

# James Finlay Limited Modern Slavery Statement

At Finlays the lessons of our long history feel more relevant today than ever. We are drawing on our long-held values to create a better future for our colleagues and the communities that we influence. That means harnessing new technologies in a responsible way – ensuring future innovations drive our industry to new heights, delivering healthy products to the world. It means continuing the tradition of fair dealing that has helped us build life-long relationships and thriving communities.

As a business with an ethical framework of good employment practice, Finlays is committed to providing good working conditions for its employees, in accordance with international standards, and to protecting their safety and health.

Finlays recognises that modern slavery as an issue has become increasingly visible and takes seriously its moral and legal duties in this regard. Finlays has put in place measures to prevent, detect and manage incidences of modern slavery, and has engaged in this regard with a number of our stakeholders including the Ethical Trading Initiative (of which it is a Group-wide member) and Stronger Together: an organisation focused on raising awareness of and providing training for the prevention of modern slavery.

James Finlay Limited<sup>1</sup> is committed to fully complying with our obligations under the Modern Slavery Act and many of the group's initiatives, policies and procedures go beyond the minimum standards set out in legislation.

*Statement on slavery and Human Trafficking relating to the year ending 31 December 2018*

## About us



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<sup>1</sup> This statement for James Finlay Limited covers the entire Finlays group of companies, including not limited to the following UK entities: James Finlay Limited, Finlay Beverages Limited, Finlay Hull Limited, Finlay Extracts and Ingredients UK Limited

## Finlays Fast Facts



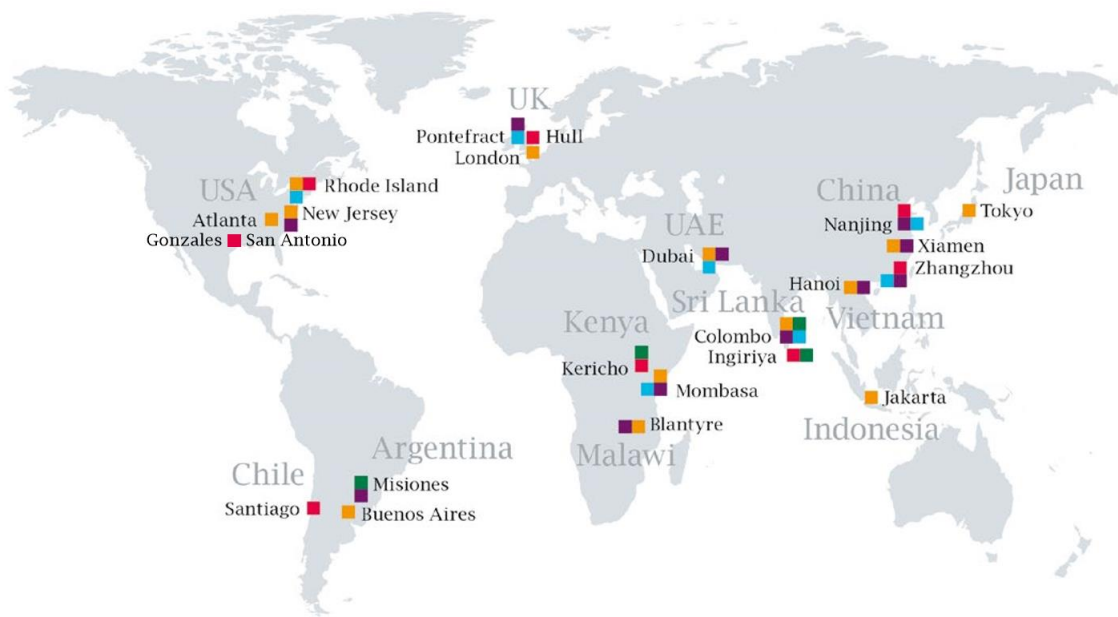
### Group structure

Finlays operates in many parts of the world, across a diverse spread of geographies, cultures and languages. Whilst respecting local cultures, we also seek to build a common operating culture within Finlays.

We have a unique position, in that we own and operate a vertically integrated global supply chain for tea, which spans tea farms and direct contracts in all major tea-growing regions, some of which we have owned for over a century.

And we operate a global, customer-focussed commercial function to support customers around the world to supply tea, coffee extracts and botanical extracts (either from our own facilities or those of others). We act as a trusted global business partner. Furthermore, we specialise in technology and processes that 'bring the best from bush to cup'.

The company was founded in 1750 and has established itself as a trusted partner in the beverage industry while continuing to grow profitably and sustainably. Finlays is wholly owned by John Swire & Sons Limited and is headquartered in London.



- Trading/sales offices
- Manufacturing sites
- Tea estates
- Blending
- Packing facilities

We employ over 25,000 employees, globally. Our primary markets are in the UK, USA and Asia.

**Total Net Sales:** US\$ 505,488,000

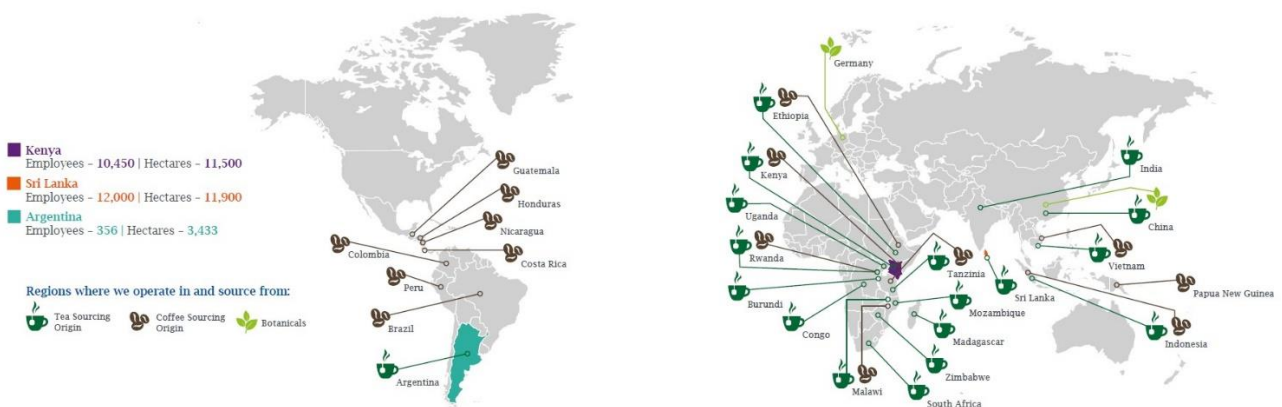
**Total Capitalisation broken down in terms of debt and equity:**

**Debt:** US\$268,964,000; **Equity:** US\$502,123,000

### Our supply chain

Our tea is sourced from our own estates, through private contract with farmers, farming co-operatives and others. The majority of our suppliers are members of a quality assurance scheme (SEDEX, Rainforest Alliance, Fairtrade or ETP). The assurance schemes all set minimum standards on human rights (including modern slavery) and regular audits are carried out. (We are working on systems for review of suppliers who do not hold membership of an appropriate assurance scheme).

Our coffee is sourced through private contracts with farmers, farming co-operatives and others. Many of our suppliers are members of the quality assurance schemes listed above. [We are working on systems for review of other suppliers.]



- Kenya  
Employees - 10,450 | Hectares - 11,500
- Sri Lanka  
Employees - 12,000 | Hectares - 11,900
- Argentina  
Employees - 356 | Hectares - 3,433

Regions where we operate in and source from:

- Tea Sourcing Origin
- Coffee Sourcing Origin
- Botanicals

Transparency, certification and assurance we currently hold:

RA, FT, UTZ, Organic, ISO14001, SMETA



In addition to ingredients for our products, our supply chain also provides services to cater for the operational needs of our manufacturing plants and other elements of our business.

### **Sustainability: Human rights and commitment to people**

The group launched its first Sustainability Strategy in 2008 (last updated in 2018), within which we set out a vision and six key commitments, including a commitment to our people stating that “we strive to make Finlays an enjoyable and rewarding place to work that nurtures our people for the benefit of the individual, the company and the community”. Progress in implementing the Sustainability Strategy is regularly reviewed.

Our commitment to people is supported by our policies, memberships in multi stakeholder initiatives and governance.

The Ethical Trade 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. As a 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 based on the conventions of the International Labour Organisation (ILO) and addresses issues like wages, hours of work, health and safety and discrimination including forced or bonded labour.

The policies that support our commitment to eradicating Modern Slavery are:

- Sustainable Sourcing Policy
- Group Procurement Policy
- Group Code of Conduct
- Group Whistle Blower Policy

We believe that the risk of slavery, human trafficking and child labour within our own organisation is substantially mitigated by the policies, practices and training that we have in place.

Specific measures that have been implemented include:

- Conducting modern slavery risk assessments within all our businesses around the world;
- Providing training for our management and colleagues most likely to encounter cases of modern slavery;
- Including a review of our anti modern slavery processes in our internal audit risk cycle.

We consider that the greatest risk of modern slavery, human trafficking and child labour exists within our supply chain, where operations and oversight are out of our direct control. As described above, we have processes in place to monitor compliance among our community of suppliers through third party assurance schemes. We are continuing to work to ensure that our suppliers demonstrably work to the standards that we require. Suppliers are also made aware of the requirement to comply with our Sustainable Sourcing policy.

Responsibility for Modern Slavery Compliance sits with our Group MD, our Director of Corporate Affairs, our Group Head of Sustainability, and members of Finlays global Executive. Sustainability is reported twice per year to Finlays Main Board as a standing agenda item which includes a review of Modern Slavery Compliance.

Our functional teams provide oversight, facilitation and guidance. Commitment is owned by each business head and subsequent senior managers across our regions of operation. Each regional head has sustainability KPIs built into their performance analysis. Our strategic sustainable objectives are aligned with our core business strategy, values and vision.

### **Access to Remedy**

We encourage an open culture within our organisation giving employees and third parties the opportunity to raise concerns in any area. For colleagues and third parties who are not able to speak openly, we operate an external, independent, confidential and anonymous third-party reporting service (or 'whistle-blower hotline') for the reporting of issues or concerns regarding our Code of Conduct or any other matter; through free phone numbers and by email. Use of this line is open to all employees, contractors, suppliers, customers and other third parties. We promote this reporting system across the Group.

### **Effectiveness and review**

Traceability framework is being built and the sustainable sourcing policy is being rolled out throughout our supply chain. The key performance indicators for our supply chain are based on the data we collect from the SMETA audits and third-party certification audits.

The Director of Corporate Affairs undertakes an annual process whereby management worldwide is required to positively affirm that it is aware of our Code of Conduct.

### **Initiatives for 2019**

During 2019, we intend to:

- Further strengthen our supply chain practices and procedures where we engage third parties;
- Refresh our Code of Ethics, Human Rights policy and increase training in this area.

This statement was approved by the group Managing Director on behalf of James Finlay Limited on 12 June 2019.

A handwritten signature in black ink, appearing to read 'Guy Chambers', with a horizontal line underneath it.

Guy Chambers

Group Managing Director on behalf of the board of James Finlay Limited