



Regulatory and Policy Review of the Indian Tea Sector

Executive Summary



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About ETP

ETP is a global membership organisation that is catalysing long-term, systemic change, to benefit everybody who works in tea – especially people in tea-producing regions.

Our work addresses the key issues within economics, equality, and the environment. We focus on:

- delivering locally-led projects, often in partnership with other organisations, that seek to involve communities and ensure their voices are heard;
- supporting the private sector to pioneer responsible business models; and
- engaging stakeholders to support policies that positively impact people in tea.

Policy work is an important pillar of our Strategy2030 and is key to achieving our vision of a thriving tea industry that is socially just and environmentally sustainable. For example, some tea-producing countries have outdated or poorly developed policies or legislation that can inhibit social and environmental progress. This is a common challenge for companies operating in these countries and can be a missed opportunity to optimise conditions for tea communities. ETP's policy work seeks to influence policies and laws in tea-producing countries that support the improvement of conditions for farmers, workers, their communities, and the environment.

As part of this, ETP aims to:

- establish clear positioning on each of ETP's impact areas and the issues that impact the tea sector;
- raise awareness of the challenges facing the industry relating to equality, economics, and the environment while highlighting the role of stakeholders in addressing these challenges; and
- influence and actively contribute to policy development at both the company and government levels to advance social and environmental progress in tea.

Objectives of the Policy Review

To fulfil our policy objectives, we are undertaking policy reviews to gain insights into the regulations and policies that impact the sustainability of the industry in tea-producing countries. These reviews will enable ETP to gauge the effectiveness of the regulatory environment we operate within and provide recommendations for ETP and industry stakeholders. The recommendations will support ETP in influencing policy change in line with our Strategy2030. Furthermore, the policy review can be utilised by industry stakeholders to assess the key features, provisions, and implementation challenges regarding each policy, law, or scheme. It also serves as a guide for international buyers to make informed decisions when engaging with producer companies.

Methodology

This review began with an extensive listing of policies, laws, and programmes at the international, national, and state levels (Assam only) that directly or indirectly affect the tea industry. The review was conducted in two phases:

Phase I. A secondary desk review of policies, laws and schemes to understand their:

- overview and salient features;
- effectiveness for the tea industry with sustainability at its core; and
- implementation status.

Phase II. Interactions with key stakeholders at all levels to understand the:

- perceptions of each policy, including benefits and challenges;
- industry's response to each policy;
- gaps and areas that need to be addressed; and
- worker's perspective on various schemes and programmes and the extent to which they are available and accessible to them.

Limitations of the Review

- The policy review focuses on the organised sector of the tea industry, the policies that govern them, and the challenges that they face. It does not review the impact of policies on Small Tea Growers (STGs) who constitute a growing and substantial segment within the tea industry.
- The stakeholder interviews are limited in number and do not fully represent the industry perception, but rather provide insights into policies and the benefits and implementation challenges.
- Due to the recent implementation of certain policies, fewer insights were received from various stakeholders as their implementation is still in its initial stages.
- The community holds a fundamental understanding of the objectives of various state level schemes and its target beneficiaries. However, there is a notable challenge in recognising the issues associated with accessing these schemes.
- Tea community members were unable to offer insights on national-level policies due to their limited awareness, stemming from their limited consultation for and exposure to policy-related discussions. Due to concerns about repercussions, community members were reluctant to engage in conversations about sensitive subjects such as workplace violence.

List of policies, laws, and government schemes assessed

The policies, laws, and schemes under review have been categorised into four main areas: sustainability compliance and reporting, economics, equality, and environment. This organisation is intended to ensure that the review's findings align with ETP's focus areas and objectives.

International	National	State
Sustainability Compliance and Reporting		
European Union Corporate Sustainability Due Diligence Directive	National Guidelines for Responsible Business Conduct	
German Act on Corporate Due Diligence in Supply Chains	Business Responsibility and Sustainability Reporting	
OECD Due Diligence Guidance for Responsible Business Conduct		
Economics		
	Draft Tea Promotion and Development Bill 2022	Promotion and Development of Tea Tourism Infrastructure in Assam
	Labour Codes	Grants to Women SHGs
	Plantation Labour Act 1951 (PLA)	Swahid Dayal Das Panika Swaniyojan Achoni
Equality		
	Protection of Women from Domestic Violence Act, 2005	Pre-Matric and Post-Matric Scholarship
	Criminal Amendment Act, 2013	Public Private Partnership with Tea Garden Hospitals
	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013	Patient Guest House by Guwahati Medical Hospital for Tea Tribes People
	Right of Children to Free and Compulsory Education Act, 2009 (RTE)	Financial Assistance for GNM, ANM, Para-Medical and other courses under Tea Tribe Welfare Department
	Integrated Child Development Services (ICDS) scheme	Promotion Sports and Youth Welfare Activities
	National Health Mission	Wage Compensation Scheme for Pregnant Women of Tea Garden
	Jal Jeevan Mission	Ayushman Bharat Card
		Sukanya Samridhi Yojana
Environment		
Paris Agreement on Climate Change	National Determined Contributions for Climate Targets	Assam State Policy on Climate Change
		Electrification of Tea Workers Quarter by Assam State Electricity Board

Sustainability compliance and reporting

At the international level, the drivers for ensuring compliance with ESG parameters and sustainability are laws and directives such as the German Act on Corporate Due Diligence Obligations in Supply Chains, Corporate Sustainability Due Diligence Directive (CSDDD), Corporate Sustainability Reporting Directive (CSRD) and the OECD Due Diligence Guidance for Responsible Business Conduct. While the specifics and strengths of each law vary, collectively they're part of a decisive global push for a more responsible supply chain.

At the national level, India's commitment to the United Nations Guiding Principles on Business & Human Rights (UNGPs), as well as the Sustainable Development Goals (SDGs), has led to the revision of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGS) and formulation of the National Guidelines on Responsible Business Conduct (NGRBC) in 2019.

The NGRBCs are a set of nine guiding principles that include aspects ranging from ethics, transparency, and accountability in businesses, to ensuring human rights and environmental protection. Business Responsibility Sustainability Reporting (BRSR) seeks disclosure from entities on the Nine principles of the NGRBCs.

Summary of key findings

Lack of understanding and awareness of frameworks

Many businesses are voluntarily participating in sustainability reporting due to a recognition that ESG reporting improves brand reputation and investor ratings. However, many regulatory changes are either too complex or too recent for some companies to be clear on their obligations. In addition, interviews conducted as part of the study indicate a complete lack of awareness of sustainability compliance and reporting frameworks, and their implications, among workers and communities.

Potential difficulties in meeting BRSR

The framework requires a significant amount of data with more than 120 reporting parameters across nine core principles. Data must be collected across multiple departments, and often across multiple locations, requiring a large number of resources and coordination for companies. Opacity in supply chain disclosure, traceability challenges, and tracking and measuring scope 3 emissions are also challenges companies face in meeting requirements.

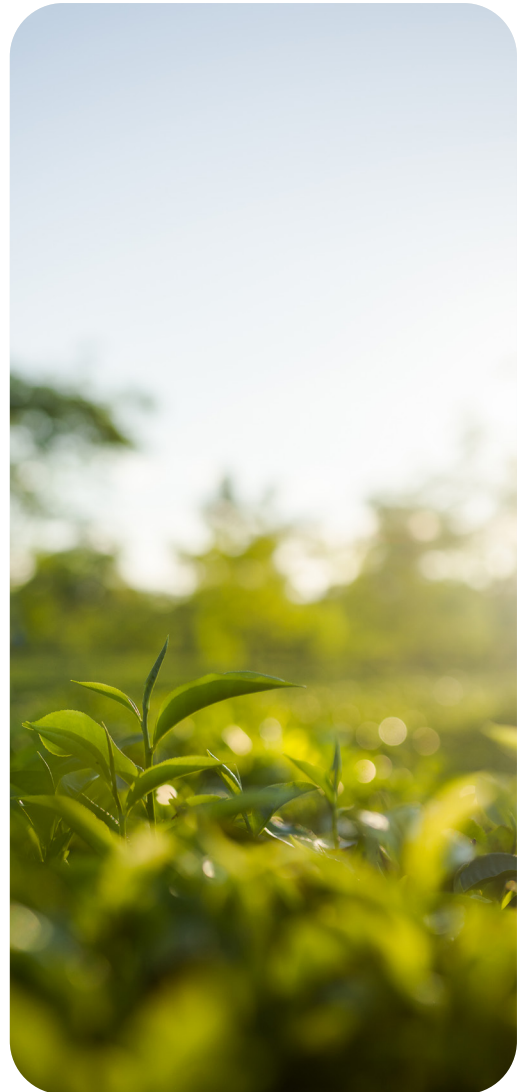
BRSR could simplify reporting requirements

Due to the myriad of regulatory requirements, combined with certification standards, international buyers recognise it is not easy for Indian producers to export. The BRSR aims to consolidate regulations under a single reporting process that will reduce complexity for buyers and producers. Producers are hesitant to make pre-emptive changes before regulations are fine-tuned. With this said, given the varying nature of businesses across industries, uniform applicability of BRSR reporting requirements may not be meaningful, practical, or effective.

Key recommendations

- Producer companies can benefit from needs-based capacity building for international and national regulations relating to sustainability reporting. This would enhance their understanding and preparedness to meet these requirements.
- There is a need for increased awareness among buyers on compliance and reporting regulations in India (BRSR and NGRBCs) to enable them to understand their suppliers' sustainability performance and where suppliers may need support.

Below: A community member in the Bukhial tea estate.



Economics

Summary of key findings

Changes to the Plantation Labour Act

The Plantation Labour Act will be absorbed into the Labour Code on Occupational Safety, Health, and Working Conditions Bill, 2019. This move is part of the government's strategy to ensure better wages for plantation workers. It involves reducing the in-kind portion of their compensation to a maximum of 15% of the total pay, with 85% being paid in cash. In addition, the government plans, where possible, to offer welfare facilities through its welfare schemes in lieu of the existing provisions.

Missed opportunities in the Tea Promotion and Development Bill

The Bill, which defines the responsibilities of the Tea Board, does not outline the Tea Board's involvement in workers' welfare. During interviews with stakeholders, some pointed out that the bill also excludes community members as stakeholders and, that this could potentially increase the risk of human rights abuses.

Criticism of the new labour codes

There is a perception among stakeholders that the new codes give way for a hire and fire policy as companies employing up to 300 workers do not need to specify conditions of employment and can issue dismissals without state approval. Furthermore, the codes restrict workers' ability to strike, as workers will now need to give 60 days' notice, compared to the two weeks' notice previously. In addition, the Code on Wages provides for a floor-level wage that is already lower than the legal minimum wage in most states.

Challenges in accessing local government schemes

Stakeholder interviews revealed that local financial assistance schemes, such as grants to Women Self-Help Groups (SHGs), have intricate online application procedures that require documentation such as caste certificates, making access difficult for those in need. Furthermore, there's a widespread lack of awareness among stakeholders regarding the scaling-up of other schemes, such as the Promotion of Tea Tourism in Assam, which could offer employment opportunities for the youth.

Key recommendations

- In order to tap into employment opportunities within tea tourism, plantation management could establish partnerships with organisations that specialise in youth skill development and training in hospitality and retail.
- The Plantation Community Empowerment Programme can continue to help tea communities learn about the different schemes and benefits available to them and empower them to access these schemes.

Plantation Community Empowerment Programme

ETP's Plantation Community Empowerment Programme (PCEP) helps communities help themselves through the creation of dedicated grassroots forums. These bring community members and plantation managers together to build understanding and jointly resolve local issues.

PCEP uses Community Development Forums (a model developed by [CARE International](#)) to help tea plantation communities and management tackle problems together.

Equality

Summary of key findings

Awareness gaps on gender-based violence and harassment (GBVH)

Some stakeholders highlighted that the normalisation of harassment makes it hard to address GBVH issues. Both women and unions may not fully understand which behaviours constitute GBVH, impacting prevention and root cause solutions. There is also disagreement among stakeholders regarding safety risks for women, with some suggesting that women face no safety-related concerns in the field due to working in groups.

Producers encounter challenges in accessing government support

Many companies have struggled to provide good-quality services, and their ability to benefit from government schemes and services varies. There is a perception that the new labour codes will lead to increased collaboration with government programmes, potentially reducing operational expenses for producers and enhancing the quality of life for workers.

Communities face difficulties in accessing welfare schemes

Despite the state government introducing several programmes specifically for tea garden communities, people face difficulties accessing and using them due to administrative and logistical challenges. Academic scholarships for young people require caste certificates, which many cannot provide. Some stakeholders mentioned that other schemes require documentation from banks, which is hard to obtain in rural areas with limited banking facilities. Additionally, some individuals cannot open bank accounts due to the lack of ID cards. Illiteracy and online applications make this challenging.

Key recommendations

- Given the new labour codes and adaptations to the PLA, it is advisable for producers to maintain ongoing collaboration with relevant government departments, ensuring the coordinated planning and implementation of welfare services.
- Community development Forums (CDFs) can be used to support individuals in obtaining documentation such as AADHAR and PAN cards, and caste certificates. Training on using online application processes would also benefit communities.
- There is a need to raise awareness of available government schemes and of the rights of women, including their entitlements at work. This could be achieved through training and information kiosks and leaflets.

Environment

Summary of key findings

Policy measures are underway to strengthen climate resilience

There are several state-level policy initiatives focused on boosting climate resilience for tea in Assam, with a heavy focus on water scarcity and conservation. These include real-time remote sensing to determine soil moisture, identifying and procuring water-stress-resistant tea varieties, disseminating water harvesting and irrigation structures, and developing forecasting systems for pests and diseases.

The industry is aware of the need to act but is facing challenges

Few organisations in the sector have developed timebound public commitments relating to the environment. There is a perception that some growers are resistant to adopting new technologies. Obstacles include low margins and the high costs of transitioning to low carbon technologies, and difficulties faced in understanding and managing supply chain emissions (scopes 2 and 3). Stakeholders highlighted the challenge of implementing measures at scale and involving producers and small tea growers equally.



There is a need for uniformity in standards

Stakeholders pointed out that there are multiple bodies issuing standards, including trusteea and Rainforest Alliance, highlighting the complexity of navigating this, and the need for uniform, science-based standards. Another challenge is that different export countries have different accepted standards on maximum residue levels (MRLs). The limited number of approved chemicals globally, along with worsening weather conditions, is contributing to crop loss.

Key recommendations

- There is a need for capacity building to promote low-carbon tea production in India. This can include producers collaborating with organisations such as the Tea Research Association of India (TRA) on carbon footprint assessments, followed by the development of detailed action plans that outline strategies and initiatives for emissions reduction.
- Companies and small-scale growers can be introduced to affordable providers of low-carbon technologies and encouraged to invest in carbon insetting opportunities, such as reforestation, agroforestry, renewable energy adoption, and regenerative agriculture.

Next Steps

In November 2023, ETP presented the results of the Regulatory and Policy Review of the India Tea Sector during our Inaugural India Roundtable.

The session highlighted how policies affect those employed in the Indian tea industry and identified the roles and opportunities for ETP to support the sector and improve the lives of those working in tea. Insights and feedback gathered from the panel discussion and audience are summarised below.

- Workers potentially have access to 71 welfare schemes, yet limited awareness and access are a major challenge. Future schemes must take a bottom-up approach involving community members during planning and development.
- Revision of the PLA must be realistic in terms of resourcing and timing. There is a need for the government to take increased responsibility for the welfare of estate workers.
- ETP can play a role in increasing awareness of available welfare schemes and work alongside producers to support workers in accessing them.
- ETP can act as a facilitator between communities, policy makers, and other stakeholders, and ensure buyers are engaged in policy issues at a local level.

Below: Members of the Buckhial Tea Estate Community Development

We will use the insights gathered from the session to refine and finalise the main findings report, which will later be shared with ETP members. ETP will use the study's findings to help us plan our policy and programme activities in 2024.



Policies, laws, and schemes – simplified matrix

The table below is a simplified version of the matrix developed for this study, mapping each initiative against ETP's outcome areas. It acts a directory for policies, laws and schemes guiding the tea industry's sustainability.

		Supports ETPs outcomes	Support for ETP outcomes is limited	Does not support ETP outcomes	Outside of policies mandate		
Type	Policy, law, or scheme	Description			Economic	Equality	Environment
State level (Assam)	Skill Development and Entrepreneurship Grant for Tea Tribes (SDDPSA)	One-off grants for youths on tea estates to encourage them to invest in self-employment activities outside of tea.					
	Promotion and Development of Tea Tourism Infrastructure in Assam	A public-private partnership scheme, aiming to refurbish tourist facilities and generate employment for the youths in tea.					
	Grants to Women Self-Help Groups (SHGs)	Grant of up to INR 25000 (300.18 USD) from the Tea Welfare Department for each Self-Help Group inside the plantations.					
	Pre-Matric and Post-Matric Scholarship	Provides stipend to disadvantaged pre and post-matric students belonging to tea and ex-tea garden tribes to continue and complete their education.					
	Financial Assistance various courses under Tea Tribe Welfare Department	Financial grants for trainees enrolled in paramedical, skills development and job-orientated courses.					
	Sukanya Samridhi Yojana (SSY)	Small deposit scheme encouraging parents to build a fund for the future education and marriage expenses of their daughters.					
Patient Guest House by Guwahati Medical Hospital for Tea Tribes People	Government scheme supporting disadvantaged patients from tea tribes visiting Guwahati by providing them with accommodation during the duration of treatment.						

National	Public Private Partnership of Assam Government with Tea Garden Hospitals	Making health care services available to tea garden employees and nearby areas by caring for patients who cannot be accommodated in tea garden hospitals.			
	Wage Compensation Scheme for Pregnant Women of Tea Garden	Provides a cash benefit of INR.12,000/- (143.84 USD) in four instalments to pregnant women in tea garden areas to improve maternal and child health outcomes.			
	Promotion of Sports and Youth Welfare Activities	Government scheme to promote football among the tea tribe communities in Assam.			
	Assam State Policy on Climate Change	Highlights how the tea sector can become sustainable amidst climate change by implementing activities such as soil moisture mapping, carbon assessment, water stress-resistant varieties, water-efficient technologies, and pest and disease forecasting.			
	Plantation Labour Act 1951 (PLA)	Mandates the provision of essential amenities for workers and their families. Aims to ensure that labour practices are humane, fair, and compliant with national labour standards.			
	PLA Amendment Act 2010	Broadens the definition of employer, worker and family and addresses all aspects of worker's safety and occupational health. Implements stricter penal provisions for noncompliance with the PLA.			
	Labour Codes (Wages, Social Security, Occupational Safety, Health, and Working Conditions and Industrial)	Simplifies 29 labour laws into 4 labour codes. Makes employee benefit schemes available to all workers, regulates wages, provides medical benefits, and introduces a new social security regime.			
	Draft Tea Promotion and Development Bill 2022 (If passed, it would repeal the Tea Act of 1953)	Aims to remove the redundant provisions of Tea Act which have lost their relevance, recognising and safeguarding the interests of STGs, promoting the ease of doing business and boosting exports.			
	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013 popularly known as POSH Act.	Provides a comprehensive definition of sexual harassment and its forms, expands the definition of the workplace, and applies to women workers. Also mandates the employer to take steps to prevent, prohibit and redress sexual harassment.			

The Protection of Women from Domestic Violence Act, 2005	Defines domestic violence to broadly encompass physical, emotional, verbal, economic, and sexual abuse. Provides mechanisms for the protection and relief of survivors through a comprehensive approach involving law enforcement, support services, and legal aid.			
The Criminal Law (Amendment) Act, 2013, known as the Nirbhaya Act	Recognises several new offences, including sexual harassment, acid attacks, and stalking. Provides an expanded definition of rape, criminalises marital rape, and establishes fast-track courts and amendments to Indian Penal Code.			
Right To Education Act, 2009 (RTE)	Mandates the provision of compulsory and free elementary education to every child (6 to 14 years). Sets out the duties of government, local authority, schools and parents along with necessary norms and guidelines for learning outcomes to be achieved.			
Integrated Child Development Services (ICDS)	Government programme which provides an integrated package of nutrition and health services to children below 6, as well as pregnant and breastfeeding mothers through Anganwadi Centres.			
National Nutrition Mission (POSHAN Abhiyaan)	A multi-ministerial convergence mission and flagship programme to decrease stunting in children aged 0-6 years, reduce anaemia among women and adolescent girls and improve birth weight.			
National Rural Health Mission (NRHM) launched in 2005	Aims to provide accessible, affordable, and quality health care to the rural population, especially vulnerable groups through a community-owned, decentralised health delivery system with inter-sectoral convergence at all levels.			
Ayushman Bharat Pradhan Mantri Jan Arogya Yojana	A public health insurance scheme implemented by the National Health Authority (NHA) in coordination with different ministries of central and state governments, and private and civil society organisations.			
Jal Jeevan Mission 2019	Aims to provide safe and adequate drinking water through individual tap connections to all households in rural India by 2024. It will also implement source sustainability measures, greywater management, water conservation & harvesting.			

International	National Determined Contributions (NDC) for Climate Targets	Commits to reducing emissions intensity, increasing non-fossil fuel-based energy resources, and creating an additional carbon sink, and better adapting to climate change by enhancing investments in sectors vulnerable to climate change among others			
	National Guidelines for Responsible Business Conduct (NGRBC)	A set of nine guiding principles for businesses to follow that include aspects ranging from ethics, transparency and accountability in the conduct of business while simultaneously ensuring human rights, environmental protection and equitable development			
	Business Responsibility and Sustainability Reporting	Seeks disclosure from entities on 9 principles of NGRBC. CFOs are responsible for collecting quality data and providing comprehensive and meaningful disclosures on governance, environment, and social parameters.			
	Corporate Sustainability Due Diligence Directive	Proposes to introduce requirements for companies to identify and prevent, end, or mitigate the actual and potential impacts of their own activities as well as those of the subsidiaries and entities in their value chain, relating to environment and human rights abuses.			
	German Supply Chain Due Diligence Act	Holds companies accountable for the protection of human rights and environmental standards as they relate to their supply chain and includes establishing a risk management system with both preventive and remedial measures.			
	OECD due diligence guidance for responsible business conduct	Addresses actual adverse impacts or potential adverse impacts (risks) of MNEs with respect to human rights, environment, bribery and corruption, disclosure, and consumer interests. Outlines preventive and remedial due diligence measures to be embedded both in policies as well as management systems and supply chain operations.			



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