



JustTea Project
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CODE OF CONDUCT

Social, Economic and Environmental Standards
for the Indian tea industry

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On Behalf of
The National Working Group
for the implementation and monitoring of SEES for Indian Tea Industry

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Preamble

Tea constitutes an important part of Indian life as a health drink, a key trade commodity, a major export item and provider of livelihood for millions of people - as tea workers, small growers and their dependents. There are around 37,000 large and small tea estates, 150,000 small growers and 1,300 tea factories in the country. India is the largest producer and consumer of tea in the world and accounts for about 28 percent of the world's production and 14 percent of the world's trade in tea.

Consumers, especially in developed countries, increasingly want assurance that the tea they are buying is grown and manufactured under conditions that are socially and economically just and environmentally responsible. Many tea-trading houses push their suppliers to apply defined standards, generally known as Code of Conduct (CoC), in tea plantations and tea factories. The wide range of slightly differing codes, however, renders compliance difficult, especially for those planters and factories that are selling to more than one buyer. Moreover, trading houses or big tea companies draw up these standards externally.

India has a rich collection of labour, commercial, trade and investment laws. Most are generally applicable to all industries though some are specific to the tea industry. Indian laws conform to fundamental rights, guaranteed in the Indian constitution as well as to the core ILO Conventions. Yet, making sense out of this complexity is a necessary precondition towards evolving a CoC appropriate to Indian conditions.

Meaningful elaboration of CoC for the tea industry should address the core issues in the industry - secure, gainful and productive employment; respect of labour standards and

labour rights; productivity and wages; a resolve to universal education for children; real empowerment for women; commitment to the health of workers and consumers and the protection of the environment and a commitment to sustainable and long-term development.

The JustTea Project, 'Building a Business Case for Corporate Social Responsibility in the Indian Tea Industry' approached this task with the objective of promoting the sustainability of tea trade through improved social standards, fair trade practices and new market opportunities.

Based on the idea of Corporate Social Responsibility, it employed a multi-stakeholder approach in developing a CoC for the Indian tea industry through a series of consultative meetings of stakeholders including planters, planters associations, trade unions, small tea growers, bought leaf factory owners, auctioneers, traders, brokers and buyers, representatives of the Tea Board and tea research institutes.

This process in the major tea growing areas of Assam, West Bengal, Tamil Nadu and Kerala culminated in Kolkata on October 19-20, 2005 in a National Workshop, which formulated the 'Social, Economic and Environmental Standards (SEES) or a Code of Conduct for the Indian Tea Industry'. The 'Social, Economic and Environmental Standards' sets guidelines on issues such as child labour, forced labour, wages, working hours, disciplinary practices, freedom of association, non-discrimination and health and safety for the Indian tea industry. It also incorporates policies regarding legal compliance, ethics, environmental practices and community investments.

A National Working Group was formed from among the stakeholders who participated in the National Workshop. This group will further promote the facilitation, implementation and monitoring of 'Social, Economic and Environmental Standards'.

Code of Conduct

Social, Economic and Environmental Standards for the Indian tea industry

PART 1

A. Social

I. Freedom of association and right to collective bargaining

1. The rights of all workers to form and join trade unions and to bargain collectively and represent workers in all forums shall be recognised.
2. Workers' representatives participating in trade union activities shall not be subjected to any discrimination.

II. Equality of treatment

1. Workers shall have access to jobs, training and promotion on equal terms, irrespective of gender, age, ethnic origin, colour, marital status, sexual orientation, political opinion, religion or social origin.
2. Women workers shall not be subjected to physical or sexual harassment or to psychological oppression at the workplace.
3. Temporary workers, as and when deployed, shall be treated at par with permanent workers for wages, Provident Fund, bonus and other applicable benefits as per law and/ or agreements.

III. "No" to Child Labour

1. Children, as defined in the national legislation, shall not be employed in the tea industry.

IV. "No" to Forced Labour

1. The tea industry shall not employ forced, bonded or prison labour.

V. Transparency

1. The exchange of information, including cost of production, shall be encouraged between management and workers at the garden level for an improved work culture and better understanding of and commitment to organisational goals.

2. Commitment to transparency with respect to information on prices, auction procedures and quality of tea shall be observed as a part of the value chain.
3. With regard to small growers, the members shall be encouraged to participate in the administration and internal control of their organisations.

VI. Occupational safety and health

1. The tea industry shall maintain a safe and hygienic working environment and companies shall provide free and appropriate protective clothing and equipment in accordance with the health and safety standards as prescribed under law and/or agreements. Workers and their organisations shall be taken into confidence in matters of occupational safety and health. Emphasis shall be laid on training the workers on health and safety issues. The health of workers engaged in the handling of chemicals shall be regularly monitored.
2. Those handling agro chemicals shall be adequately trained in storage, application and disposal of these chemicals. Information in this regard shall be provided to the workers in the local language.

VII. Housing and Amenities

1. Tea plantations shall supply drinking water, provide clean toilets and washing facilities as required under law. Where housing is provided, it shall conform to government prescribed standards, which covers - size of the plot, ventilation, cooking facilities, water supply and sanitary facilities. Occupiers of such accommodation shall be responsible for the upkeep of these facilities.

VIII. Right to Education

1. Tea gardens shall provide primary education for the workers' children, except where the government has taken charge of providing education.

IX. Social Development

1. Each company shall be committed to being a good corporate citizen. Industry shall remain sensitive to community needs and collaborate in developmental projects initiated by the government or recognised institutions/organisations.
2. Companies shall encourage its employees to volunteer to help them work in the community.

X. Social Protection [Unemployed in the household, retired workers]

1. The tea industry shall provide Provident Fund, gratuity and pension schemes for its employees conforming to national norms.
2. The government shall generate alternative employment opportunities and all other stakeholders in the tea industry shall extend their cooperation.

B. Economic

XI. Wages

1. Workers shall be paid wages and benefits for a standard working day determined through a process of collective bargaining or as per legal requirements.
2. Wages shall be paid to the workers directly, promptly and in full
3. Information on wages shall be made available to workers in a clear and detailed form.

XII. Working Hours

1. Working hours for the employees shall be followed as per the existing laws and industry standards.
2. Workers shall not be required to work more than 48 hours per week on a regular basis and shall be provided with a weekly day off.
3. Overtime shall be voluntary and not exceed six hours per week, it shall not be demanded on a regular basis and it shall always be compensated at the stipulated premium rate.

XIII. Fair Prices

1. Producers have the right to expect a fair and remunerative price for their product when it meets the standards and norms of the importing countries and the same shall be applicable for the domestic market.

XIV. Regional Development

1. The industry shall cooperate with the State while the latter is executing its primary responsibility of regional infrastructure development, such as providing and maintaining good roads, drinking water, waste management, electricity, telephone services, post office facilities, hospitals, community halls, schools and alternate job opportunities.

XV. Product Quality

1. The industry shall supply tea of the highest quality consistent with the requirements of consumers.
2. The industry shall ensure that the tea conforms to the accepted norms, particularly in relation to consumer health.

C. Environmental

XVI. Pesticides and Chemicals [Maximum Residue Levels]

1. With regard to the use of toxic or carcinogenic pesticides and chemicals and protection of the environment, the producers shall conform to the Tea Board and TRI/ TRA prescribed standards as well as to national legislation and international standards (WHO I).
2. To protect the interests of the consumers, the Maximum Residue Levels shall be observed as applicable and conform to a uniform international standard that should be established by an appropriate international agency.

XVII. Protection of the environment

1. Producers shall make environment protection part of plantation/ farm management, such as sustainable water management, energy use and green cover.

PART 2

Implementation and Monitoring

The implementation and monitoring of the 'Social, Economic and Environmental Standards (SEES) or Code of Conduct will be facilitated by a National Working Group constituted from the participants of the National Workshop where the standards were evolved.

The National Working Group

The National Workshop of stakeholders of the tea industry held in Kolkata on October 19-20, 2005 unanimously constituted a National Working Group (NWG) to further promote the facilitation, implementation and monitoring of 'Social, Economic and Environmental Standards' (SEES). The NWG members (in alphabetical order) are:

- B. G. Chakrabarty, small grower, West Bengal
- D. Chakrabarti (President)
- Jayanta Kakati, Auction Centre, Assam
- J. John, JustTea Team member (Convenor)
- K. B. Paramasivam, small grower, Tamil Nadu
- P. K. Bhattacharjee, Planter, West Bengal
- R. Borthakur, Planter, Assam
- Ranen Datta (Advisor)
- Stanley Pereira, small grower/ Bought Leaf Factory, Kerala
- Samir Roy, Trade Union member, West Bengal
- Sivakumar, Bought Leaf Factory owner, Tamil Nadu
- Vazhoor Soman, Trade Union member, Kerala

Immediate Tasks of the National Working Group

1. To inform the stakeholders about the 'Social, Economic and Environmental Standards' (CoC) and bring them within the fold.
2. To approach agencies such as the Ministry of Commerce, Government of India and the Tea Board.
3. To work on the sustainability of the NWG by looking at the sources and types of funding.
4. To evolve a monitoring programme for the implementation of the 'Social, Economic and Environmental Standards'.
5. To evolve a time frame for the implementation.

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Stakeholders of Tea Industry who attended the Kolkata Workshop, October 19-20, 2005

The participants were representatives from the Regional Stakeholder Working Groups (RWGs), consisting of representatives of planters, small growers, bought leaf factory (BLF) owners, auctioneers, trade unions, tea research institutes, buyers, brokers and traders associations. The Regional Stakeholder Working Groups were formed in Assam, West Bengal, Kerala and Tamil Nadu.

The list of participants (in alphabetical order)

- Additional Chairman, Bharatiya Cha Parishad, Assam
- Chairman, Zone 1 Assam Branch of Indian Tea Association, Assam
- Convenor, United Small Growers Association North Bengal
- Deputy Secretary, Dooars Branch of Indian Tea Association, West Bengal
- Director, I.B.S Tea Plantations (P) Ltd., Tamil Nadu
- Ex- Secretary, General Indian Tea Association and Advisor Tea Projects, Kolkata
- Ex- Secretary Darjeeling Planters Association and Advisor Tea Companies, West Bengal
- General Secretary, UTUC West Bengal State Committee, West Bengal
- General Secretary, Indian National Plantation Workers Federation, West Bengal
- General Secretary, The Hills Plantation Workers Union, Tamil Nadu
- General Secretary, Hind Mazdoor Sabha, West Bengal
- H.R.D Officer, Indian Tea Planters Association, West Bengal
- Managing Director, I.B.S Tea Plantations (P) Ltd., Tamil Nadu
- Manager Tea Project, Sahyadri Organic Tea Factory, PDS, Kerala
- President, Small Tea Growers Association, Tamil Nadu
- Principal Advisor, Indian Tea Planters Association, West Bengal
- President, North Bengal Tea Producers Association, West Bengal
- Secretary, Guwahati Tea Auction Centre, Assam
- Secretary, Nilgiri District Estates Worker Union (INTUC), Tamil Nadu
- Secretary, Dooars Branch of Indian Tea Association, West Bengal
- Secretary, Zone 1, Assam Branch of Indian Tea Association, Assam
- Vice President, All India Federation of Plantation Workers, Kerala

Process facilitated by

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- Programme Manager, Centre for Education and Communication, India
- Programme Manager, FAKT, Germany
- Programme Manager, Traidcraft, UK

And

Programme Manager, European Union (EU) under the EU-India Economic Cross Cultural Programme (ECCP)

The JustTea Project

"Building a Business Case for Corporate Social Responsibility in the Indian Tea Industry" is jointly managed by the Centre of Education and Communication (CEC), New Delhi, India, FAKT Consult, Germany and Traidcraft, UK and is funded by the European Union (EU) under the EU-India Economic Cross Cultural Programme (ECCP).

Overall Objective

To promote the sustainability of tea trade through improved social standards, fair trade practices and new market opportunities.

Project Purposes

1. Develop standard Codes of Conduct (CoC) for the Indian tea industry and create support mechanisms and transparent monitoring to increase compliance. Realise active participation of all relevant interest groups in the dialogue between tea growers, producers, buyers, civil society organisations and consumers in India and the EU.
2. Encourage tea importers in the EU to recognise the business case for Corporate Social Responsibility in order to enable sustainable trading partnerships and to share the responsibility for institutionalising the CoC with Indian producers.
3. Assess the potential of CoC for marketing tea to socially conscious consumers. Conceptualise and initiate a regional pilot campaign to sensitise Indian consumers on the social, ecological and cultural significance of tea, on the working and living conditions of people involved in its production and on fair and ethical trade and marketing practices.
4. Provide the growing number of small tea producers in India who are most affected by the current crisis of the tea industry with information and contacts, which facilitate their access to new markets, both in India and the EU.

Activities

- Establish an Internet based platform for communication and exchange of information among the several interest groups within the tea industry
- Regional round table meetings of the various interest groups in the four tea growing regions of India - Tamil Nadu, Kerala, West Bengal and Assam
- National workshop in India with representatives of the regional round tables and of tea buyers in Europe, including an exposure tour
- International workshop in the UK with representatives of EU buyers, civil society and Indian tea representatives, including a business mission
- Implementation and evaluation of a six months' pilot consumer campaign in a selected region of India, to sensitise consumers about the social and environmental implications of their tea consumption
- Training workshops in observing social standards for small growers in the Indian tea sector, to increase their access to markets.



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