

MAKING THE BUSINESS CASE: TEA WORKER NUTRITION PROGRAMMES

A STUDY FROM INDIA



November 2019

ABOUT GAIN

The Global Alliance for Improved Nutrition (GAIN) is a Swiss-based foundation launched at the UN in 2002 to tackle the human suffering caused by malnutrition. Working with governments, businesses and civil society, we aim to transform food systems so that they deliver more nutritious food for all people, especially the most vulnerable.

ABOUT NEWFORESIGHT

NewForesight is a strategy consulting firm dedicated to driving change. It partners with leading clients from the private, public and not-for-profit sectors who want to find structural solutions to some of the most critical sustainability challenges of our generation and turn them into market opportunities.

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SUMMARY

This study summarises the findings of research undertaken by GAIN and NewForesight to explore the business case for investing in and implementing nutrition programmes from the perspective of Amalgamated Plantations (APPL), one of India's largest tea producers, and Unilever, a major tea buyer.

The study suggests that, for APPL, improved workers' health and the potential knock-on financial benefits for business were key motivators. For both APPL and Unilever, managing reputational risk and brand reputation were also key drivers. Because of the challenging financial context for plantations in the tea sector in India, integrating programmes into existing approaches and bringing in partners with funding, expertise and capacity are key to the success of nutrition programmes in the tea value chain.

DEFINITIONS

- **A nutrition programme in value chains** uses existing channels to reach workers e.g. workers and small holder farmers in the tea sector, or factory workers in the garment sector.
- **The business case** is the overall sum of costs and benefits, financial or otherwise, for different stakeholder surrounding the nutrition programme (Figure 1).

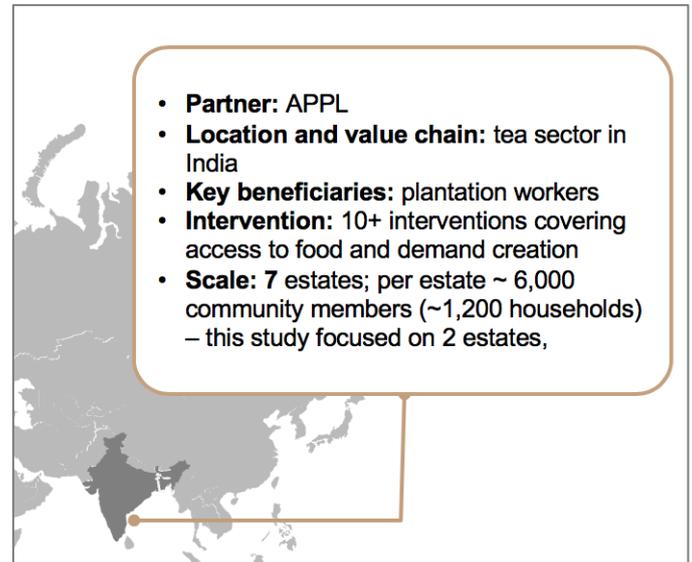
KEY FINDINGS

- **Increased profitability was APPL's primary motivation for implementing nutrition programmes**, with an assumption that improved worker health would bring financial benefits. **Managing reputational risk** was also a key driver for APPL, given negative media attention around the conditions for estate workers and communities in the Indian tea sector.
- **Meeting workers' health and nutrition needs was a key driver for both APPL and Unilever.** For APPL, worker health was linked to increased profits; for Unilever, this was part of fulfilling sustainability commitments and building consumer awareness of Unilever's sustainability work.
- **Tea estates provide valuable existing infrastructure through which to deliver nutrition programmes**, making programmes more cost effective and scalable. This is particularly important in the Indian context, where tea estates have other priorities which they must address by law or to meet certification requirements, such as sanitation, housing or worker safety.
- **Tea plantations in the tea sector do not make enough returns** to cover the high costs of providing additional services and benefits to their workers beyond the legal requirements. Because of this, tea producers need financial and technical support to make the case for and implement nutrition programmes.
- **Based on the strong fit with Unilever's sustainability priorities**, Unilever has committed to scaling its involvement and investment in nutrition programmes across the tea sector, working with GAIN, the Ethical Tea Partnership and other tea companies.

BACKGROUND

The challenge

One in three people globally suffers from at least one type of malnutrition, a challenge reflected in the Sustainable Development Goal 2 target to end malnutrition in all its forms. India faces multiple burdens of malnutrition: 51.4% of women of reproductive age have anaemia, and 9.1% of adult men and 8.3% of adult women have diabetes. 38% of children under 5 are stunted, while 5.1% of women and 2.7% of men are obese (Global Nutrition Report, 2019). These burdens are reflected on tea estates where small studies in Assam suggest higher than average rates of anaemia (Mahanta et al, 2014; Mehdi et al, 2006), and hypertension (due to high salt intake) (Borah et al 2018; Mahanta et al, 2013).



Robust evidence suggests that workforce nutrition programmes¹ bring benefits to employers, such as reduced absenteeism (Berry et al, 2010; Brown et al, 2016), enhanced productivity (Ibid) and returns on investment of up to 6:1 (Berry et al, 2010; Chapman et al, 2012)². The value chain is an effective entry point as it is an established and organised delivery channel where similar services are already provided. Nutrition programmes in value chains focus on increasing access to and demand for healthy food.

APPL's nutrition programme in Assam

APPL is one of a number of companies implementing the 'Seeds of Prosperity 2.0' programme in seven estates across Assam, with the aim of improving workers' and their families' access to and demand for nutritious food, and developing approaches which can feed into future nutrition programmes. APPL is implementing the programme in two estates, with a reach of approximately 1,200 households and 6,000 people.

The main programme components are:

- **Improving access to food** through community kitchen gardens, fruit orchards, and estate nutrition shops.

¹ Workforce nutrition programmes aim to improve the access and demand for healthier diets using existing business structures as entry point (workplaces or supply chains).

² Workforce Nutrition evidence briefs available at: <https://www.gainhealth.org/resources/reports-and-publications/evidence-workforce-nutrition-programmes>

- **Creating demand for nutritious food** through home awareness training, cooking demonstrations, cooking competitions, videos on nutrition, nutrition games in schools, street plays, wall painting and poster campaigns, and a nutrition festival.
- **Addressing nutrition-related health issues** through awareness training which includes messaging on good hygiene.

Programme partners are APPL, GAIN, the North-East Affected Area Development Society (NEADS), and the Ministry of Foreign Affairs of the Netherlands. Unilever was a partner in the previous Seeds of Prosperity programme, and has committed to future nutrition programmes.

METHODOLOGY

NewForesight undertook structured interviews with APPL and Unilever employees, and carried out market research and an in-depth in-country analysis to probe the companies' motivations for investing in nutrition programmes. The study extended the definition of 'business case' beyond financial returns on investment to cover a broad range of motivations that provide a compelling reason for companies to act (Figure 1).

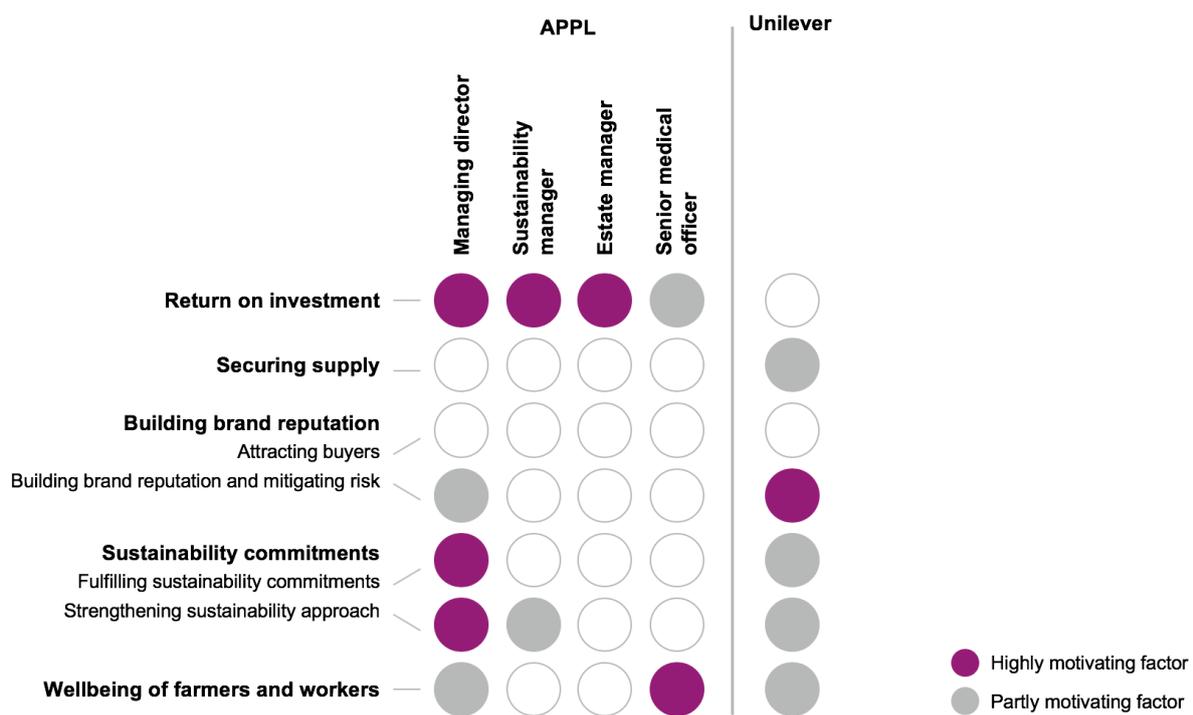
Figure 1: Business case motivation categories



FINDINGS

The study found that, in a challenging and competitive sector, APPL's primary motivations for investing in nutrition programmes were around anticipated financial returns stemming from increased worker productivity, fewer sick days and decreased medical costs – all of which were expected to have a direct impact on APPL's core business. For Unilever, brand reputation was the primary motivation, closely linked to fulfilling its sustainability commitments and building its brand around these commitments towards consumers.

Figure 2: Motivations for investing in nutrition programmes for workers in tea value chains.



Brand strengthening and reputation management are key parts of the business case for APPL and Unilever.

- For APPL, mitigating reputational risk through investing in sustainability is a motivating factor, given negative publicity about social conditions on estates.
- For Unilever, nutrition programmes are part of its sustainability commitments; they also contribute to building a relationship with customers around the company's sustainability work.

For both companies, strengthening sustainability approaches was part of the motivation for implementing nutrition programmes:

- APPL aims to empower its workers and communities so that the tea sector is a desirable choice for them. APPL also anticipates that improved worker health will benefit the financial sustainability of the business, in the form of a reduction in health-related absenteeism and reduced medical costs. A robust impact measurement system is in place to measure this, and the results will be key to APPL's decision on whether to continue or not.
- Unilever expects better health outcomes to create financial benefits at producer level, contributing to a more reliable and sustainable supply chain.

APPL and Unilever reported meeting workers' health and nutrition needs as key drivers. For APPL, worker health was linked to increased profits; for Unilever, this was seen as part of fulfilling sustainability commitments.

Tea estates provide a valuable existing infrastructure through which to deliver nutrition interventions, making programmes more cost effective and scalable. This is particularly important in a context where tea estates have priorities which they must address by law or to meet certification requirements for certain export markets, such as sanitation, housing or worker safety. The competitive nature of the tea sector in India means that tea producers need financial and technical support to make the case for - and implement - nutrition programmes.

CONCLUSIONS

The competitiveness and challenging financial context of the tea sector places interventions that are expected to directly and visibly impact APPL at the centre of the business case motivations. These interventions include those that are expected to impact the profitability of APPL – such as decreased absenteeism, decreased medical costs, and higher worker productivity – and those that mitigate reputational risks. The extent to which these expected impacts materialise is being evaluated through rigorous monitoring and evaluation, and this will inform APPL's decisions on future investments in nutrition programmes. For Unilever, the programme's contribution to a sustainable supply chain and to Unilever's sustainability commitments, has led Unilever to make an additional commitment of €750,000 to scale up nutrition programmes, with a continued focus on the health and diets of workers and farmers in India and Rwanda.

FIND OUT MORE OR GET INVOLVED

See the other briefs in the series and find out more about GAIN's workforce nutrition programme at: www.gainhealth.org

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