

# KERICHO TEA ESTATES: WORKING CONDITIONS

Unilever has been growing tea in Kenya since 1924 and has over 8,250 hectares under cultivation. It employs some 12,500 permanent workers in Kericho and up to 4,000 seasonal workers during peak periods, with up to 50,000 people living in company villages on the estates. The estate is certified by the Rainforest Alliance.

## STRATEGIC REVIEW

Unilever conducted a strategic review of its tea sourcing policy in 2010. Faced with the option of buying tea on the open market, it made an active choice to continue to grow and produce its own tea. Not only does this enable the company to directly control the quality of the product, it also fits with the commitment in the Unilever Sustainable Living Plan (USLP) to enhance livelihoods.

Unilever has sought to provide workers with pay and working conditions significantly above the agricultural workers' norm. Workers at Kericho earn approximately two and a half times the statutory minimum agricultural income in Kenya. Wage rates are the same for permanent and seasonal employees. They are paid on a monthly not a daily basis, unlike most tea plantations, to help smooth out daily fluctuations in picking rates and assure a better income. Unilever provides access to housing; annual leave pay; transport allowances; and paternity and maternity leave to all permanent employees and their families.

Unilever also offers free health care including clinics, dispensaries, ambulance services and the Unilever Tea Kenya Hospital. And Unilever provides nursery, primary and secondary school education for all workers and their registered dependants. Clean potable drinking water is made available to all and meals are provided during working hours free of charge. This enhanced wage level and broader improvements in living conditions represent a significant long-term investment by Unilever, and is at the leading edge in the tea industry.

Unilever's ambition to operate to the highest standards at Kericho represents a long and challenging journey. Kenya has a high rural population, deep poverty and considerable social and cultural diversity. Standards of living are very poor for the average rural worker in Kenya, with less than 10% having electricity, most using untreated water supplies and poor or non-existent sanitation facilities. It recognises that there are deeply engrained social issues within some parts of Kenyan society.

As with any society, there are grievances and problems, and in an environment where work and private lives are tightly intertwined this raises particular challenges. Unilever has a long-term commitment, in line with its USLP commitment, to creating an environment at Kericho where grievances are addressed effectively; and where the leadership is known for its zero tolerance towards sexual (or any other form of) harassment.

## WORKING CONDITIONS AT KERICHO

A study by SOMO in 2010 looked at the working conditions at Kericho, and included in its report allegations of sexual harassment of female workers. In response to the SOMO report Unilever introduced a range of measures to provide greater protection, including widespread labour rights training; appointment of a female Welfare Manager and four assistants; creation of a

Dignity Enhancement Committee; and a new team to independently assess the quality of picked tea.

In August 2013 a programme by ARTE (a Franco-German TV channel) reported that sexual harassment still took place at Kericho. The company therefore decided to commission independent advice on the issue and to make some recommendations on how to further address them.

After an extensive independent review, the key findings showed: evidence that the changes introduced in 2010 had made a positive impact; potential for continued abuse of power by the lynch-pin role of Team Leader; and lack of confidence in the grievance handling system.

## RECOMMENDATIONS

Six recommendations were made for providing further improvements to enhance female workers' safety. The company not only accepts these but has decided to go beyond them. It acted immediately to make some of the most important changes, and has started to implement all of the recommendations.

The action plan consists of:

1. Strengthened management team – Unilever has brought in a new Code Compliance Officer, Human Resources (HR) Manager and dedicated Welfare Officer since September 2013. All are female, and the Code Compliance Officer brings considerable experience in dealing with human rights and other ethical issues within Kenya.
2. Extensive investigations into allegations of sexual harassment and other Code violations followed by strong disciplinary action in November/December 2013.
3. Improved grievance process and investment in a dedicated and confidential ethics channel especially designed to protect women, to be rolled out in 2014.
4. Training – implementation in 2014 of a tailored Code Compliance training programme and a major new initiative to promote and enhance safety by empowering women and girls, men and boys to identify and effectively prevent sexual harassment.
5. Strengthened terms of reference for the Dignity Enhancement Committee (DEC). The DEC hearings are now part of the Leadership Team meetings.
6. Significant change in the Team Leaders' gender balance and scope of responsibility. Since September 2013 the ratio of female leaders has been increased from 3% to 40%, with a target of 50% early next year. Their role in recruitment, work allocation and disciplinary matters (such as penalties for lateness or non-attendance) has been reduced, with more direct involvement from HR. Unit Managers now review job allocations by Team Leaders to ensure fair process. Team Leaders are now rotated annually (up from every three years), and across the estates every two years. The first rotation took place in October 2013. Task completion is now assessed by Unit Managers through a productivity report or through cross-checking the completion of tasks for non-harvesting operations. Housing allocation is delivered by the unit housing committee chaired by the Unit Manager.
7. Ensuring access to the ethics hotline is well publicised, toll free and manned by local language speakers.

These changes will be monitored on a systematic and regular basis under the leadership of the Chief Supply Chain Officer to ensure progress and compliance. Unilever will continue to work with partners such as Rainforest Alliance and others to strengthen their guidelines and auditing processes. We are committed to sharing these learnings and actions with other members of the tea industry in order to help raise standards globally across the industry.

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