired, they do take into account if a retiring worker recommends the hiring of a family member.

According to the interviewees, the children of ex-workers must work on the estate for 5 to 6 years before they themselves are considered permanent workers. When they are considered permanent, they can have their own house on the estate. Until then, they are considered semi-permanent. Another group of semi-permanent workers on the estate is fresh recruits. They too are often children of the existing estate workers, but they may have worked elsewhere in between. Semi-permanent workers are paid the same wage and have the same benefits as permanent workers with the exception of housing and the use of the ambulance service. According to workers' estimates, there are perhaps 600 such "semi-permanent" workers at Jalinga Tea.

In addition, managers appoint casual workers to help when there is urgent work that needs to be completed. They are typically hired from within the plantation community. They are paid double the normal rates but do not receive any in-kind benefits. According to interviewed workers' estimates, there are maybe 70–90 such casual workers in each of the three Jalinga Tea gardens.

According to Jalinga Tea, there are only permanent and casual (seasonal) workers on the estate. The company explained that because seasonal workers are hired from within the plantation community, they already live on the estate and have no housing needs. During its most recent audit of Jalinga tea, Fairtrade also noted that casual workers lacked the benefit of housing.

According to workers, the plantation has organised events during which information about various health issues has been shared. During these events, workers have had their blood pressure taken, heart issues have been examined, workers' eyes have been checked, etc. However, workers somewhat questioned the value of these events as they believed these did not meet their needs. Issues that the interviewees thought most relevant for their community included malnutrition, anaemia, and maternal and infant mortality. According to Jalinga Tea, there has not been a case of maternal mortality at its plantations for over five years, and all its workers undergo an annual medical examination.

According to interviewees, there haven't been any major accidents at the estate in recent years. However, workers tasked with spreading organic compost and organic pesticides complained of skin irritation when distributing compost. According to the interviewees, they have not been trained in handling the compost. In its response, Jalinga Tea emphasised that it is a certified organic plantation, and that all fertilisers and pesticides used at the plantation are organic and, therefore, not hazardous.

According to interviewees, protective gear, such as gloves, masks and soap for cleaning, is provided only when auditors visit the estate. The same applies to raingear, umbrellas and boots. According to one worker, "they expect us to come to work and everything else we have to take care of ourselves". The plantation's women workers use nylon gunny bags tied to their bodies for waterproofing while plucking leaves. During rain and extreme heat, they use traditional bamboo hats, if these are available, or carry umbrellas to protect themselves from the elements. They also rub oil or soap to their feet in an attempt to keep away leeches and to deter mosquitoes. According to Jalinga Tea, protective gear, rain gear and umbrellas are available to everyone as needed. PPE is personal, and regularly checked.

Even children, who attend school can have their own umbrella. According to Jalinga Tea, the plantation has both a middle school and

a high school, with a total of 200 pupils. In addition, there is a public primary school in the vicinity, which children from the plantation attend. There are also three day care facilities (creches) on the plantation, one in each garden. According to interviewees, the plantation does not use child labour.

There are no toilets or sources of potable water in the tea fields, where women tea pluckers in particular work. Toilets are only located in the tea factory (the most recent Rainforest Alliance audit found some toilets in the factory to be dirty and unhygienic). Some workers are tasked with carrying water to those working in the fields, far away from water sources. Otherwise, workers must carry their own drinking water with them. Shelters that should provide protection from the elements, are also sparse.

In its response, Jalinga Tea denied the workers' claims saying that there are plenty of shelters, adequate toilets and water pumps across the plantation.

A shortage of housing

The majority of the interviewed Jalinga Tea workers lived in so-called *kutchas* (houses made of mud or other low-quality materials), which they had built themselves. These houses are typically relatively large with 2 to 3 rooms. Some of the houses visited by the field researcher had traditional chulhas for cooking, which produce a great deal of smoke and can cause eye irritation and respiratory problems. This was exacerbated by the poor ventilation in the houses. According to Jalinga Tea, all *kutchas* houses have proper ventilation and newish chulhas, which are not made of mud and are smoke-free.

Only a few families in the research sample lived in so-called *pucca* houses (houses made of high-quality materials, such as bricks or concrete). A single *pucca* house typically comprises of 2 rooms, which are approximately 6m² in size. The houses have corrugated sheet roofing. Some *pucca* housing provided to workers has been incomplete, for example, the roof has been missing or in some cases, the house has actually been

just a structure with no walls. According to Jalinga Tea, no family has ever been provided an incomplete house. There are 306 pucca houses on the estate, and the estate has devised a plan, approved by local authorities, to improve the housing. According to the results of the most recent Fairtrade audit, the plantation has a shortage of 220 pucca houses and there have been delays in the implementation of the estates' housing plan.

Both kutchra and pucca houses have electricity for which workers are billed. Electric lighting, fans and TVs are common. None of the houses had running water. Workers get water from communal pipeline or from hand-pumps (borewells). People also wash themselves in the open near the water source. According to Jalinga Tea, there is one hand-pump per four houses on the estate as required by the Assam authorities.

Each family has their own toilet separate from the house they live in. Some of the toilets have been built as part of a government programme for constructing toilets in rural India. Waste management is poor and waterborne illnesses and various kinds of stomach issues are common. According to Jalinga Tea, all toilets have septic tanks and there is no contamination of drinking water by sewage. Both the Rainforest Alliance and Fairtrade observed shortcomings in waste management during their most recent audits at Jalinga Tea.

Because tea workers can live on a plantation for as long as one of their family members works there and they do not have the possibility to save for a house elsewhere or to educate themselves and obtain other jobs, they are tied to the provided free accommodation and work in the plantations for generations regardless of how poor the accommodation is. According to Jalinga Tea, it does not evict retired workers or their families for humanitarian reasons. However, retired workers interviewed for this report said that they must have at least one family member who works on the plantation in order to maintain their housing.

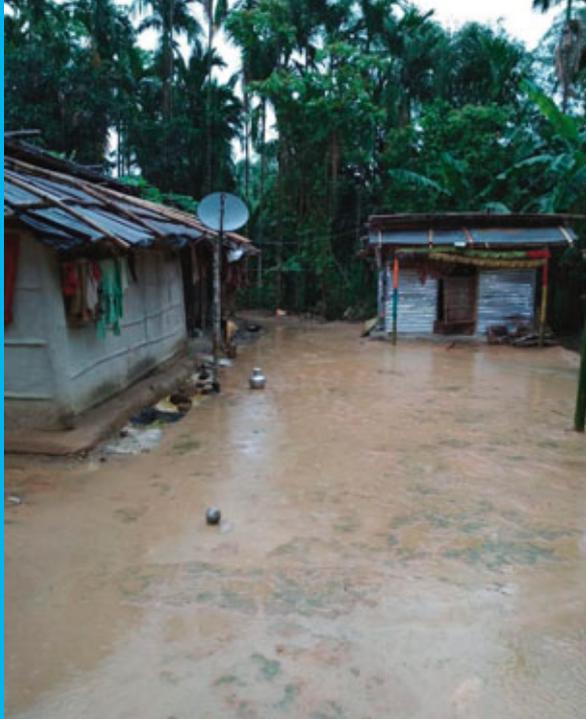
Although the interviewees did not report discrimination, they did report preferential treatment and favouritism in the distribution of benefits and perks such as government support for toilets and gas. According to Jalinga Tea, it plays no role in the distribution of government benefits, which are distributed to workers in cooperation by local authorities and trade unions.

There is a trade union, but it does not represent workers' interests

According to the workers, almost all the workers at the Jalinga Tea are members of the Cachar Cha Sramik Union (CCSU), an affiliate of Assam Chah Mazdoor Sramik Union (see text box p. 23). An annual union subscription (Rs. 30) is deducted from the workers' annual bonus. The interviewees reported no restrictions to the workers' ability to join unions of their choosing or to their participation in union activities. However, the interviewees also thought that CCSU did not represent the workers' best interests. The CCSU has traditionally been very popular among tea plantation workers in the Barak Valley and it still has the largest presence, in terms of membership, in the area. However, it has started to lose its significance, and new smaller unions such as the Barak Valley Cha Mazdoor Sangh and the Barak Cha Sramik Union are making inroads into the tea gardens, including Jalinga Tea.

Misuse of Fairtrade premiums

All interviewees were aware that the estate was certified by both Fairtrade and the Rainforest Alliance. During field research, it was observed that the only notices posted on the office notice board in local languages concerned the date and time of the upcoming visit by Fairtrade auditors. According to the interviewees, the auditors' visits are carefully managed and controlled by the estate management. Visits usually last three days, and those workers who will be visible to the auditors are prepped in advance. According to Jalinga Tea, the company normally sends auditors to the plantation with just a driver. Both the Rainforest Alliance and Fairtrade



A tea plantation worker's kutcha house at Jalinga Tea. The small building at the back is a temple.

said that their auditors chose their interviewees independently.

One of the interviewees mentioned a separate bank account, governed by a "committee", where they claimed the "profits generated by the international sale of the tea garden's products in cooperation with foreign organisations" are kept. There is also a separate committee dedicated to women's issues. The funds have been used for such things as a community hall, a cremation site and street lighting. The interviewee also thought that these funds could be accessed by permanent workers in case of an emergency although they were unable to provide further details or concrete examples. The members of the committee that governs the funds are selected through a popular vote, but it was also said that emergency funds are allocated to workers on the basis of favouritism and nepotism. Finnwatch believes these funds to be Fairtrade premiums but neither Jalinga Tea nor Fairtrade confirmed this in their response. According to the report from the most recent Fairtrade audit at Jalinga Tea, loans have been granted to Jalinga Tea management from the Fairtrade Premium funds without proper contracts or terms and conditions defining these loans.

4. Sri Lanka: Nuwara Eliya and Ratnaputra

METHODOLOGY

Two tea plantations, the Pedro Estate and the Oyata Estate, were selected for field research in Sri Lanka. Both estates have been suppliers to Nordqvist, and they were chosen by comparing the list of Nordqvist suppliers that the company shared with Finnwatch with publicly available information on suppliers for other tea brands. Nordqvist no longer sources tea from either of these plantations due to shortcomings in quality. Both plantations remain suppliers for Twinings and Unilever.

Between January and February 2019, 20 workers from the Pedro Estate and 20 workers from the Oyata Estate were interviewed for this report. In addition to carrying out interviews, the field researcher also collected documentary evidence such as pay-slips. The field research was conducted by the Human Development Organization HDO⁷⁰.

All interviewees were fourth or fifth generation migrant workers from Tamil Nadu, India.

The interviews were conducted in Tamil which is the interviewees' mother tongue. At both estates, the interviews were mostly conducted in the workers' homes in conditions that ensured confidentiality. In addition to individual worker interviews, a focus group discussion was also organised at both locations.

Interviewees were selected from among all the workers at these estates using a purposive sampling technique, and the networks used by existing contacts were utilised to reach out to further people. The interviewees performed various tasks in the estates including tea plucking, work in a tea factory, pruning, weeding, and spraying pesticides.

70 The Human Development Organization (HDO) is a human rights and development organisation based in Kandy, Sri Lanka. The organisation works with plantation and rural communities across the country.

Table 3: Composition of the interview sample in Sri Lanka

	Pedro Estate	Oyata Estate
Gender: female/male	12/8	17/3
Educational level: secondary/primary ⁷¹	13/7	8/12
Type of employment relationship: permanent/casual	20/0	16/4

THE PEDRO ESTATE

The Pedro Estate is one of the oldest tea estates in Sri Lanka. It is located at 1,900 metres above sea level in the Nuwara Eliya district of Sri Lanka's Central Province. The total size of the estate is 688 hectares, and tea is grown on 544 hectares of this. In 2017/2018, the estate produced 555,000 kilos of tea. In 2016, the total population at the Pedro Estate was approximately 7,500 people of whom some 50 were staff and nearly 1,200 were workers⁷². The rest of the estate's residents comprised the estate workers' family members and its former workers and their family members⁷³. The estate is also open for tourists.⁷⁴

The Pedro Estate is part of Kelani Valley Plantations PLC, a regional plantation company established in 1992. Kelani Valley Plantations in turn is part of the Hayleys Group, one of the largest corporate groups in Sri Lanka. The Hayleys Group owns two large plantation companies which together account for 3.8 percent and 3.4 percent

71 Nowadays, education in Sri Lanka is compulsory to the age of 14 i.e. junior secondary level.

72 Pedro Estate – Committed to sustainable business, 2016, presentation by Balamurali Murali, Quality assurance & compliance. Available at: <https://www.sli-deshare.net/friendbalamurali/pedro-estate-63522228> (viewed on 26.6.2019)

73 All estate land belongs to the state which is why the plantation companies cannot oust retired workers' families from the estates.

74 Growth Beyond Measure – Kelani Valley Plantations PLC Annual Report 2017/18, available at <https://www.kvpl.com/download/kvpl-2017-18.pdf>

of Sri Lanka's tea and rubber production respectively⁷⁵.

Kelani Valley Plantations owns and manages 25 estates that produce tea, rubber and spices, as well as several tea and rubber factories. In the financial year 2017/18, its total revenue was Rs. 8.64 billion (43.4 million euros⁷⁶), and its tea export revenue was Rs. 4.39 billion (22 million euros). According to the company, 99 percent of its employees are unionised.⁷⁷

According to the company, the shortage of workers it is experiencing due to an increasing amount of workers migrating to urban areas and overseas has become a critical challenge for the company at both its tea and rubber plantations. The size of the workforce at the company's tea plantations alone has declined by 25 percent in just a decade. Another challenge the company is experiencing is the declining yield of its plantations. Following the national ban on weed-killer glyphosate⁷⁸, manual weeding was introduced at all the company's tea estates. However, workers were reluctant to take up manual weeding due to the health risks and hazards caused by reptiles and leeches. According to the company, this led to a drop in yield and hence, a cut to its workers' earnings. To overcome these challenges, the company is piloting an out-grower system (see p. 35).⁷⁹

Kelani Valley Plantations lost its Rainforest Alliance certificate following an investigation

audit in spring 2019⁸⁰. In April 2019, the Rainforest Alliance issued a press release according to which it was conducting investigations on various plantations in Sri Lanka following reports of illegally high deductions from the wages of tea plantation workers (see pp. 32–33)⁸¹. The inspection audit into Kelani Valley Plantations was conducted at the Rogbill Tea Estate. According to the published summary of the investigation audit results, the company was not able to demonstrate in a satisfactory manner that the deductions made from its workers' salaries had been "sufficiently authorised". The audit also found issues related to the lacking state of repair of workers' housing, especially their roofs, the availability of PPE, and the washing facilities for workers tasked with spraying chemicals⁸². According to the company, its UTZ certificate expired earlier this year and it did not seek its renewal in time due to a misunderstanding related to the merger of UTZ and the Rainforest Alliance⁸³.

THE OPATA ESTATE

The Opata Estate (sometimes spelled Opatha Estate) is located in the Ratnapura district in Sabaragamuwa Province, Sri Lanka. It is spread across 530 hectares. The estate produces both tea and rubber.⁸⁴ The total population of the estate is approximately 3,200 people of whom approximately 450 are workers. The rest of the people living on the estate are either estate workers' family members or former workers and their family members.

The Opata Estate is part of Kahawatte Plantations PLC, a regional plantation company owned by Forbes Plantations Ltd, which in turn is owned by the Merrill

75 The World of Hayleys, Plantations, <https://www.hayleys.com/companies/sector/plantations/> (viewed on 26.6.2019)

76 1 Sri Lankan rupee = 0.005 euros

77 Growth Beyond Measure – Kelani Valley Plantations PLC Annual Report 2017/18

78 In 2015, Sri Lanka banned glyphosate imports due to concerns that its use was linked to a deadly kidney disease, common among agricultural workers. However, in July 2018, the ban was lifted for tea and rubber industries only for a period of 36 months. The main reason for lifting the ban was crop losses due to the over-growing weeds, especially in tea plantations. The subsequent economic losses were estimated to be about Rs. 15 to 20 billion per year. The Daily FT, 16.7.2018, Glyphosate ban lifted finally, <http://www.ft.lk/front-page/Glyphosate-ban-lifted-finally/44-659136> (viewed on 26.6.2019)

79 Growth Beyond Measure – Kelani Valley Plantations PLC Annual Report 2017/18

80 Rainforest Alliance, Andrea Valenzuela, email on 3.7.2019.

81 Rainforest Alliance on investigation of certified tea estates in Sri Lanka, 8.4.2019, <https://www.rainforest-alliance.org/statements/tea-estates-sri-lanka> (viewed on 26.6.2019)

82 Rainforest Alliance, Audit Report for Groups – Public Summary M/S Kelani Valley Plantations PLC, 24.5.2019

83 Kelani Valley Plantations, Johann Rodrigo, email on 25.9.2019

84 Dilmah Tea Estates, Opata Estate, <https://estates.dilmahtea.com/our-estates/opata-estate.html> (viewed on 26.6.2019)



Oyata Estate tea factory.

J Fernando (MJF) Group⁸⁵. Kahawatte Plantations owns and manages 16 tea and rubber plantations, as well as produces other crops such as cinnamon and pepper. In 2016, it produced approximately 8.8 million kilos of black tea. Kahawatte Plantations' total revenue in 2016 was Rs. 2.8 billion (13 million euros). The Rainforest Alliance certificate for Kahawatte Plantations was cancelled in December 2018.⁸⁶ Kahawatte Plantations remains UTZ certified⁸⁷.

WORKING AND LIVING CONDITIONS AT THE PEDRO ESTATE AND THE OPATA ESTATE

The working conditions at the Pedro Estate and the Oyata Estate were found to be largely similar and, therefore, the field research findings pertaining to these two estates are discussed together below.

In line with the ethical guidelines that apply to all Finnwatch research, both Kelani Valley Plantations and Kahawatte Plantations as well as the Rainforest Alliance and UTZ, which have certified these plantations, have been

able to comment on the Finnwatch field research findings before their publication. Kahawatte Plantations declined to comment on the findings in detail other than stating that the company operates in line with the tea plantation sector's collective agreement and the national laws of Sri Lanka. In addition, the company noted that the population living on its plantations have benefited, without any conditions or cost to themselves, from a number of humanitarian interventions. The foundation responsible for these interventions is owned and funded by the MJF Group.⁸⁸

Kahawatte Plantations noted that it was not possible for it to comment on the Finnwatch field research findings in more detail, because, according to the company, with no information on who had conducted the field research or who were the workers interviewed for it, the findings were "only generalisation". However, Finnwatch never discloses the names of interviewed workers to the companies it investigates. Confidentiality between Finnwatch and the interviewed workers is important in order to protect interviewees from the possible repercussions many of them are afraid of.

Responses received from Kelani Valley Plantations and the certification schemes are incorporated into the following chapters.

⁸⁵ Kahawatte Plantations PLC Interim Financial Statements (Nine Months ended 30th September 2018), available at https://cdn.cse.lk/cmt/upload_report_file/710_1542364389872.pdf

⁸⁶ Rainforest Alliance, Certificate Search and Public Summaries, <https://www.rainforest-alliance.org/business/solutions/certification/agriculture/certificate-search-public-summaries/> (viewed on 26.6.2019)

⁸⁷ UTZ, List of UTZ certified producers, July 30, 2019

⁸⁸ Kahawatte Plantations, Anura Gunasekera, email on 11.9.2019



Tea plantation workers' line rooms at the Opata Estate.

Kelani Valley Plantations denied many of the report's findings and said that the problems specified in the findings might be due to the interviewed workers not having a proper understanding of everything that has been done to promote their wellbeing. If this is true, Finnwatch feels this indicates the need to better ensure the participation of workers in the development, implementation and monitoring of projects aimed at improving conditions on the plantation and to improve the dissemination of information to workers.

Deductions eat up a big part of workers' wages

Since the privatisation of tea plantations in Sri Lanka in the early 1990s, tea plantation wages have been determined in negotiations between the Employers' Federation of Ceylon and selected plantation trade unions. The Collective Agreement is renewed every two years. The most recent Collective Agreement was signed in 2019 following delays but at the time the field research for this report was conducted, the 2016 collective agreement was still valid, meaning that all the statements given by workers this report reflects on concern the 2016 agreement (see text box p. 33). Even though wages in the tea plantation sector remain low, unions have over the years been successful in increasing the wages of tea workers as well as in keeping daily plucking targets relatively low.

Of the interviewees for this report, permanent workers reported average gross monthly earnings of only Rs. 11,488 (57.7 euros) at the Pedro Estate and Rs. 12,972 (65.2 euros) at the Opata Estate. This is significantly less than the living wage benchmark for the sector (see pp. 34–35).

Permanent workers at both plantations said that they are paid the 2016 minimum daily wage applicable to the tea plantation sector (Rs. 730) if they turn up to work on 75 percent of days on which work is offered. Generally speaking, work is typically offered 20–25 days per month. Therefore, in theory, if a worker works 20 days per month (and the piece-rate based salary component is not taken into account, see more below) they should earn at least Rs. 14,600 each month (73.7 euros), and if a worker works 25 days per month, they should earn at least Rs. 18,250 (91.7 euros).

There are many reasons why workers earn less than this. One important factor is that workers are only paid for those days on which they report to work, and for the majority of workers⁸⁹, it is not possible to reach the 75 percent attendance threshold. According to the interviewees, the most common reasons for why they could not report to work on all the days when work

⁸⁹ According to the interviewees, only watchmen, tea factory workers and bungalow servants can generally meet the 75 % attendance threshold. Tea estate management lives in bungalows on the estates and have servants.

was offered were poor weather (such as monsoon rain, which leaves workers drenched) and illness, either they themselves were sick or their children were. According to Kelani Valley Plantations, alcoholism is the primary reason for its workers' absenteeism.

However, the take-home pay of workers is often significantly lower. This is due to the many deductions made from workers' salaries. Information on deductions is included on the workers' payslips, which the workers receive in writing at both estates.

On the payslips collected from the interviewees, the highest total deductions from one worker's wages accounted for 78 percent of their pay. In this example case, the deductions included social security, salary advance and an advance for religious festivities (festival advance), deductions to pay back loans, payment towards the plantations' welfare fund (the welfare fund is used to pay for various kinds of events, such as funerals), payment towards religious fund (the religious fund is used to pay e.g. for temple construction), payments for barber services, and unspecified "other". This "other" constituted almost one fourth of the deductions, or Rs. 900. If deductions for salary advances are not taken into account, deductions in this example case accounted for 49 percent of the worker's total salary⁹⁰.

Other deductions made commonly from workers' salaries include:

- cooperative fund (plantation workers' pay a Rs. 50 (0.25 euros) subscription to these funds from which they can take out loans when necessary)
- insurance (some plantations insure their workers; workers are then compensated by the insurance scheme for accidents)
- trade union subscription

- labour tea dust (workers are issued tea dust for their own consumption, but the price is recovered from their wages.)

Some of the deductions such as social security payments are statutory. Salary deductions can also be authorised by a local labour department, plantation trade unions or workers themselves. Even though all of the deductions described above, when approved by workers themselves or by other instances, are legal on their own, deductions that total more than 50 or 75 percent of a worker's wages are illegal in Sri Lanka⁹¹. According to the plantation employers' organisation, the Planters' Association of Ceylon, the 50 percent limit applies to tea plantations (and the 75 percent limit for example to rubber plantations). According to trade unions such as the Workers Solidarity Union, the 75 percent limit also applies to tea plantations. According to the Planters' Association of Ceylon deductions for advances should not be taken into account when calculating total deductions, whereas the trade unions interpretation of the relevant law is that deductions for advances should be taken into account.

Similarly, an investigation by the Thomson Reuters Foundation in March 2019 found possibly illegally high deductions from the wages of Sri Lankan tea pickers. In Thomson Reuters Foundation's sample, workers at Fairtrade-certified estates were subject to 74 percent wage deductions on average, while those at Rainforest Alliance-certified estates saw 65 percent taken from their pay. Several of the payslips showed deductions of over 75 percent, and in some cases the workers' daily take-home pay was as little as Rs. 26, according to Thomson Reuters Foundation⁹². Fairtrade has denied the Thomson Reuters Foundation's findings⁹³. As noted above, the Rainforest Alliance has conducted several investigation audits following the publica-

90 An example from the Pedro Estate. Otherwise deductions made from the interviewed workers' wages at the Pedro Estates ranged from 29–64 %, if deductions for advances are taken into account, or from 17–35% if they are not taken into account. The highest deduction at the Oyata Estate was 72 % of wages and otherwise deductions ranged from 42–48 % when including deductions for advances. Without advances, deductions ranged from 29–47 %.

91 Wages Board Ordinance, 1941

92 Thomson Reuters Foundation, 27.3.2019, Exclusive: Tea label giants vow probe after Sri Lanka labor abuse expose, <https://www.reuters.com/article/us-sri-lanka-tea-workers-abuse-exclusive/exclusive-tea-label-giants-vow-probe-after-sri-lanka-labor-abuse-expose-idUSKCN1R802V> (viewed on 26.6.2019)

93 Fairtrade Finland, Mirka Kartano, e-mail on 27.9.2019

tion of the Thomson Reuters Foundation's allegations.

In addition to information on deductions, payslips include information on the worker's piece-rate based wage component. Tea pluckers can earn more than the minimum daily wage if they pluck more tea leaves than the daily target which was 18 kilos at both estates. For anything in excess of 18 kilos, workers were paid Rs. 25 per kilo in line with the 2016 Collective Agreement. According to the interviewed workers, reaching the daily target of 18 kilos is not difficult during the harvest season but it is not easy during the dry season. In both the Nuwara Eliya and Ratnapura regions the harvest season typically begins in August and lasts until the end of the year and the dry season begins in February/March and lasts until June. Sometimes, tea pluckers work longer hours in order to earn more, but this is not common⁹⁴.

According to the Planters' Association of Ceylon, the plantation workers are given their payslips in advance and, thus, have the opportunity to complain if their wages have been miscalculated or if they have questions about the made deductions⁹⁵. Both the wage system and payslips themselves are complex and many of the interviewed workers said that they did not fully understand them. Most of the interviewees, especially those tasked with plucking, said that they did not understand all the sums and deductions written on their payslips. Because it was not clear to the workers what the many deductions made from their salaries were related to, it cannot be claimed that deductions are made with their consent. Several of the interviewees for this report said that they did not think that they had given their permission to make deductions from their wages.

Tea plantation workers are also entitled to a statutory gratuity payment which is paid to workers at the end of their service, usually upon their retirement. The amount depends

on the number of years worked and the worker's end salary. None of the interviewees reported any irregularities in the payment of this gratuity or their annual bonus, which is also a workers' statutory right.

Casual workers interviewed at the Oyata Estate reported earnings of Rs. 500 a day (2.5 euros), regardless of the amount of tea leaves

Plantation sector collective agreement

According to the 2016 Collective Agreement, the basic daily wage of a tea plantation worker is Rs. 500. In addition, permanent tea plantation workers receive various incentives and supplements so that their wage becomes Rs. 730 a day (3.67 euros). One of the incentives is an attendance incentive of Rs. 60. Workers receive the attendance incentive if they report to work on 75 percent of the days on which work is offered.

The 2016 Collective Agreement expired in October 2018. Trade unions (that are not signatories to the Collective Agreement), civil society organisations, youth organisations and plantation sector workers who were demanding a minimum daily wage of Rs. 1,000 (5 euros), managed to delay the signing of the new Collective Agreement until January 2019.

In January 2019, a new collective agreement was signed. This increased the minimum daily wage of plantation workers by Rs. 20 (0.1 euros). As such, from February 2019 onwards, tea plantation workers have been paid Rs. 750 a day (3.77 euros). The new daily wage comprises a basic wage of Rs. 700 and a supplement of Rs. 50. The new daily wage includes no attendance incentive.

Smallholdings are not covered by the Collective Agreement⁹⁶.

94 Normal working hours at tea plantations are from 8am to 4.30pm, i.e. 8.5 hrs. According to Kelani Valley Plantation, normal working hours at the Pedro Estate are from 8.30am-4pm including breaks and their workers' working hours are 6.5 per day.

95 The Daily FT, 24.4.2019, Planters' Association responds to Thomson Reuters Foundation

96 At small holdings, workers are normally paid the national minimum wage (Rs. 400), but in some cases, wages according to the collective agreement. Many certification schemes require payment of a minimum wage or collective agreement wage, whichever is highest.

they plucked. Their daily wage of Rs. 500 is in line with the tea workers' basic wage as per the 2016 Collective Agreement, and slightly higher than Sri Lanka's national minimum wage⁹⁷.

In addition to their daily wages, plantation sector workers have a lawful right to several in-kind benefits – most notably, free housing and sanitation, childcare, health care and potable water. Unlike in India, the estates are not required to provide elementary schooling to their workers' children. All estate schools in Sri Lanka are managed by the government. These benefits are discussed in more detail below.

Wages are less than the living wage

In July 2019, the Global Living Wage Coalition issued a living wage benchmark for the tea plantation sector in Sri Lanka. Research for the benchmark was conducted in 2015⁹⁸, and the benchmark, updated for January 2019⁹⁹, was Rs. 23,785 gross per month, or Rs. 21,508 net (119.63 or 108.18 euros, respectively).

The estimate is based on the cost of a basic but decent life for a family and takes into account in-kind benefits typical for the sector. The estimated value of in-kind benefits – housing, medical clinic services, creche services and free tea dust – in 2019 was Rs. 1,668 a month. In its response, Kelani Valley Plantations questioned the Global Living Wage Coalition's living wage benchmark saying that different groups use different living wage calculations to advance their own goals.

As previously mentioned, workers at both the Pedro Estate and the Opata Estate who were interviewed for this report reported

97 The national minimum daily wage of a worker in Sri Lanka is Rs. 400. The UN Committee on ESCR has expressed their concern that the minimum wage is not sufficient for living.

98 Global Living Wage Coalition (2019), Living Wage Report, Sri Lanka Estate sector, available at <https://www.globallivingwage.org/wp-content/uploads/2019/07/Sri-Lanka-Living-Wage-report.pdf>

99 Global Living Wage Coalition (2019), Update: Living Wage Report – Sri Lanka Estate Sector, available at <https://www.globallivingwage.org/wp-content/uploads/2019/07/Sri-Lanka-Living-Wage-Study-Companion-Paper-2019.pdf>

Malnutrition is a serious problem at Sri Lanka's tea plantations

Child growth is internationally recognised as an important indicator of nutritional status and health in populations. Undernutrition is assessed from underweight, wasting and stunting. The percentage of children with a low height for their age (stunting) reflects the cumulative effects of undernutrition since and even before birth.¹⁰⁰ A 2017 World Bank Report found that 36 percent of children under the age of five in Sri Lanka's estate sector experienced stunted growth while the national average was 17 percent, 40 percent of children in the estate sector were underweight and 16 percent were wasting while the national averages for these were 21 and 15 percent respectively.¹⁰¹ The UN Committee on Economic, Social and Cultural Rights has also drawn attention to wasting among Sri Lanka's plantation community and called on authorities to introduce measures to improve the plantation community's food security¹⁰².

100 Nutrition Landscape Information System (NLIS) Country Profile Indicators – Interpretation Guide. World Health Organization, available at https://www.who.int/nutrition/nlis_interpretation_guide.pdf

101 Sri Lanka: Improving Nutrition Outcomes for Children in Sri Lanka's Estate Sector. The positive deviance approach (2018), World Bank Group. Available at <http://documents.worldbank.org/curated/en/109211544531399484/pdf/Improving-Nutrition-Outcomes-for-Children-in-Sri-Lanka-s-Estate-Sector-The-Positive-Deviance-Approach.pdf>. See also Periyasamy, Nithershini (2018), Update on the health status of plantation community in Sri Lanka, *Journal of the College of Community Physicians of Sri Lanka*, available at https://www.researchgate.net/publication/324611169_Update_on_the_health_status_of_plantation_community_in_Sri_Lanka/download

102 Committee on Economic, Social and Cultural Rights, 2017, Concluding observations on the fifth periodic report of Sri Lanka E/C.12/LKA/CO/5



Tea plantation workers' families' toilets are located in a separate building within a short distance from the line rooms. The picture is from the Pedro Estate.

significantly lower earnings than what the Global Living Wage Coalition has estimated as a living wage. As such, interviewed workers at both estates spent almost all of their net earnings on food for their families. In a typical family, both parents work on a tea plantation and their combined income is needed to support their family. The interviewees estimated their monthly spending on food to be approximately Rs. 20,000 (100.6 euros) for a family of four. This is similar to the findings of the Global Living Wage Coalition living wage benchmark study, which estimated the cost of a low cost but nutritious diet for a family of 4,5 people (where both adults have vigorous activity levels due to physically demanding labour) to be more than Rs. 18,000 per month in 2015.

In addition to the cost of food, another significant expense that workers reported was medical costs (see p. 38). In addition to these necessary expenses, workers had no possibility to put away savings for a rainy day or for their retirement. Some families even ended up sending their underage children to work (see pp. 39–40).

As was mentioned previously, the Pedro Estate has launched a pilot for an out-grower system. Participating workers are assigned a plot of land to take care of (around 1,500 tea bushes) from the estate tea fields. On top of the daily labour on the estate, workers

and/or their family must also take care of “their plot”. Workers then must sell the tea leaves that they pluck from “their plot” to the Pedro Estate. Participation to the out-grower system is voluntary for the workers. However, according to the interviewees the estate management has been successful in getting workers to participate in the scheme by promising them a high income. According to Finnwatch’s knowledge, these promises of high income have so far not been fulfilled.

Living conditions do not meet acceptable basic standards

According to the living wage benchmark study for Sri Lanka’s tea plantation sector commissioned by the Global Living Wage Coalition the standard for a basic acceptable dwelling for a typical family¹⁰³ comprises:

- a cement floor and walls,
- corrugated iron sheet roofing without leaks,
- a ceiling with a height of at least 2m at its lowest point,
- a minimum of 50 m² floor space,
- a separate kitchen with windows or a chimney and at least 3 other rooms (a living room and 2 bedrooms),

¹⁰³ In the benchmark, a typical family was estimated to have 2 adults and 2,5 children.

- piped water for drinking and a functioning water seal latrine both either in the house or in close proximity to it,
- electricity as a source of lighting,
- and a housing structure in reasonable condition.

The vast majority of interviewees (17/20) in the research sample on the Pedro Estate, lived in a line room comprising just one room and a veranda for their family. Typically, families used the veranda for cooking and the single room for everything else. On the Oyata Estate, half of the interviewees lived in similar accommodations. However, on the Oyata

Estate some line rooms were shared by two families.

The rest of the interviewees on both estates lived in line rooms known as “quarters”, which comprise two rooms, a veranda and a separate kitchen, or in small temporary houses/huts. Despite these houses/huts having been constructed only as temporary housing, some families had lived in them for 5 to 8 years.

None of the line rooms or temporary houses/huts visited by the field research team at either Pedro Estate or Oyata Estate met with the requirements for a basic acceptable dwelling listed above.

Housing is free-of-charge but often substandard

Sri Lanka’s plantation workers and their families typically live in *line houses* or *line rooms* that have been constructed more than 100 years ago during the British colonial era. Line houses, which are made up of line rooms, are a bit like row houses. The most common type of a line room is a single room of about 11 m², with a door and a window on one side and a veranda in front. Line rooms are generally cramped, damp and dark and as cooking traditionally takes place indoors on open fire when there is no chimney, line rooms are also very smoky. Line rooms are also often in urgent need of repair and maintenance. Pursuant to legislation, the maintenance of old line rooms is the responsibility of the estates, but this is generally overlooked and left to the workers themselves. On some estates, the regional plantation company helps with major repairs like re-roofing.

Workers and their families have a lawful right to live in line rooms free of charge as long as they continue to work on the estate¹⁰⁴. In practice though, many of the former employees of the estates do not vacate their line rooms but continue to live on plantations, and the plantation companies cannot evict them because all plantation land belongs to the state. This often leads to questions on ownership and on who

is responsible for the maintenance of such houses. The ownership of land and houses is one of Sri Lankan plantation community’s long-standing demands.

The Plantation Human Development Trust¹⁰⁵ (PHDT) is a tripartite body, set up by the Sri Lankan government, which is responsible for the implementation of various development and welfare schemes on plantations. It was set up at the same time plantations were privatised in the early 1990s and originally it was known as the Plantation Housing & Social Welfare Trust. PHDT-run housing programmes aim to ensure land ownership and decent living conditions for plantation workers. Starting from 2015, these programmes have been accelerated. However, these programmes have not managed to achieve the goals set for them and deadlines have been missed.

One of the PHDT-run programmes is the Housing Project for the Plantation Community, and as part of this, new houses have been built for workers at both the Pedro Estate and the Oyata Estate. Unlike line rooms, inhabitants are responsible for maintenance of the new houses built under this scheme.

104 Estate Quarters (Special Provisions) Act no 2 of 1971

105 For more information see <https://phdt.org/2017/>

A small minority of interviewees on the Pedro Estate had no electricity in their homes whereas all interviewees on the Oyata Estate had electricity. Normal electricity charges¹⁰⁶ are deducted from workers' wages.

According to Kelani Valley Plantations, those workers who have no electricity are the ones who live in temporary residences that the authorities have not connected to the electricity network. Eight out of 20 interviewees at the Pedro Estate said that the ventilation in their residence was good, while 12 out of 20 interviewees from the Oyata Estate said the same.

The roofs of line houses at both estates had been renovated by the plantation company and the Plantation Human Development Trust (PHDT), but otherwise, workers' have had to make repairs to the line rooms themselves. Several interviewees had also built extensions to their line rooms. However, at the Oyata Estate some parts of the workers' living quarters were built so close to other housing that adding extensions to the houses would have been impossible.

In addition, the PHDT is implementing a programme at both estates as part of which, new houses have been built for some plantation workers (see text box p. 36). Even the new houses sometimes fail to meet with the basic requirements listed above, as their rooms are small and access to potable water limited. In its response, Kelani Valley Plantations said that the living conditions of workers on its estates have been significantly improved over the years and that often workers whose families "have been dependent on the plantation management for over 150 years" want to live close to their family and relatives and therefore refuse to move into the newer houses.

Poor sanitation

Workers at both the Pedro Estate and the Oyata Estate have access to either piped water or well water, or both, near their line rooms. Workers treat water by boiling,

chlorinating or filtering before drinking it. Some families buy purified/clean drinking water from a local government-run piped water system.

12 out of 20 interviewees at the Pedro Estate and 15 out of 20 interviewees at Oyata Estate said that they had their own toilets. The rest used communal toilets. Communal toilets and washing facilities have been built in the workers' living areas but some of them have become unusable at both estates, due to lack of maintenance. According to Kelani Valley Plantations, the poor state of communal toilets is due to the "dependency syndrome" of the workers, which makes them think that the employer must take care of everything. However, sanitation and maintenance of toilets is a legal responsibility of the plantations.

During working hours, only workers who work in a tea factory have access to drinking water and toilets. Workers in the tea fields have no easy access to drinking water or toilets. There are also no shelters in the tea fields where workers could have breaks and eat lunch. This is particularly problematic during the rainy season (generally May to August/September in Nuwara Eliya where the Pedro Estate is located and April to June and September to November in Ratnapura where the Oyata Estate is located).

Lacking PPE; paracetamol as a cure for everything

Workers on tea plantations are exposed to a variety of occupational health and safety hazards. Most accidents involve injuries like cuts, abrasions and contusions. This is explained by the fact that most workers (especially women workers) carry out their tasks in the field walking barefoot over rough terrain. Insect stings, snake bites and leeches are other common occupational hazards in the tea fields¹⁰⁷.

Tea workers often have no knowledge of what the chemicals they themselves are tasked with handling contain and are only

¹⁰⁶ Electricity charges are standardised island-wide in Sri Lanka.

¹⁰⁷ Virakesari News Paper (Tamil), 30.1.2019, *Plantation victims of insect stings...?*

generally aware of the risks involved in the use of agrochemicals. Many workers are illiterate and, thus, cannot read the instructions or warnings printed on chemical containers. At times, workers mix agrochemicals near water pumps, risking contamination of drinking water.

According to the interviewees at both estates, generally only men with experience are tasked with spraying agrochemicals. At both the Pedro Estate and the Oyata Estate less than half of the interviewees said that management provided workers with PPE. As most respondents were not aware of which agrochemicals were being used in the estate they worked at, it was impossible to determine from the interviews if the PPE offered was adequate. At the Oyata Estate, two respondents complained about the nauseating smell of chemicals and headaches and dizziness caused by the agrochemicals they had to handle at work.

At both the Pedro Estate and the Oyata Estate, a little over half of the interviewees said that they had not been given any training on OHS. None of the interviewees were aware of any regular medical checks for those workers who came into contact with pesticides although legislation stipulated that they should be examined by a doctor upon completion of a job involving agrochemicals use¹⁰⁸.

As mentioned above, the special investigation audit by the Rainforest Alliance found issues with PPE on Kelani Valley Plantations. In its response to Finnwatch, Kelani Valley Plantations said that at the time of the audit, the audited plantation in fact had brand new PPE in storage but that the company had simply not yet had time to distribute these to the workers. According to the company, workers tasked with spraying chemicals undergo medical examinations regularly.

At both estates, the interviewees said that they are not given any rain gear and must purchase it themselves (at an approximate cost of Rs. 1,500 to Rs. 5,000, or 7.54–25.13 euros). The workers typically use plastic

sheets to cover their head and shoulders. According to the interviewees, coughs, colds and low fevers are very common among the workers.

According to the interviewees, minor illnesses are treated at both the estates at estate surgeries (a dispensary, with non-professional staff) or nearby government hospitals. However, for anything requiring hospitalisation or specialised treatment, workers must cover the cost themselves, as public hospitals which would be free-of-charge are generally located far from the estates. Generally, workers preferred to use nearby private hospitals for all kinds of medical issues, because estate dispensaries merely gave them paracetamol regardless of their condition and actual medical needs. According to focus group discussions, a family's medical expenses are on average Rs. 1,000 per month (5 euros), including doctor's fees, medicines and travel expenses. This is similar to the findings of the Global Living Wage Coalition's living wage benchmark study in which medical expense per family were estimated to be Rs. 870 in 2015.

According to Kelani Valley Plantations, the estate dispensary has professional staff who hand out medicine and nutritional supplements to workers as needed. In order to prevent intestinal worms, workers are dewormed once each year. According to the company, the estate also has a functioning pre- and post-natal clinic and a hospital, and it takes care of its workers from "womb to tomb".

"No work, no pay" – confusion over annual leave and sick leave

Plantation workers are entitled to 17 days of paid annual leave per year. The length of the leave entitlement depends on the number of days worked. However, according to the interviewees at both estates, they are not entitled to any paid leave; they are only paid for the days they work.

Plantation workers are also entitled to 14 days of paid sick leave at half their minimum daily wage. However, according to the

¹⁰⁸ Control of Pesticides Act No 33 of 1980

interviewees at both estates sick leave is only paid if the worker is hospitalised. For lesser illnesses, workers either lose the day's wage or report to work despite being ill. In general, interviewed workers appeared unaware of their entitlement to paid sick leave. According to them, "no work no pay" applies in all situations.

It should be noted that none of the people interviewed at either the Pedro Estate or the Oyata Estate had written employment contracts. Written employment contracts are not a statutory requirement in the plantation sector in Sri Lanka. However, written employment contracts are often a requirement in social sustainability schemes as they are one way of ensuring workers know their rights.

Gender rights

More than half the labour force in the tea plantation sector is made up of women. At both the Pedro Estate and the Oyata Estate, women workers interviewed for this report said that usually, they woke at 5am to attend to household chores – cooking breakfast and lunch and sending their children to school. They then started work the tea gardens around 7.30am and returned home at 5.30pm. Women normally get married at the age of 16–25.

Both maternity care and childcare facilities are commonly neglected in Sri Lanka's plantation sector. Data on maternal mortality is not available specifically for the estate sector but in districts with high estate population, such as Nuwara Eliya, the mortality rate is relatively high (55 per 100,000 live births) compared to the national average (32.5 per 100,000 live births). Language is often also an issue: for example, according to interviewees for this report, most healthcare professionals including midwives available at the estates or nearby clinics speak Sinhala, which the estate workers struggle to understand. According to Kelani Valley Plantations, all estate staff speak Tamil.

At the Pedro Estate, Save the Children Sri Lanka has piloted a mother-and-child-friendly tea estate concept. The project aims to

improve maternal and child health with the goal of "ensuring that the productivity of female workers is not compromised due to ill health or hygiene issues pertaining to themselves or their families". In practice, improvements to the estate's sanitation facilities (287 new toilets were built and 144 were renovated) to reduce hygiene related illness (such as lice, diarrhoea, intestinal worms etc.) have been implemented as part of the project. In addition, the estate hospital was also renovated.¹⁰⁹

The statutory paid maternity leave in Sri Lanka is 12 weeks¹¹⁰. According to the interviewees, the right of women to paid maternity leave is observed at both the Pedro Estate and the Oyata Estate in accordance with law. At both estates, women are also assigned lighter tasks during pregnancy such as plucking tea leaves near roads where they don't have to walk long distances or climb up the hills. However, it can still be hard for pregnant women to reach the daily plucking target of 18 kilos, even during the harvest season. In such situations, it is customary among workers to share the tea leaves they have plucked with the pregnant women to make up for whatever is missing from their daily target.

No child labour at Sri Lanka's plantations

According to the International Labour Organization, in 2016, 2.3 percent of Sri Lankan children worked and 1 percent were engaged in child labour (mostly in hazardous forms of child labour). Of child labourers, more than 16 percent were involved in crop farming.¹¹¹ However, Sri Lankan tea is not included on the list maintained by the US State Department of goods produced by child labour.¹¹²

109 For more information see <https://www.hayleystea.com/mother-and-child.html>

110 Maternity Benefits (Amendment) Act, 2018

111 ILO, Child labour in Sri Lanka – At a glance, available at https://www.ilo.org/wcmsp5/groups/public/asia/ro-bangkok/ilo-colombo/documents/publication/wcms_616216.pdf

112 US Department of State, List of Goods Producer with Child Labor or Forced Labor, <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods> (viewed on 26.6.2019)

According to the interviewees, neither the Pedro Estate or the Opata Estate use child labour. Workers interviewed for this report in fact did not even want their children to start working in the plantation sector when they reached the age of maturity, because of the low salary, hard work, and lack of dignity associated with plantation work. However, some workers had sent their under-age children to work outside the estate, for example, at hotels, vegetable gardens, and shops, etc. Families sent their under-age children to work to supplement the family income, even though the children have the option of attending school for free.

Organisation rate is high, but unions do not represent the interests of workers

The tea plantation industry is considered one of the most organised industries in Sri Lanka. There are three major unions in the sector: the Ceylon Workers Congress (CWC),

the Lanka Jathika Estate Workers Union (LJEWU) and the Joint Plantation Trade Union Center (JPTUC). The large trade unions like the CWC and the LJEWU are affiliated with political parties and they are often mobilised to promote party policies¹¹³. Although women make up the majority of the plantation unions' membership, union strategies are seen as dismissive of women's issues and tend to portray women as mothers, wives and daughters instead of citizens and workers¹¹⁴.

According to the interviewees, estate management does not restrict their right to freedom of association in any manner. Of the interviewees, 15 out of 20 at the Pedro Estate and 13 out of 20 at the Opata Estate said they were members of a trade union. Trade union subscriptions are deducted directly from workers' salaries at both estates. According

to the workers, unions at both estates are highly politicised (and some have joined unions for political reasons), and the unions are disconnected from workers and do not always represent the interests of women and youth in particular. As a woman worker who was interviewed for this report commented "the unions have obtained a mere Rs. 20 wage increase after two years of negotiations. Are unions really necessary to gain just Rs. 20? We should all leave the unions."

Certification and audits

According to the interviewees, when auditors (who could be either certifiers or foreign buyers as workers were generally unable to distinguish between the two) visit the estates, tea factory workers are allowed to interact with the them but tea pluckers or others working in tea fields are only rarely allowed to do so. Sometimes, auditors have approached workers in tea fields from nearby roads and not from inside the estates. However, according to the interviewees, these auditors did not ask questions about workers' welfare and rights but focussed on the amount of tea leaves workers pluck and other such things related to their work instead. Interviewees also did not mention that they knew of any benefits to their own lives that resulted from certifications.

113 Chandrabose AS & Sivapragasam PP, (2015), Red Color of Tea, Central Issues that Impact the Tea Plantation Community in Sri Lanka, HDO Pub., Kandy Sri Lanka.

114 Janaka Biyanwila, Trade unions in the Sri Lankan tea plantations: Women worker struggles and ethnic identity politics, available at <https://tasa.org.au/wp-content/uploads/2015/02/Biyanwila.pdf>

5. Conclusions

Tea plantation workers in both India and Sri Lanka are members of society's most disadvantaged groups and many live below the poverty line. Development taking place in surrounding society has not trickled down to plantation communities.

In both India and Sri Lanka, even now the legacy of colonialism is one of the key factors contributing to the vulnerable position of tea plantation workers. Many present-day plantation workers are descendants of indentured labourers from the British colonial era. For generations, they have lived on plantations, relatively isolated from the rest of society. Today, they are still largely dependent on their employer not only for their income but also for various services such as housing, childcare and health care, and in India also a basic education. These services, offered by the employer as in-kind benefits, are often substandard. They are neither sufficient to cover the workers' needs nor to lift them out of poverty.

For this report, Finnwatch conducted research on the working and living conditions at six tea plantations in the Nilgiris and in the Barak Valley in Assam, India, and in the Nuwara Eliya and Ratnapura districts in Sri Lanka. The tea plantations that make up the research sample are suppliers to several tea brands present in the Finnish consumer market, including Forsman Tea, Nordqvist, Twinings and Unilever, the owner of e.g. the Lipton brand.

According to the workers themselves, the wages of the workers at all the investigated tea plantations were well below a living wage. In Assam, India, the wages were even well below the statutory minimum wage in the agricultural sector. Several of the workers had taken out loans to cover costs related to health care and their children's education. In Sri Lanka, workers' wages, which were very low to start off with, were further reduced by the many deductions. In some cases, the deductions made from wages may even have been illegally high when added up. In

addition, workers felt that these deductions were made without their consent. At nearly all the investigated plantations, workers had trouble understanding how their wages, which typically comprise basic pay and a piece-rate based component, are calculated. In order to earn more, workers in particular in the Nilgiris, work long hours without overtime pay. Numerous workers felt that they could not turn down extra hours or Sunday work.

Work in the tea plantations is physically demanding, especially for women. Plucking of tea leaves has traditionally been a task performed almost exclusively by women. Workers tasked with plucking tea leaves must walk long distances and carry heavy bags full of tea leaves. In the tea fields, there is a lack of drinking water and sanitation as well as shelters that would provide cover from the rain and sun. In addition to work in the tea fields, women are also often responsible for all household chores such as cooking and childcare. In both countries, trade unions that represent plantation workers are perceived as marginalising women's issues.

During the rainy season, tea pluckers get drenched every day. In the Nilgiris area in India, temperatures can fall to around zero degrees Celsius. Workers and their family members try to keep warm by drinking hot drinks, as their houses have no heating. Colds, coughs, low fevers and different kinds of muscle and joint pains are very common among the members of plantation communities, as are waterborne diseases and diseases related to poor hygiene such as diarrhoea. Even though plantation workers are entitled to free health care at estate hospitals, the services provided are not sufficient to meet their needs and workers end up spending a relatively large share of their meagre salaries on private health care. However, their largest single expenditure is food. Even so, malnutrition and anaemia are common among plantation workers and their family members.

The relative isolation of tea plantation workers, their low level of education and

limited savings prevent them from being able to find alternative employment outside plantations. However, those currently employed by tea plantations in both India and Sri Lanka no longer want their children to take up plantation work. In the Nilgiris, there are perhaps some signs of the next generation being able to escape the poverty trap as a large share of the workers interviewed by Finnwatch had sent their children to vocational training or other higher education in nearby cities. Even so, this was usually only possible, if they took out loans. As the younger generation migrate to cities, tea plantations face labour shortages. In the Nilgiris, vacancies are filled by internal migrant workers from particularly impoverished conditions in North India.

The plight of tea plantation workers has been common knowledge for a long time. For example, in Assam, the state government has made attempts to raise the sector's wages, but so far these attempts have fallen short due to fierce opposition from planters' associations. According to plantation owners, the upstream of the tea value chain simply does not have enough value to pay workers more. According to the management of the plantations in the Nilgiris covered in this report, labour costs already account for 60 to 70 percent of their total production costs. In addition, even though all the plantations covered in this report were certified under one or more sustainability certification schemes, they were only able to sell a relatively small share of their produce as certified. This means that the cost of sustainable production is primarily borne by the producers alone.

Although it has been found that certification schemes have little influence on plantation workers' wage levels and unionisation, certification has been found to have impact on issues related to occupational health and safety, and in some cases also on workers' living conditions and their children's education. Even then, workers are generally poorly informed about certification schemes, and in the worst-case scenario, this lack of awareness further emphasises the already imbalanced power relations between

workers and their employers. Of the workers who were interviewed for this report, only those who worked on a Fairtrade-certified plantation were able to name some benefits that they themselves gained as a result of the plantations certification. According to the findings of a Finnwatch comparative analysis in 2016, Fairtrade is also the most ambitious of the tea certification schemes and, for this reason alone, the recommended option for both consumers and companies. A comparison between the most recent Fairtrade and Rainforest Alliance audit findings pertaining to Jalinga Tea in Assam, India, also revealed, that Fairtrade monitoring had found a significantly larger number of issues related to labour rights than monitoring by the Rainforest Alliance. Fairtrade also responded to Finnwatch in a more comprehensive manner than the Rainforest Alliance. It is important for certification schemes to involve workers much more directly in their operations and in the monitoring of working conditions at certified plantations, so they can more effectively improve workers' conditions.

Certified tea is becoming mainstream in the Finnish consumer market. Of the global tea brands that dominate the Finnish market, Unilever, which owns e.g. the Lipton brand, is committed to sourcing fully certified or verified tea by 2020. Nordqvist is also committed to switching to fully certified tea from so-called risk countries by 2025. While this report was being compiled, Nordqvist introduced a significant increase in its certified tea purchases. Grocery retailers Lidl Finland and S Group also increased their purchase of certified tea, and now 100 per cent of the tea used in private label tea products sold by Lidl Finland and S Group is certified. Only about half of Kesko's purchases are certified, and its monitoring of the uncertified tea lacks credibility. Twinings and Forsman do not have concrete responsibility targets.

Although certification schemes have their shortcomings, switching to the purchase of only certified tea is still recommended for companies as a baseline for social responsibility, as working and living conditions at non-certified farms are with great likelihood

still much worse. However, in order for companies to fulfil their responsibility to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights, simply switching to certified tea is still not enough. For example, certification schemes cannot alone increase the wages of tea plantation workers to the level of a living wage. Doing so will also require cooperation and concrete input from buyers of certified tea. Increasing demands to obligate companies to implement the UN Guiding Principles through legislation also increase pressure on certification schemes to strengthen certification criteria and monitoring as well as transparency and traceability in certified value chains.

Finally, it should be noted that the climate crisis is threatening to make traditional tea growing areas unsuitable for the cultivation of tea. Changes in yield, quality and location of cultivation will have an impact on price, demand, the income and livelihood of plantation communities and on the entire economies of the producing nations. Companies should calculate the carbon footprint of tea products they manufacture, market with their own brand/label or import, and devise a plan to minimise the footprint.

6. Recommendations

TEA HOUSES AND GROCERY CHAINS

- Buyer companies must commit to 100 percent certified tea and favour schemes that have the most ambitious criteria. The Fairtrade standard for tea and the certification criteria of the Rainforest Alliance are both currently being revised. Companies that use these schemes should take part in these processes and ensure, among other things, that workers have improved opportunities to participate in how these schemes function and to e.g. monitoring of the implementation of corrective action plans.
- Companies must pay tea producers a price that enables socially and ecologically sustainable production. Irresponsible purchasing practices that emphasise cheap prices only serve to obstruct other actions aimed at preventing and mitigating human rights and environmental risks that these companies undertake. For example, purchases from tea auctions are believed to reduce the prices paid for tea and to lead to short-term commercial relationships between producers and buyers. When possible, companies should therefore favour direct purchases from certified producers and producer organisations. Direct purchases would also increase transparency and traceability in tea value chains. Labour costs must be taken into account separately during price negotiations.
- Companies must work in cooperation with other value chain actors to calculate a living wage benchmark for tea growing areas and draw up a plan to close the gap between current wages and a living wage. Buyers must participate in the additional costs that this will create. When assessing in-kind benefits, attention must be given to how well the services that are provided as in-kind benefits correspond with workers' needs. Steps must also be taken to ensure that the in-kind benefits that are taken into account in these calculations do not serve to maintain the dependency of workers on their employer. It is also noteworthy that, for example, the minimum wage legislation in India forbids inclusion of in-kind benefits in minimum wages.
- Companies should not cease purchases from producers when problems are discovered at a plantation. Instead, they should participate in the implementation of the necessary corrective actions. When companies decide to cease purchases for any other reason, they must assess the human rights impacts of such decisions before implementation. In Northeast India, the closure of plantations facing economic problems has in extreme cases led to the starvation deaths of the plantation's former workers and their family members.
- In Great Britain, many tea houses have already provided public access to information on their tea suppliers. Finnwatch recommends that all tea houses as well as grocery chains make supplier lists public where these apply to their private label tea products or the tea products they have imported. Improved transparency would make it easier to bring problems to the attention of these companies.
- Companies must calculate the carbon footprint of tea products they manufacture, market with their own brand/label or import, and draw up a plan to minimise the footprint.

CERTIFICATION SCHEMES

- Certification schemes must ensure that their focus is on improving the conditions of plantation communities and increasing the more direct participation of plantation workers in their operations. The primary aim of engaging workers must be their empowerment. Ways to engage workers could include such steps as sharing of audit results and corrective action plans directly with workers and involving workers in the monitoring of the implementation of corrective actions.
- Certification schemes must require the payment of a living wage to plantation workers. If the gap between the current wage and a living wage is significant, a time bound plan to close the gap must be drawn up.
- Certification schemes must pay attention to the status and conditions of women at tea plantations and ensure that women are e.g. adequately represented in different bodies that represent workers.
- Certification schemes that do not already have a price premium earmarked for the social and economic development of the plantation community should consider adopting such a premium. The use of such premiums must be democratically governed. At the same time, it should be ensured that the premiums are not used to fund things that are the employer's responsibility.
- Certification schemes must ensure that they do not, for their part, enable unfounded claims about responsibility, which would also threaten their own credibility. This means, for example, that audit results should be made public.
- Schemes should increase both transparency and traceability of certified value chains so that buyer companies have access to more information on the possible problems in their supply chains and are better able to support producers in the implementation of corrective actions. The goal must be physical traceability when tea is sourced from large plantations.

INDIAN AND SRI LANKAN PLANTATION COMPANIES

- Plantation companies must without a delay address all findings in this report and, at the very least, ensure that the statutory rights of workers, such as annual leave and sick leave, are realised. Leave entitlements must be communicated openly to workers. In addition, companies must ensure that the in-kind benefits, which the law in India and Sri Lanka require plantations to provide to their workers, meet at least the statutory minimum criteria. Companies must ensure that workers have access to potable water and sanitation both in their living quarters and where they work, and that there is an adequate number of shelters in the tea fields. Workers tasked with pesticide use must be given PPE and be provided regular training. When plantations are faced with delays in for example recruiting doctors to garden hospitals, they must ensure that the services provided still meet the legal requirements. In addition, especially the Glenworth Estate must make sure that their workers know what services are available.
- Plantation companies must ensure that their workers' housing meets the criteria for a basic but acceptable dwelling at all times.
- Companies, in particular, must commit to paying their workers a living wage. Workers must be able to earn enough not to be dependent on their employer for their basic needs. Payslips must be simplified, or other steps must be taken to ensure that workers understand how their salaries are calculated. Workers who are illiterate must also be accommodated. Jalinga Tea must revise

its calculation for a living wage. A living wage is payable for normal working hours and therefore, additional income from small-scale farming cannot be taken into account in calculations.

- In addition, Jalinga Tea must pay its workers Rs. 30 a day in back wages starting from March 2018, as per the Assam government order, and pay Provident Fund contributions to authorities in a timely manner. In addition, the company must ensure that workers are aware of their Provident Fund account number (e.g. in payslips) and, if necessary, workers must be assisted in checking their Provident Fund account balance.
- The Craigmere Plantations, the Glenworth Estate and the United Nilgiri Tea Estates must ensure that all workers, including tea pluckers, receive overtime pay as appropriate. The plantations must ensure that workers feel they have the option of refusing extra hours should they wish to do so.
- Plantation companies must introduce grievance mechanisms that meet the effectiveness criteria included in the UN Guiding Principles for Business and Human Rights and ensure their workers participation in various committees including welfare committees, OHS committees and in the design, implementation and monitoring of different development and other welfare projects aimed at improving their working and living conditions.

AUTHORITIES IN FINLAND

- According to Prime Minister Rinne's Government Programme, Finland will conduct a study with the goal of adopting a mandatory human rights due diligence law. During the writing of this report, the Ministry of Economic Affairs and Employment sent out an invitation to tender for a judicial analysis that will explore the legal obligation of companies to conduct human rights and environmental due diligence. The mandatory human rights due diligence law that will be adopted in Finland must be based on the UN Guiding Principles on Business and Human Rights and include as vast a range of companies within its scope as possible and effective measures for enforcement. The law must be adopted during the current government term.

AUTHORITIES IN INDIA

- The Central Government must ensure that the new Labour Code on Occupational Health and Safety at least limits how large a share in-kind benefits can make up of tea plantation workers' wages, and ensure that plantation workers and their family members have access to basic public welfare services.
- The Assam State Government must ensure the timely completion and publication of the report of the one-man committee that the Minimum Wages Advisory Board appointed to investigate objections to proposed minimum wages. Revised wages must take into account the wage demands of tea plantation workers' and the needs-based criteria for a minimum wage established by the Supreme Court of India in its ruling on the *Reptakos Brett vs workmen* case.
- The Tamil Nadu State Government must work in collaboration with the home states of workers to issue welfare schemes and bring the workers within the scope of social security entitlements available for other workers. The government should also establish and maintain support and counselling centres for migrant workers where they can access information, counselling and support in the event of emergencies.

AUTHORITIES IN SRI LANKA

- The Government of Sri Lanka must review plantation labour laws with the aim of aligning laws with international labour rights standards such as the ILO Plantation Convention (C110).
- The authorities must take action to ensure that the minimum daily wage of plantation workers is a living wage, for example, by establishing a sufficiently high minimum wage for the sector.
- The authorities must allocate sufficient resources to plantation development programmes, with the aim of ensuring, for example, the plantation community's food security and adequate health care services and set up a separate body to monitor the implementation of such programmes. The use of British colonial era line houses and line rooms to house plantation workers, must be discontinued and new houses that meet the requirements of modern times must be built for the plantation community without undue delay.



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