



Modern Slavery Statement

INTRODUCTION

This Modern Slavery and Human Trafficking annual statement is published in accordance with Section 54 of the UK Modern Slavery Act 2015. The statement outlines the steps James Finlay Limited ('Finlays') has taken to mitigate the risks of modern slavery covering the financial year ending 31 December 2023.

Forced labour and modern slavery continues to be a critical human rights issue globally. Both can take many forms, including forced labour through physical or psychological coercion, extreme indebtedness, and restrictions on freedom of movement through document retention. The ILO¹ estimates that 28 million people are in forced labour situations. It's imperative for companies to act and make it clear that there's no place for such practices in any value chain.

Respect for human rights is of paramount importance to Finlays and to all members of the Finlays group. Finlays is committed to respecting labour rights in our own operations and supply chain activities. We are committed to upholding the Ethical Trading Initiative Base Code standards, providing high standard working conditions and protecting worker's safety and health. We recognise that protecting human rights is a continual and iterative process and continually seek to improve our practices as we understand more about the nature and risks of modern slavery, and human rights impacts in the natural beverages industry.

Finlays' Human Rights Policy, Sustainable Sourcing Policy and our Code of Conduct prohibit the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking anywhere in our supply chain.

¹ <https://www.ilo.org/topics/forced-labour-modern-slavery-and-trafficking-persons>

ABOUT US

GROUP STRUCTURE AND OPERATIONS

Finlays is a leading B2B manufacturer and supplier of tea, coffee, extracts and botanical solutions.

Finlays², as James Finlay Limited, is headquartered in the UK and operates in many parts of the world, across a diverse spread of geographies, cultures and languages. Whilst respecting local cultures, we seek to build a common operating culture within Finlays. See below the network map for the location of our own operations.

We own a tea estate and black tea manufacturing facilities in Argentina, and at the end of 2023, we sold our tea estate in Kenya. However, we maintain ownership of a tea extraction facility on the same site in Kericho, Kenya. This reflects a strategic shift for Finlays away from tea growing, to focus on providing extracts solutions. As we maintain a big role in buying tea, we have direct contracts with producers in all major tea-growing regions and also purchase through auctions. For coffee, we source from cooperatives and mills, many of which we have direct contracts with.

We own and operate a number of manufacturing sites for both tea and coffee, where we turn the raw materials into finished products for our customers. We have a global commercial function to support customers around the world by supplying tea, coffee and botanical products, either from our own or third-party facilities.

² This statement for James Finlay Limited covers the entire Finlays group of companies, including but not limited to the following UK entities: James Finlay Limited, Finlay Beverages Limited, Finlay Hull Limited



BUSINESS STRUCTURE



EMPLOYEE DATA

Country	Total Number of Employees	Number of Male Employees	Number of Female Employees
Argentina	336	300	36
China	34	18	16
Indonesia	2	1	1
Kenya	5,706	3,968	1,738
Malawi	3	2	1
Sri Lanka	235	193	42
United Arab Emirates	6	4	2
United Kingdom	403	259	145
United States of America	248	153	95
TOTAL 2023	6,973	4,898	2,076
TOTAL 2023 (following sale of JFK)	1,795	1,346	450

Note: This data covers the headcount of permanent and fixed-term employees of Finlays as at the end of December 2023. We have included employee figures from James Finlay Kenya, which were correct at the end of November 2023, when it was sold to Browns Plantations.



SUSTAINABILITY PRIORITIES

In 2023 Finlays launched its new sustainability strategy, Sustainable Future 2030, which defines our ambition and priorities up to 2030. It consists of 3 key pillars of Climate Net Zero, Sustainable Supply and Our People:



**SUSTAINABLE
FUTURE 2030**

**PILLARS
AND
PRIORITIES**

 <p>CLIMATE NET ZERO <i>Protecting the Planet to Safeguard Tea and Coffee</i></p>	<p>Achieve 50% reduction in Scope 1 & 2 emissions by 2030 and net-zero emissions by 2040</p>	<p>Focus Areas</p> <ul style="list-style-type: none">• Scope 1, 2 and 3 emissions reduction roadmaps• Supplier engagement programme• Carbon mitigation approach• Framework for protecting nature
 <p>SUSTAINABLE SUPPLY <i>Building Trusted Partnerships for Stronger Supply Chains</i></p>	<p>Sustainable and ethical sourcing across tea, coffee, and extracts by 2030</p>	<p>Focus Areas</p> <ul style="list-style-type: none">• Improve traceability• Enhanced supplier due diligence• Manage performance and risk of key suppliers• Partner with suppliers on continuous improvement
 <p>OUR PEOPLE <i>Advancing Human Rights to Empower All</i></p>	<p>A business where people are valued and treated fairly, encouraging growth and development</p>	<p>Focus Areas</p> <ul style="list-style-type: none">• Human Rights Due Diligence approach• Achieve 39% women in management by 2027• Strengthen approach to being a diverse and inclusive business• Become a Living Wage Employer

As part of our new sustainability strategy, Finlays is refreshing and systematising our approach to human rights by implementing and embedding a human rights due diligence (HRDD) framework. Modern slavery will be covered by our HRDD approach.

In 2023, Partner Africa, an independent NGO specialising in responsible business practices, conducted a human rights due diligence gap analysis on Finlays that included a documentation review and interviews with senior leaders. This has helped the business better understand our current management capacity, reflect on our existing activities, and identify gaps in our approach to human rights. A key finding to emerge from the exercise was that there are numerous signs of ad-hoc human rights activities at Finlays, but they are not yet systematised. Finlays' approach to managing human rights was considered developing, or at 'emerging' level.

We have shared and discussed the findings and recommendations of the gap analysis with key internal stakeholders, and developed an action plan to start embedding HRDD processes in 2024 and beyond.





GOVERNANCE & LIVING OUR VALUES THROUGH FINLAYS' POLICIES

GOVERNANCE

Within our own operations, accountability and responsibility for human rights and modern slavery sits with the Group Human Resources Director and the Group Director of Corporate Affairs. They are supported by a working group consisting of the HR Directors from each business and the Group Sustainability team.

For our supply chain, responsibility for human rights and modern slavery sits with the Group Director of Corporate Affairs. They are supported by a cross-functional working group consisting of Group Sourcing, Group Sustainability and Group Quality.

Commitment and delivery at operating company level are owned by the Managing Director of each business. All Directors report into either the Group Managing Director or the Group Chief Operating Officer.

The board of James Finlay Limited provide oversight of our sustainability agenda inclusive of our approach to human rights and modern slavery.



POLICIES

James Finlay Limited's Human Rights Policy, Sustainable Sourcing Policy and the Code of Conduct align with the UN Guiding Principles on Business and Human Rights. They prohibit the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking. These policies apply to James Finlay Limited and its subsidiaries. Our commitment to people is supported by our policies, memberships in multi-stakeholder initiatives and governance.

Human Rights policy

As an Ethical Trading Initiative³ (ETI) member, Finlays has adopted the ETI Base Code of labour practice throughout our own operations and, where possible, our supply chains. The ETI Base Code is built on the Conventions of the International Labour Organisation (ILO) and addresses issues such as forced or bonded labour, child labour, wages, hours of work, health and safety and discrimination. These are incorporated in our updated Human Rights policy.

Sustainable Sourcing Policy

We consider that the greatest risk of modern slavery, human trafficking and child labour is in our supply chain where operational oversight is out of our direct control. We therefore engage with our suppliers to make them aware of the requirement to comply with our Sustainable Sourcing policy, which includes the ETI Base Code. Through this policy, suppliers commit to acting responsibly and ethically, and to cascading the requirements further up the supply chain. The Sustainable Sourcing Policy establishes our right to make site visits, undertake audits of our suppliers or to request specific information and documentation to verify compliance. We also have processes in place to monitor compliance through our Supplier Relationship Management programme and through third-party assurance schemes. Suppliers that don't meet Finlays standards are not approved and onboarded, or we work with them to make the required improvements.

Code of Conduct

Through Finlays [Code of Conduct](#), we emphasise that we are committed to doing business with no tolerance for unethical practices. We uphold high standards of responsible and ethical behaviour in our own operations and look for similar commitment in our business partners. Our Code of Conduct sets out our requirements on human rights, environmental and social impact, and reporting channels available to report any breaches of our standards and policies.

³ The Ethical Trading Initiative is a leading alliance of companies, trade unions and non-governmental organisations that promotes respect for workers' rights around the globe. Finlays has been a corporate member of ETI since 2009.

REPORTING GRIEVANCES

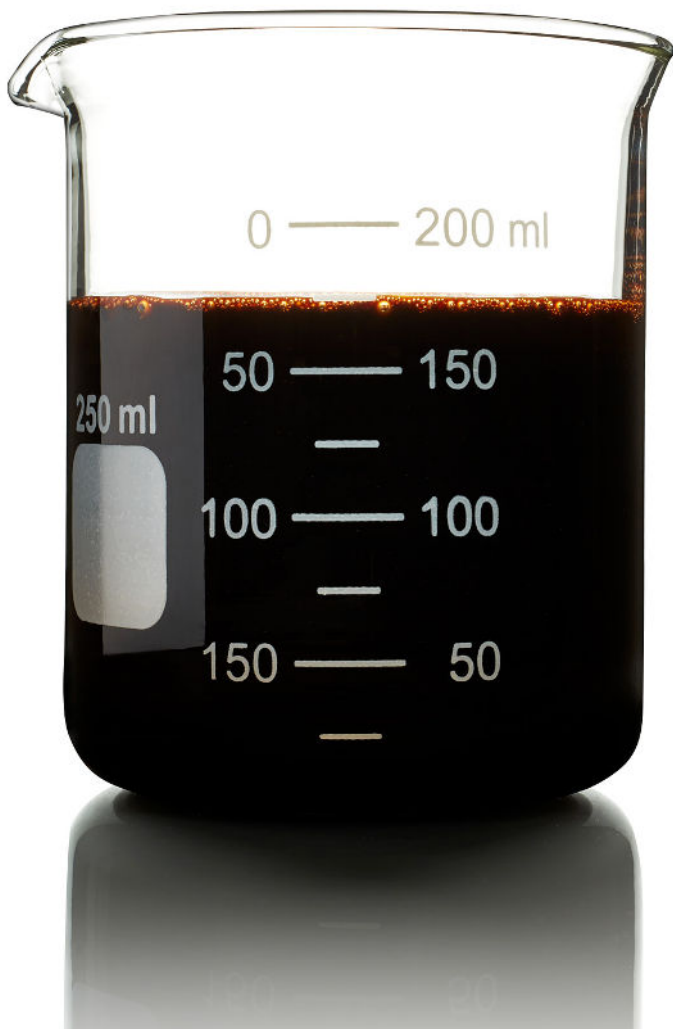
Finlays recognises that breaches of these key policies detailed above could cause significant harm. Everyone has a responsibility to raise concerns and we do not tolerate retaliation of any kind against anyone who raises a concern in good faith. We encourage a speak-up culture within our organisation, which is regularly reinforced, and we are determined to empower our employees to do the right thing.

Finlay's employees are provided with multiple internal mechanisms to report violations of Company policy or law. Finlays provides an independent third-party system to allow employees and workers in the supply chain to report any violation which is available in multiple languages via [SeeHearSpeakUp](#) 24/7.

Any matter that has been reported or raised is fully investigated in a timely manner according to our grievance procedures and remediation process. This ensures a transparent, unbiased, and fair resolution and access to remedy if required.

Finlays Whistleblowing Policy

The Whistleblowing policy is designed to ensure that concerns can be raised about wrongdoing or malpractice at Finlays without fear of victimisation or retaliation, subsequent discrimination, disadvantage or dismissal. Finlays employees and contracted workers can voice their concerns through their line manager, any senior manager, or the Director of Corporate Affairs, HR Director, or John Swire & Sons Head of Internal Audit. They can also use SeeHearSpeakUp, an external, independent, and confidential third-party whistleblowing service in multiple languages that allows staff to anonymously voice any concerns they have, or issues that need addressing. Any issues raised to SeeHearSpeakUp are reported to James Finlay Limited for further investigation by the Senior Management Committee.





OUR FOCUS AREAS

OWN OPERATIONS

We have primarily focused on our UK operations and building awareness of the issues and identification of modern slavery. Our goal is to embed a proactive approach to Human Rights, where our employees are empowered with the knowledge to make decisions that help advance Finlay's human rights approach.

Raising Awareness and Training:

- 🌿 The Global Executive Team have received face to face training from Impactt, a specialist ethical trade consultancy, about human rights and modern slavery.
- 🌿 In 2023, the global management team took part in a number of engagement and workshop sessions on human rights due diligence.
- 🌿 An online training course on modern slavery has been developed and launched on Finlays Academy, our internal learning platform. This is available to employees at all business units. It is mandatory to complete the online training for all employees in the UK and is included as part of induction for new employees.
- 🌿 At our operations in Finlay Beverages, a manufacturing site where the potential risk of modern slavery is higher, Stronger Together⁴ has delivered face to face workshops for all employees at the site.

Due diligence:

- 🌿 In the UK we undertake due diligence and audits of our employment agency providers every six-months to ensure they are not engaging in modern slavery.
- 🌿 We include information about modern slavery as part of UK agency worker inductions and carry out periodic face to face checks with agency workers to check for signs or any issues.

⁴ Stronger Together is a not-for-profit organisation that provides businesses with practical training, resources, and business services to ensure responsible recruitment and fair work free from exploitation

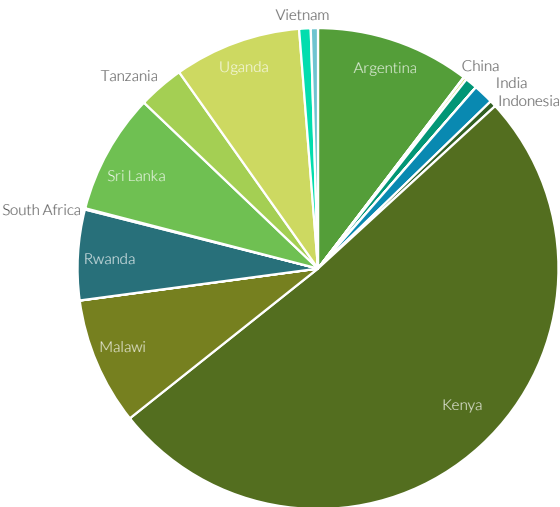


SUPPLY CHAIN

Tea Sourcing: We source Green Leaf from our own tea farms and through farming cooperatives, and we source Made Tea from our own tea farms, private contracts with third-party suppliers and through Auctions. In 2023, over 77% of the volume of tea we bought was from East Africa, with the biggest proportion from Kenya. Argentina and Sri Lanka were the next most significant origins for Finlays.

OUR SUPPLY CHAIN Tea

% volume of tea purchased in 2023 per origin



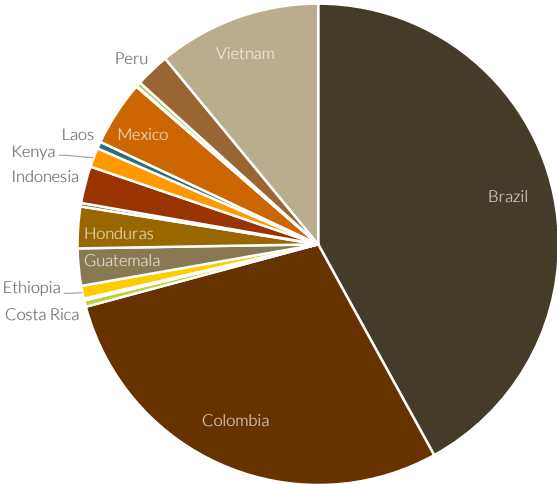
Country of origin	% volume	No. of factories
Argentina	10.36%	24
Brazil	0.03%	1
Burundi	0.19%	6
China	0.81%	22
Congo	0.01%	1
India	1.35%	81
Indonesia	0.43%	4
Kenya	51.11%	160
Malawi	8.57%	18
Mozambique	0.01%	1
Rwanda	6.07%	18
South Africa	0.08%	1
Sri Lanka	8.08%	594
Tanzania	3.08%	15
Uganda	8.54%	42
Vietnam	0.77%	10
Zimbabwe	0.48%	6
Total	100%	1,004



Coffee Sourcing: We source our green bean coffee through private contracts with farmers, farming cooperatives and others. We have built close relationships with many of our coffee suppliers, having worked with them for a number of years. For green bean coffee supply chains, Brazil, Colombia and Vietnam accounted for 81% of the volume bought in 2023.

OUR SUPPLY CHAIN
Green bean coffee

% volume of green bean coffee purchased in 2023 per origin



Country of origin	% volume	No. of mills*
Brazil	42.00%	16
Colombia	28.82%	18
Costa Rica	0.43%	2
DRC	0.12%	1
Ethiopia	0.86%	3
Guatemala	2.50%	2
Honduras	2.79%	7
India	0.23%	1
Indonesia	2.48%	7
Kenya	1.29%	2
Laos	0.47%	1
Mexico	4.37%	4
Nicaragua	0.06%	-
Papua New Guinea	0.30%	1
Peru	2.31%	5
Vietnam	10.97%	3
Total	100%	73

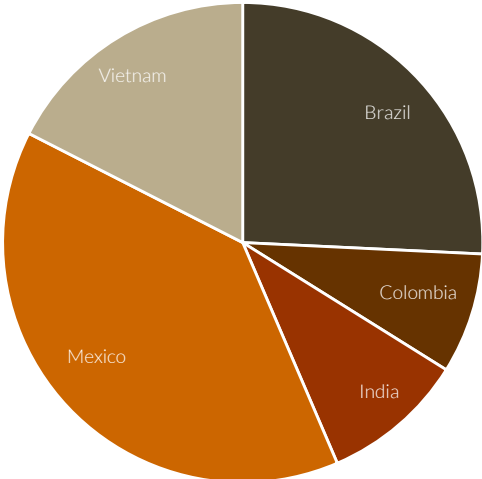
*where traceable to the mill



We buy soluble coffee direct from third-party manufacturers. We currently trace back, at a minimum, to the green bean coffee supplier of the final manufacturer. In many cases we have traceability back to the mill, and we continue to push our suppliers to provide increased traceability. For soluble coffee, we focus our due diligence efforts on the manufacturers, so we report number of manufacturers rather than number of coffee mills.

OUR SUPPLY CHAIN Soluble coffee

% volume of soluble coffee purchased in 2023
per location of manufacturing site



Country	% volume	No. of manufacturers
Brazil	26%	3
Colombia	8%	2
India	10%	1
Mexico	39%	2
Vietnam	17%	1
Total	100%	9





Traceability

Traceability provides the foundation and first step to understanding the potential risks of modern slavery in our supply chain. At the end of 2023:

- 100% of our leaf tea was traceable to tea garden/mark/factory.
- 94% of our green bean coffee was traceable to producer group or mill.
- 72% of our soluble coffee was traceable to green bean supplier. There are traceability challenges within the soluble coffee supply chain due to commercially restrictive sourcing options.

Risk assessment and due diligence

As part of our commitment to building a fully traceable and transparent supply chain, we have developed a cross-departmental supplier risk assessment tool. This risk assessment is undertaken annually. It aims to identify the inherent and site level risks associated with each of our suppliers from a quality, regulatory and sustainability perspective.

For sustainability, the risk assessment covers:

- Inherent risks, including labour and human rights risks associated with tea and coffee production in each country of origin. This is based on a number of sources such as: Sedex radar tool, Rainforest Alliance Risk scores, Global Slavery Index, ITUC Global Rights Index, Human Rights impact assessments, and media reports.
- Sustainability certifications or third-party audits associated with each supplier.
- Whether the supplier commits to our Sustainable Sourcing Policy.

Following this risk assessment, we identify and prioritise higher risk suppliers to determine our audit plans. This may result in either a desktop or physical audit to better understand the risks of those suppliers. We continue to assess suppliers through answers provided in our Supplier Assessment Questionnaire (SAQ) and in 2023 we developed and launched a new sustainability SAQ with additional questions regarding human rights and sustainability to gather more information about our suppliers and improve our due diligence efforts. We are asking suppliers to complete the Sustainability SAQ in a phased approach, starting with our key suppliers, any new supplier being onboarded, and any supplier being re-audited as part of our 3-year audit cycle.

Certifications

Where possible, we look to buy from suppliers that are third-party certified e.g., Rainforest Alliance, Fairtrade. These schemes set minimum standards on human rights, including modern slavery, and ensure that regular third-party audits are carried out. Many of Finlays own sites are also Rainforest Alliance and Fairtrade certified.

Supplier management

As part of our Supplier Relationship Management (SRM) programme, we segment our tea and coffee suppliers to identify our most strategic suppliers and those where we have most leverage and influence. This will enable us to prioritise and deepen our relationships with these suppliers and focus on performance management. As part of the new Sustainable Future 2030 strategy, Finlays will engage more frequently with these suppliers, including on sustainability and human rights risks, and support them in mitigating actual and potential impacts through supplier development and continuous improvement. We will also progress with mapping, prioritising and risk assessing non-tea and coffee suppliers.

FOCUS AREAS FOR 2024

Progress in 2023:

In 2023, we were not able to complete some of our planned activities due to changes in the business structure and a focus on developing Finlays new sustainability strategy. Through our Sustainable Future 2030 strategy, we aim to have a stronger focus on human rights and to further embed it across the business. 2023 focused on building the foundations of the strategy such as working to improve data collection and management and developing and launching additional resources for supplier management. We also completed an HRDD gap analysis and have developed an action plan to improve our approach to human rights due diligence.

Our focus areas for 2024 include:

- ✔ Conduct a systematic Human Rights Risk Assessment to identify the most salient risks to the global business and to understand where we will focus our efforts and develop clear action plans.
- ✔ Focus on embedding and consolidating our modern slavery training programmes, making it mandatory for all employees across all Business Units, not just the UK.
- ✔ Make progress against our human rights due diligence action plan to improve the systematisation of identifying, managing, and mitigating human rights risks.
- ✔ Review and update our grievance and safeguarding policies.
- ✔ Implementing our Supplier Relationship Management programme to provide a consistent and systematic approach to supplier engagement and management, including mitigation of risks.
- ✔ Join the UN Global Compact.

This statement was approved by the Group Managing Director on behalf of James Finlay Limited on 24.06.2024.



James Woodrow

