

# 1750

BY FINLAYS

ISSUE 166

Focus on Kenya







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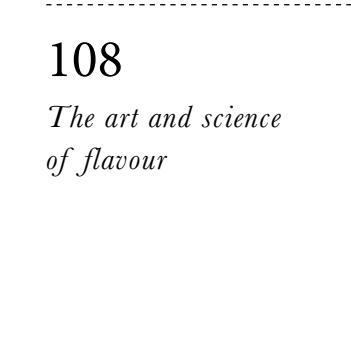
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## WELCOME



WELCOME to 1750 – Finlays’ review of the year in the natural beverage industry!

At the time of writing in April 2020, the world remains in the grip of COVID-19. The impact this is having - both on human life

and on global businesses - is enormous and we are doing all we can to support our staff, communities and customers around the world. It is my sincere hope that whenever you are reading this, fast progress is being made to bring the situation under control.

Since the publication of the revised format of this magazine, the response from customers, suppliers, staff and other stakeholders has been overwhelming. The changes that we made to the magazine – improving our imagery and overall quality – have met with very positive support around the world.

At a time when we are often drowning in digital information, many people have praised our adoption of this approach to a printed magazine. In last year’s edition, I shared the view that 1750 would seek to use our global coverage and industry knowledge to provide a unique perspective to readers – employees, customers and interested stakeholders alike. With your support, we will continue in this endeavor.

In this issue, we cover a broad range of perspectives on the beverage industry. Our main feature article looks at our business in Kenya and explores some of the key issues facing the company and the community in which we operate. We also continue to explore the broad themes of tradition and innovation in the natural beverage industry by looking at the development of teaware with one of the world’s leading experts – Colin Sheaf, Deputy Chairman of Bonhams auction house.

Elsewhere, you’ll find articles profiling two longstanding customers – Bigelow Tea in the US and May Foods in Russia –

and hear from Charley Snell, the new CEO of Finlays Americas, on why he thinks cold brew coffee is about to have its global moment. Meanwhile, our Insights Team divines the key beverage trends for the next decade, and a leading bartender explains why coffee and tea are such a big focus in the world of cocktails. As usual, we also share some of the most interesting and exciting news and ideas from around the world of Finlays.

Our company’s financial performance in 2019 was solid, albeit somewhat below our expectations. Low tea prices in Kenya and Sri Lanka presented challenges to the whole tea industry – us included. Shortfalls from Kenya and Sri Lanka were partially offset by encouraging results from Argentina, which started to benefit from a restructuring of the business implemented in 2018. Tea extracts performance in China was positive, helped by operational efficiencies.

Finlays continued to drive strong growth of coffee extracts in the US – especially in cold brew coffee, where the company now has a leading position. Leaf sourcing also grew – primarily driven by continued solid performance by the team in Mombasa.

Overall, the global Finlays’ team continues to display solid professionalism, deep experience and entrepreneurial spirit – even when faced with adverse market conditions. Every day, I reflect on how it is both an honour and a joy to work together with such a fine group of diverse cultures and nationalities here at Finlays.

Finally, we hope you enjoy this edition of 1750 and look forward to receiving your feedback.

Guy Chambers  
Group Managing Director





# Pulling together

FEW PEOPLE EVER HAVE THE CHANCE TO VISIT A TEA FARM.  
JOURNALIST AIDAN HARTLEY VISITS JAMES FINLAY KENYA TO MEET THE LOCAL  
COMMUNITY AND SEE FIRST-HAND HOW THE COMPANY CONTRIBUTES  
TO SOCIETY, THE ENVIRONMENT AND THE ECONOMY.

*Words: Aidan Hartley    Photography: Giulio Mazzarini*



*‘The bud represents the apex of Finlays’ aims – the making of tea and high-quality products. Framing the bud are the three leaves, representing the values of innovation, sustainability and trust.’*

AS A TEA PLUCKER ON JAMES FINLAY TEA FARMS IN KERICHO, WESTERN KENYA, WILLIAM FILLED HIS BASKET WITH ONLY THE TENDEREST SHOOTS, MADE UP OF THREE LEAVES AND A BUD.

William was from an underprivileged background, but he worked hard as a plucker with Finlays - partly to secure a place for his bright son Erick to attend one of the company’s schools. Erick shone, and in time he won a Finlays scholarship to cover his undergraduate chemistry degree at a local university.

Next, Erick was awarded a scholarship by the Swire Education Trust (Swire Group is Finlays’ parent company), to take a Masters in Science at England’s Leeds University. On graduation, he had a job with the company to return to – on

the very same farms where his father William had plucked tea. “I work for a company that helps people realise their dreams,” says Erick Keter today. At 30 and after five years, he has risen to be a tea factory Assistant Manager – with ambitions to go much further in an enterprise he clearly adores.

To understand Erick’s story, which epitomises the values of James Finlays Kenya (JFK), consider that simple image of what his father picked every day – three leaves and a bud.

In this image the bud represents the apex of Finlays’ aims – the making of tea and high-quality products. Framing the bud are the three leaves, representing the values of innovation, sustainability and trust. For JFK aims to combine tradition

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*Erick Keter, Assistant Manager*





Lily Mibei, Leaf Transport – Chemase Farm

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with cutting-edge new ideas to bring the best from tea bush to end product - its lofty purpose is to help create a healthier, happier and better world.

#### **The perfect place for tea**

“Kericho is the most perfect place for growing tea,” says JFK’s Managing Director Simeon Hutchinson on a drive through the farms. Gleaming in the highland equatorial sun, 5,267 hectares of tea gardens on rolling hills are interspersed with eucalyptus plantations (3,000 hectares) used in the leaf drying process, together with 1,200 hectares of conserved native rainforest. It is an impressive landscape, both ordered and productive, with a history of tea going back to 1926.

*‘Kericho is the most perfect place for growing tea.’*

In today’s Africa, ownership and management of such a large landholding is politically sensitive. In recent years, some members of the local community in Kericho have requested reparations from the British government which they claim forcibly alienated their land in the 1920s. This includes land where JFK grows tea today. Naturally, this is a sensitive and emotive issue for many stakeholders.

“We face intensified pressure from a small number of people in the local community who promise to return the land to the community,” says Hutchinson. “Such populist sentiments resonate with those who may not be aware of the work we do within the community, but most people do see the direct benefit of having us as neighbours, either through the out-grower engagement project or through the wide ranging activities of the Finlays Charitable Trust.”







*‘Finlays has been sensitive to the needs of the community with a robust CSR policy. This has fostered a durable and harmonious coexistence, as well as mutual trust and respect.’*

JFK is a major taxpayer, employer and partner to multiple local businesses. As Hutchinson says: “Our employees enjoy a wide range of welfare benefits that are unmatched outside of the commercial tea sector – free housing with metered electricity, potable water, medical care, schooling and access to social services.”

This role is widely recognised among local people. “We have witnessed, over a length of time, tremendous effort by the company to impact positively on the community socially, environmentally and economically,” says John Kenduiwo, a retired Senior Commissioner in the tea co-operative movement that represents hundreds of thousands of smallholders.

Retired General John Koech, former deputy chief of the armed forces and a prominent local figure, says “Finlays has

been sensitive to the needs of the community with a robust CSR policy. This has fostered a durable and harmonious coexistence as well as mutual trust and respect.”

Guy Chambers, Finlays' Group Managing Director says: "We accept that we are not perfect and there are always areas where we need to improve. But our critics often overlook the scale of the efforts that we take to contribute to the community. If anyone has any doubt about this, they simply need to ask one of our employees."

#### **The love of tea-making**

Some 30 per cent of JFK's black tea is still sold on the Mombasa auction, but Hutchinson says slack prices, even below industry

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*Sammy Kirui, General Manager – Corporate Affairs*





Joyce Chepkemai Langat, Shift Process Assistant and Geoffrey Too, Plant Technician

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standard costs of production, and a glut in the global market are among the challenges the company is working to overcome. “It’s no longer about churning it out and hoping somebody will buy our tea. We’re becoming more customer facing, transforming from a commoditised business to one that makes bespoke products and serves global beverage customers. The world’s major tea brands will come to us and say that this is the sort of tea they want.”

For Wesley Bosuben that transformation has involved refreshing the company’s love for the art of tea-making. After his appointment as Tea Farms General Manager last year, he

*‘When you are building up this type of business you want partners to be in there with you, so you have to understand their aspirations.’*

sent staff from all echelons back into the tea fields to relearn the process from scratch. “I saw my job as bringing back the knowledge and love of the art of tea-making.” The strategy worked. “We saw an improvement in the raw material and quality at the factory – and this helped us re-engage with our clients”.

JFK’s Saosa tea extracts factory, located in the heart of the tea fields to be close to fresh green leaf, is the only facility in Africa to produce extracts and a range of non-traditional tea products. The factory is geared towards supply to the world’s major beverage brands.

“Value addition is the future,” says factory manager Sam Waheho, who counts off on his fingers instant teas, green teas, tea extracts, aromas, extracts sought after for health value –



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and organic extracts. “They are looking for health value, not just taste,” says Waheho. A quarter of his factory’s output will be higher-catechin green tea powder – rich in polyphenol antioxidants.

At the Applied Research Department (ARD) – the nerve centre of JFK’s agronomy, thousands of tea seedlings sprout in greenhouses and plots outside in the sunshine. Here a team of world-class Kenyan scientists research new tea varieties, or clones. “Traditionally it was about what clones had the best yields, but now it’s high-quality, resistance to drought and pests or diseases,” says the ARD’s Regina Mutai Rono.

It used to take 20 years to develop a new variety and JFK developed some of the highest yielding varieties in the world. Now technology is being deployed to short-circuit the breeding cycle in the race to develop new varieties. “We know climate change problems will intensify so we’re equipping ourselves with the ability to mitigate against those changes,” says Rono. And according to Bosuben, “We think with proper crop husbandry we can withstand climate stress.”

“A tea bush that is healthy; a machine that cuts clean from the bush and delivers productivity,” is where Bosuben says the story starts – and this is where efficiency and machinery come in. JFK is pilot testing a \$6 million enterprise resource planning system that will soon be rolled out across Finlays businesses globally – as part of the drive for greater efficiency. Increasingly, tea is harvested using a hand-held machine and a tractor harvester that resembles a large lawnmower with an elevated chassis. Modernising operations has improved health

and safety among a more skilled workforce. But the farms will never be entirely mechanised because of the terrain and what Bosuben calls the “balance of profitability and the moral issue of preserving employment opportunities”.

Jackline Cherono, 36, drives a tractor harvester down straight lines on the chlorophyll-green carpet of tea. When asked if this is a tough job, she says with a bright smile, “No. It’s enjoyable – and easy”.

**Taking care of people**

Over in the eucalyptus tree plantations, a harvesting machine that resembles a character out of a Transformers movie fells a tree and cuts it up in seconds; then another beast of a machine picks up logs and transports them to a third machinery plant that splits logs ready for the tea drying process.

Employees like Cherono have acquired better skills – and therefore JFK can improve their pay and welfare. “Finlays takes care of its people and everybody seems to love what they’re doing,” says Hutchinson. “Few people ever leave Finlays before retirement. Once you’ve got a job here you seem to stay – and that’s an indication this is a great place to work.”

You see this care, a core part of JFK’s sustainability aims, in the way it treats its staff. The company has recently completed a \$3.8 million electrification project to supply power to 5,651 staff homes.

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*Jared Magare, Benard Korir and Nancy Bera*





Jackline Cheron, Self Propelling Harvester Operator

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At schools across JFK you see children in class, bright as buttons and so eager to learn. On the farms, there are a total of two secondary, 12 primary and 37 nursery schools. JFK is a major sponsor of higher education, awarding 28 university scholarships per year, plus bursaries for disadvantaged children at secondary schools.

Sharon Koech, 29, a process assistant at Chomogonday tea factory, says Finlays is “really hard work but has honest leadership where they’re keen to grow your skills and flexibility so that you can develop your career”.

*‘JFK is a major sponsor of higher education in this part of Kenya, awarding 28 university scholarships per year, plus bursaries for disadvantaged school children.’*

Koech, recruited as part of JFK’s drive to provide more opportunities to women under apprenticeship and leadership programmes, says Finlays allows her to keep flexible hours to study for her Masters in Engineering – and to breastfeed her six-month-old baby daughter.

At a machinery workshop, Zainab Nyongesa, 36, dons her visor and makes sparks fly as she welds a metal contraption. During a break in her busy day she says JFK sponsored her training. She has four small children attending schools within the farm. “Our kids are healthy,” says JFK nursing officer Zipporah Kirui as the children at a kindergarten line up to be weighed and measured.



*‘This is a healthy place – cool and rainy, with proper nutrition and village gardens.’*

Primary healthcare staff like Kirui conduct regular visits to ensure children and their families are well and getting enough to eat. Bernard Too, JFK’s medical administrator explains, “This is a healthy place – cool and rainy, with proper nutrition and village gardens”. The emphasis is on preventative healthcare – such as HIV and TB programmes – but Too says JFK’s 11 dispensaries provide outpatient curative medicine for both employees and their dependents – a population that might reach 35,000 people.

Inpatients are referred to the hospital on a nearby farm. All staff and family members are in Kenya’s state-run health insurance scheme and where necessary JFK tops up costs on anything from CT scans to prescriptions.

JFK’s huge investment in its own workforce reflects an ethos

that Hutchinson says is “driven by what will sustain us to still be here, producing tea in 20 or 50 years”.

#### **Investing in the future**

Investment in a long-term sustainable future can be observed in JFK’s protection of biodiversity.

JFK is located on the margins of Kenya’s Mau indigenous forest – the country’s largest water catchment, or water tower which helps regulate the climate, rain and rivers for millions downstream.

JFK is a leader in local forest conservation and it also

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*Children going to school at Kericho*





Isaiah Chirchir, Quality Assurance Assistant

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supports the Bongo Surveillance Project, which aims to help save the rare mountain Bongo antelope species. That project, run in co-operation with Kenya’s forestry and wildlife services, also helps to protect other diverse species of flora and fauna, including elephants, colobus monkeys and leopards.

Out of the forests flow the rivers that drive JFK’s hydro-electric plants, which together with other renewable energy schemes, account for half of the six megawatts in electricity requirements.

At a biogas plant producing 160 kilowatts of power, spent leaf from the tea factories generates methane, with a byproduct of slurry that is used to fertilise organic tea fields. By the time

*‘JFK is helping smallholders trial alternative crops destined for the production of essential oils used in the cosmetics industry.’*

effluent from the tea extracts process has gone through a treatment plant, it is clean enough to be released into specially nurtured wetlands teeming with avian and aquatic life. Banks of solar panels drive a ropeway system – a bit like a ski lift – along which sacks of tea leaves are transported from the field to the factory for processing. Biomass drives a combined heat and power plant able to generate 500 kilowatts worth of high-pressure steam used in processing, while a system known as a “solar wall” captures air heated under factory roofing to reduce energy usage at the stage when green leaf is withered.

“Finlays aims to be a positive catalyst wherever we work,” says Corporate Affairs Manager Sammy Kirui, emphasising the nexus of the company’s values – being trusted, sustainable and innovative.



*‘The river here was once polluted, but since Finlays funded a project to protect the stream and set up tap stands, up to 3,000 families come here.’*

#### Good neighbours

“We realised many years ago you can’t operate in isolation from your neighbours,” says Hutchinson. “They’re very much part of what we do here. There’s a recognition we need their confidence and trust, which is all part of our licence to operate”.

For this reason, Kirui says JFK buys tea from 14,000 out-growers. Provision of fertilisers and training programmes have helped boost their yields by 30 per cent in recent years. Contracts are awarded to neighbouring communities for everything from transporting tea and fertilisers in trucks, to jobs weeding fields.

To mitigate against low tea prices, JFK is helping smallholders like David Sawe trial alternative crops such as rose geranium, destined for the production of essential oils used in the

cosmetics industry. “They do the research and give us a crop for which they guarantee a market. They really help a lot,” says Sawe as he points to a field ready for harvest.

Kirui says, “The question I ask is, ‘How do we make our neighbours appreciate Finlays?’. The answer is that, via the outgrowers team and the Finlays Charitable Trust, social projects are delivered to communities as far as 60 kilometres away from JFK’s tea farms.”

“Our people like working with good friends, and Finlays identifies with the needs of our communities,” says Samuel Rugut, a former mayor of Kericho town and patron of a project

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*Wycliffe Simiyu and Hellen Chemutai and family*





Regina Mutai Rono, Assistant Research Manager

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to deliver clean water to villagers at the Chepinyonyoi springs. At another water project in the village of Seretut, David arap Sang explains that the river here was once polluted by cattle and detergents from clothes washing, but since Finlays funded a project to protect the stream and set up tap stands, up to 3,000 local families come here to collect clean supplies.

And at the Chepkoton Girls High School of 535 pupils, the Headmistress Agnes Langat says Finlays helps with tuition bursaries and paid for the construction of two classrooms. “By giving us the classrooms they’ve enhanced our academic

*‘My ambition is how we can best make quality teas and diversify from black teas, to come up with new products. The future is about the new teas.’*

capacity,” she says in front of a crowd of teenagers rushing between lessons. In recent years, the Charitable Trust has implemented 60 projects contributing to the local community – and JFK is always looking to do more. “In the future, we must be even more visible,” says Kirui.

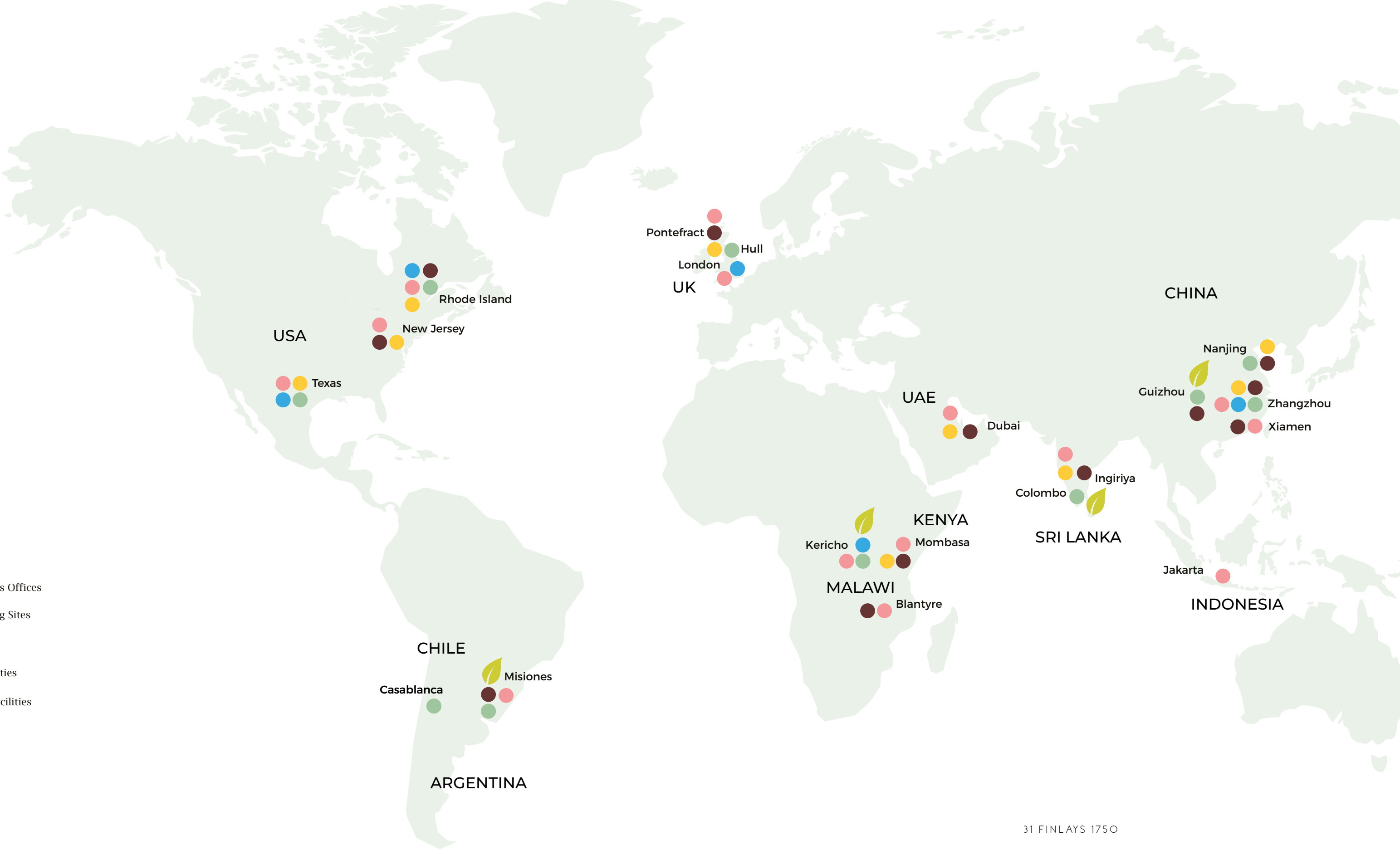
Erick Keter, whose wife Rose Chebet – another Swire Scholar – is expecting their first baby, sees a bright future for Finlays in Kenya. “The company is doing an exemplary job in giving back to employees and the community. Helping bright students to advance in their lives helps build our ideas for innovation. My ambition is how we can best make quality teas and diversify from black teas, to come up with new products. The future is about the new teas.”



Finlays GLOBAL FOOTPRINT

Map key

- Tea Farms
- Trading/ Sales Offices
- Manufacturing Sites
- Blending
- Packing Facilities
- Innovation Facilities





# Finlays BUSINESS REVIEW



## Americas

CHARLEY SNELL



The year 2020 brings exciting improvements in the go-to-market for our Americas business unit. In January, we announced that Finlay Extracts and Ingredients and Aspen Beverage Group would combine into one commercial business unit – Finlays Americas.

We have integrated into one customer-facing organisation for two reasons. Firstly, to build direct and long-term relationships with ready-to-drink brand owners, non-ready-to-drink brand owners and food service brands. And secondly, to keep it simple in order to work together to drive profitable growth with our customers.

Our sales team will orient towards a channel-based approach including retail, food service and ingredients. Supporting our sales team, the product marketing team will provide expertise in tea, coffee and botanicals, while also supporting Group innovation solution launches. By acting as 1Finlays across all aspects of the Americas business unit with the Group Functional Groups, we will leverage our portfolio size and customer relationships to give our customers the best possible service.

The integration in the Americas will support us in “acting as 1Finlays” so that we can better meet the needs of our customers, while also facilitating cross-functional learning so we can apply best practices.

## UK and Europe

IAN BRYSON



2019 was an extremely busy year across the region. We increased our sales revenue and overall margin performance was on track. Europe was a similar picture with some new business added, making an excellent base to build from for 2020 and beyond.

Finlay Beverages added multiple new customers to the plan, with some business streams completely new to the site on both tea and coffee.

The business saw a strong capital investment plan across both tea and coffee with a new Lilla Hybrid Coffee roaster installed to increase capacity, and the first of three new Rovema high-speed, fully-automated packing lines installed in February. We are also investing in tea with a new IMA string, tag and envelope line, and investing to upgrade the highspeed mainstream tea manufacturing lines.



2020 will be one of the busiest ever years, both for Finlay Beverages and the wider European region. Beverages will increase its size by almost 25%, and as a European team, we will focus on both tea extracts and the exciting cold brew coffee category, which continues to grow strongly.

By combining 100 years of coffee grinding and roasting experience, with our market-leading coffee extraction technology in Texas, we will deliver the best-tasting cold brew coffee on the continent, while driving overall financial performance.

## Asia

ANDY HUANG



Damin had a fruitful year in 2019 with year-on-year growth in both revenue and net profit. The strong growth in tea powder sales in the South East Asia market, coupled with sales from the food service sector in mainland China, helped to mitigate a reduction in demand for health products felt across the industry.

While it is key to maintain the share of tea extracts which is the core product of Damin, we strive to grow the company through market expansion and new product development.

Our plan now is to strengthen our share of various high-growth markets in China - notably food services and coffee - by offering innovative products to the leading food chain, brand owners and online retailers.

Finlays Asia recorded a healthy growth in revenue thanks to higher volume. The current growth strategy is to expand into new markets and promote leaf tea product from the worldwide Finlays’ tea farms.

Looking to the future, we are confident in our long-term growth and in our competitiveness to excel in the Chinese and Asian market.

## Middle East, Africa & CIS

NICK MUNYI



The region had a mixed performance with volumes above budget but revenue falling due to a depression in prices. The Mombasa and Dubai offices achieved creditable results given the prevailing market conditions, while the Blantyre office continued to grapple with unfavourable market conditions resulting in reduced demand and prices.

This year Finlays MEAC has had an increased focus on tea





Finlays BUSINESS REVIEW

and coffee powder, tea from China and botanicals. We are strengthening our partnership with key customers while developing market entry strategies for Nigeria, the Middle East and the CIS regions in line with the growth strategy.

Highlights from the year include the growth of priority accounts, strong new business development and positive EBIT posted by James Finlay Middle East. Our plans for the coming year include product diversification, particularly around specialty teas, expanding distribution of tea from James Finlay Guizhou, and a further focus on supply chain processes and customer centricity.



Sri Lanka

GIHAN S. JAYASINGHE



2019 witnessed the completion of divestments of non-tea related businesses including the successful renegotiation of the property joint venture project, which were portfolios under Finlays Colombo. The first phase of the amalgamation of Finlays Colombo and Finlays tea farms also took place during the year.

Finlays Colombo continued to deliver strong results, even surpassing 2018 and exceeding budgeted expectations. Meanwhile our tea farms faced numerous challenges from falling tea prices, compounded by escalating costs. Further, Sri Lanka’s overall tea production has fallen to a four-year low due to erratic weather and is the lowest dip seen since the El-Nino year of 2016.

We continue to focus on Health & Safety and a Zero Harm culture throughout the organisation and are pleased to mention that Finlays Colombo won at the National Occupational Safety & Health Excellence Awards for the second consecutive year. Our tea farms too were recognised by the National Tea Exporters Association with Shawlands, Courtlodge, Oodoowerre and Blairlmond receiving awards as outstanding tea producers in their regions.

Our programme to refurbish Child Development Centres (crèches) in our tea farms is progressing well, with 35 facilities being completed during the year. This will continue to be at the forefront of our CSR initiatives in 2020 as well.



Tea Farms - Kenya

SIMEON HUTCHINSON



2019 will be remembered as a year in which the pace of change accelerated, with several significant events that will determine the future course of the company. Failure of the 2018 short rains (October to December) and a delayed start to the long rains (March to June) put us on the back foot from day one. Once the rains arrived in April, it seemed they never stopped, and history will record this as one of the wetter years. Distribution is of course all-important, so our overall production was below budget.

Ordinarily, prices at Mombasa auction would respond positively to a prolonged dry season – not so in 2019, largely due to significant increases in production throughout East Africa. We are focusing on costs more than ever, as well as on improving the quality and consistency of our product. In 2020 we will be embarking on a journey to attain World Class Manufacturing status, to help sustain these improvements.

The first phase of implementation of a new ERP (Sage X3) went live in June, after many months of construction and testing. Phase 1.2 commenced in January 2020, and roll out to the rest of Finlays globally is expected to follow in due course. Working in real-time, and based in the Cloud, Sage X3 offers management access to powerful new tools to assist in improving the business.

Tea Farms - Argentina

CLAUDIO ANDUEZA



The Argentinian tea industry is facing challenges, particularly the depression of global tea prices. More locally, Argentinian tea has been affected by falling demand from the US market, and new regulations on alkaloids in the European market which has led to a cost increase.

Finlays Argentina has been very proactive in tackling these challenges. Over recent years, we have invested in our Acaragua Farms so it can produce a differentiated quality tea, suitable for use in hot tea. In addition, the competitive advantage of processing our own fresh leaf means we can manage and improve raw material quality. We have also been developing sustainable methods for alkaloids content control, which is starting to bear fruit.

Our global presence is vital as it allows us to access new markets in Asia and the Middle East, decreasing our dependence on the US. Within the US, work is under way to build relationships with new customers in the Food Service area, a key focus. Despite the challenges, we are now well positioned for growth.





*Finlays* BUSINESS REVIEW



*Tea Farms -  
James Finlay Guizhou*  
PATRICK WATENE



In October 2019, James Finlay Guizhou officially opened its tea production site at Sinan, Guizhou, China – a remarkable feat given that just two years ago, James Finlay Guizhou had not even been formed. In August, the first exports were made to Bigelow Tea in the US, reflecting the strong support of the Finlays group and its commitment to developing China as a key sourcing region.

James Finlay Guizhou has attracted considerable local talent back from other provinces in China, which should continue as the business grows and scales. Nearly 40% of senior

management is female and we have great ethnic diversity representing the uniqueness of Guizhou.

The sourcing team has built up a network of more than 50 suppliers across China boasting some of the largest RFA tea supply in Guizhou, with more than 1500 ha. from 19 suppliers. JFG continues to build its supply of internationally certified organic tea.

JFG certifications now include RFA, Export registration, Organic, SC for domestic sales – black, green and white tea, Halal, and, by mid-2020 we are aiming for completion of Kosher and FSSC22000.

*Finlay Flowers*  
STEVE SCOTT



It was 1989 when the first roses were planted on Finlays' farms in Kericho. Thirty years later, and with a heavy heart, Finlays finally closed the door on two farms, Chemirei and Tarakwet, in December last year.

“Ongeza” has been the name of the three-year project of moving infrastructure like greenhouses, irrigation materials, vehicles and machinery away from Kericho and over to Lemotit Farm in Londiani, around 80km north west of our tea farms. The climate is better for growing flowers on Lemotit. The altitude is 200 metres higher than in Kericho with half the amount of rainfall leading to drier, cooler and brighter conditions.

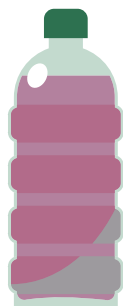
We have expanded Lemotit farm from 35 ha. up to 60 and managed some exciting capex projects too, including doubling the size of our packhouse, building eight management houses, a 191,000 cubic metre reservoir, a workshop and offices.





Finlays FASCINATING FACTS

60%



of global consumers  
always/often choose  
a soft drink based on  
the impact on their  
health and wellbeing.

84%



of our energy came from  
renewable sources in 2019.

\$1 bn



total sales of cold brew  
coffee in the US, accounting  
for nearly 13% of the total  
RTD/iced coffee value  
in 2019.

3 bn

cups



of regular, specialty  
and fruit & herbal tea  
blended and packed  
by Finlay Beverages  
in 2019 - enough  
to fill seven million  
standard bathtubs.

4.8 bn

cups



of tea consumed  
globally each day.

51%



of Chinese consumers  
always pay for the most  
expensive and best product  
within their price range.

27,000

hectares



the total land  
across Finlays  
tea-growing  
operations,  
equivalent to  
44,000 football  
pitches.

900 m

cups



of coffee roasted by Finlay  
Beverages in 2019.

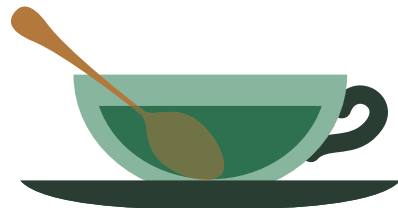
15%

of all tea produced in Kenya  
was exported by Finlays.



2.5 bn

cups



of hot coffee are consumed  
globally each day, 15% of  
which are consumed by  
Americans.

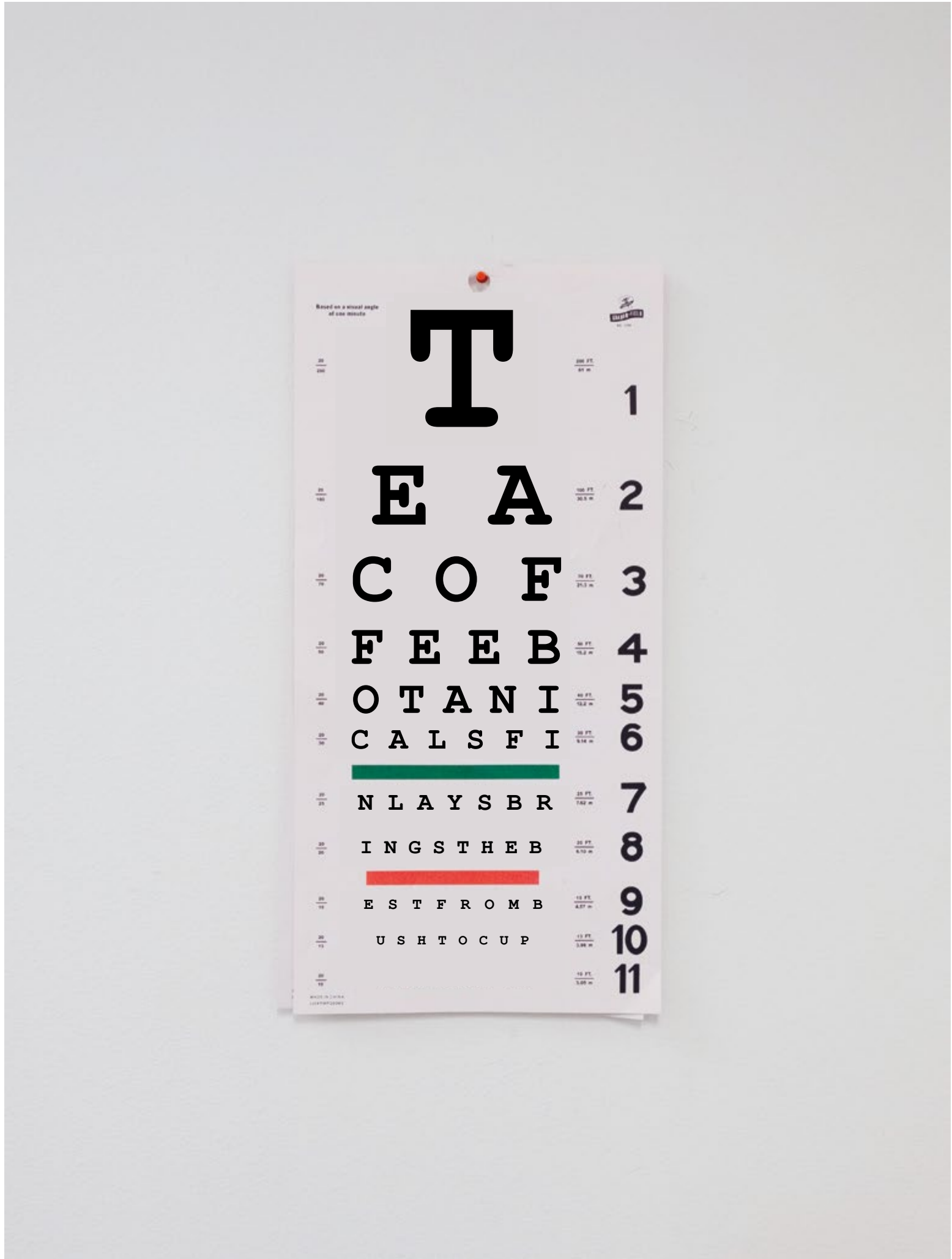
\$1.5 bn

the value of the  
Kombucha market,  
with the RTD  
kombucha market  
growing 52% from  
Dec 2017 to Dec  
2019 in USA.

47%

of global consumers sometimes/  
often try new or different  
varieties of drinks that deliver a  
specific health benefit.





# 2030 vision

AS WE ENTER A NEW DECADE, WHICH MEGA TRENDS  
HAVE THE STAYING POWER?

*Words: Siân Edwards, Group Insights Manager*

IN 2020, THE WORLD OF BEVERAGES IS CHANGING FASTER THAN EVER. THAT CAN MAKE IT HARD TO KNOW WHETHER EACH INNOVATION IS THE REAL DEAL OR JUST A FLASH IN THE PAN.

Long-term mega trends like Health & Wellness, Premiumisation, Sustainability and Experience & Experimentation will continue to influence consumer behaviour well into the 2020s, driving the development of faster-moving and intersecting sub-trends.

Using the latest market analysis, the Finlays Insights Team wanted to offer its take on which beverage trends might just have the staying power to make it through to 2030.

**1. Free-from**

*The trend so far:* Dairy-free, meat-free, gluten-free. Whether for health, ethical or environmental reasons, the growth of restrictive diets has been a major feature of the past decade, with oat-milk producer Oatly increasing production some 1250% by 2018 just to keep up with demand.

*Where it's going next:* While this trend shows no sign of slowing down, 'alternative' products will be increasingly scrutinised for theoretical ethical and environmental credentials, as consumers look to ensure they are making the right swaps and not worsening their impact on the environment.

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## 2. #foodporn

*The trend so far:* Celebrating its tenth birthday this year, Instagram has amassed over one billion users and developed a major role in driving consumer trends. One major impact has been the growth of ‘instagrammable’ food and beverages with a heightened focus on visuals to promote sharing on social media.

*Where it's going next:* As conscious consumers seek to combine ‘likes’ with making ethical and healthy choices, the boom of supremely indulgent ‘freak-shakes’ and doughnut burgers will subside. Replacing it will be Instagrammable dishes with fewer calories and a smaller carbon footprint.

## 3. An end to single-use packaging?

*The trend so far:* Plastic bottles, coffee capsules, takeaway cups and straws have all found themselves under fire in recent years, with high-profile environmental campaigns and public pressure motivating brands to act.

*Where it's going next:* While sales of bottled water are booming (+48% volume globally 2014-2019), this will taper off – driven by concerns around plastic consumption and increasing pressure on water resources. The UN estimates 700 million people worldwide could be displaced by intense water scarcity by 2030. We’ve already seen the emergence of additions for reusable water bottles and this is likely to continue with flavour tablets, functional sachets (in biodegradable seaweed packaging) and ingredient ‘drops’.

## 4. Traceability 2.0

*The trend so far:* Traceability and sustainability commitments have become mainstream in the last decade with initiatives such as Country Of Origin Labelling (COOL) – now mandatory in many countries. At the premium end of traceability, single-estate or single origin products have grown in popularity.

*Where it's going next:* Traceability will develop into mainstream localism as consumers seek to limit food miles. Nearly half (49%) of UK adults now believe their food and drink choices make a difference to the environment. They feel empowered and able to make an impact – so will make purchasing decisions accordingly, for example, by buying only European wine.

## 5. Hyper-personalisation

*The trend so far:* Personalisation has become established over the last decade as consumers seek products designed for their individual needs, ranging from health-targeted super teas to genetics/DNA-based diets.

*Where it's going next:* Growth of technologies such as 3D printing may increase the viability and accessibility of hyper-personalisation. Tea has already been a major focus for health personalisation, and you could argue that 3D-printed tea products are the logical next step.

## 6. Bio-manufacturing comes of age

*The trend so far:* 'Natural' has been the buzzword of the last decade, with 69% of consumers believing it means healthy. Use of the word ‘natural’ in beverage launches increased 148% between 2010 and 2019. However, increasing consumer demand, global supply chains and manufacturing processes are impacting the viability of many natural ingredients from an availability, cost and environmental perspective.

*Where it's going next:* Demand for natural ingredients without the cost (to the consumer and environment) will drive use of ‘bio-manufactured’ ingredients such as synthetic palm oil and ‘bio-vanillin’, both produced through fermentation. The next decade will see a reframing of how we define and produce ‘natural’ ingredients, with wide-ranging impacts throughout the supply chain.

**Whether or not these predictions come to pass, one thing remains certain: food and beverage will always be pleasure-driven and good-tasting products will always win out. The highest prize will be for brand owners who manage to combine this with getting ahead of the next decade’s hottest trends.**







## Cold brew moment

WE TALK TO CHARLEY SNELL ABOUT LIFE AT FINLAYS, HIS NEW ROLE  
AND WHY COLD BREW IS ABOUT TO HAVE ITS GLOBAL MOMENT

*Words: Thom Walton*





IT'S BEEN A BUSY YEAR IN THE AMERICAS. IN LATE 2019, FINLAYS FINALISED THE ACQUISITION OF ASPEN BEVERAGE GROUP, AND QUICKLY MOVED TO COMBINE IT WITH FINLAY EXTRACTS AND INGREDIENTS USA INTO ONE COMMERCIAL BUSINESS UNIT - FINLAYS AMERICAS - WITH CHARLEY SNELL AT THE HELM. WE TALKED TO CHARLEY ABOUT LIFE AT FINLAYS, HIS NEW ROLE AND WHY COLD BREW IS ABOUT TO HAVE ITS GLOBAL MOMENT.

“Cold brew coffee is one of the great food and drink success stories of our age,” says Charley Snell. “And there’s every reason to believe we’re on the cusp of cold brew having its global moment.” When it comes to cold brew, few people are as worth listening to as Snell. He’s spent the last two years as

*‘There’s every reason to believe we’re on the cusp of cold brew having its global moment.’*

CEO of Aspen Beverage Group, a leading producer of cold brew in the US and a major driver behind the product’s phenomenal growth over the last decade.

As of April 2020, Snell is also now the CEO of Finlays Americas, a commercial business unit which includes both Aspen, Finlay Extracts and Ingredients USA. “It’s an exciting time for beverages. We’re seeing unprecedented levels of product innovation with new differentiated products and solutions entering the market all the time. The challenge for manufacturers and brand owners is to stay ahead of the curve.”

**An entrepreneur at heart**

Before joining Aspen, Snell spent time in the US Navy which had “a huge impact on how I think”. He then joined Nestlé, rising through the ranks before striking out on his own and



*‘We’re seeing unprecedented levels of product innovation with new differentiated products and solutions entering the market all the time.’*

founding an organic green tea company that used extracts from Finlays. He joined Aspen as President in 2018, shortly after Finlays invested. “I’d known Finlays for years. It’s a company which makes decisions through its core values of being trusted, sustainable and innovative. As an entrepreneur this is, in my opinion, the cornerstone of a great company.”

**Cold brew: an origin story**

Aspen Beverage Group opened its doors in San Antonio, Texas in 1993. Involved in tea and coffee mixes from the beginning, in 2010 the business pivoted to focus more on an up-and-coming coffee extract, brewed using cold water. An emerging crop of consumer-branded entrepreneurs was exploring this new way to produce coffee. Coffee that was less acidic and smoother, coupled with more of a caffeine-kick. Cold brew was starting its ascendancy.

“They had the ideas,” explains Snell, “but not the knowledge. They saw cold brew as a big opportunity but didn’t have the know-how on how to produce it. Aspen had been creating cold brew for years at that point, so we were a natural partner for them. Working together, we figured out how to do cold brew right and grew side-by-side as a result.”

These days, Aspen supplies coffee products to the world’s largest food and coffee companies. Finlays entered the picture when it was looking for a secondary source of supply for its operations at Finlay Extracts and Ingredients USA. The two companies grew closer, resulting in Finlays acquiring Aspen in 2017.

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**A meteoric rise**

So ubiquitous is cold brew, it’s hard to appreciate that just 10 years ago, it was an unknown quantity. Today, the US cold brew market is worth over a billion dollars, after experiencing double-digit growth since 2015. Around two thirds of that is through food service. Snell attributes this rapid rise to consumer trends. “In 2010, organic was the big play. Consumers were starting to reject overly-processed convenience products and starting to look for natural products which offered a functional benefit and were low in sugar. Cold brew fitted into this niche perfectly. It was lower-calorie, natural, smoother and less acidic than traditional coffee – and even better, it had a bigger caffeine kick.”

*‘It was lower-calorie, natural, smoother and less acidic than traditional coffee – and even better, it had a bigger caffeine kick.’*

**Staying power**

At a time when beverage innovation comes fast and hard, cold brew has shown unusual staying power. Flash forward to today, and according to Snell, cold brew coffee, while now knocking on the door of the mainstream, is still very much in its high-growth phase. “Demand for natural beverages is booming with no signs of slowing. Couple that with an insatiable appetite for functional beverages and it’s clear why cold brew is sticking around.”

Availability of products has also been a key factor says Snell. “It’s significantly easier to earn space on the shelves of retail than it is in foodservice. But space in foodservice is so powerful. It’s the difference between being one in 50,000 products, and one in five. What we’re seeing now is that cold brew is firmly establishing itself as a go-to dispensed beverage in convenience stores and food service.”



*‘What we’re seeing now is that cold brew is firmly establishing itself as a go-to dispensed beverage in convenience stores and food service.’*

Adaptability is another reason cold brew has endured. Snell explains: “People just can’t get enough coffee. As a drink, as a flavour in cakes, candy, ice cream, you name it. Cold brew lets you do that. It’s also an extremely affable beverage bedfellow, happily rubbing shoulders with everything from fruit juices to dairy. The opportunities for innovation are huge.”

#### **The “yes” company**

Aspen’s proprietary method for producing cold brew, honed meticulously over a decade, means it can produce cold brew to an exact specification with exceptional consistency. This process is increasingly powered by Finlays’ integrated coffee supply chain.

But that’s not its only advantage explains Snell. “We’re the “yes” company,” says Snell. “You want us to source green

beans from our UK based trade team? No problem. You want us to roast it? Great – or you can do the roasting yourself. What format do you need it in? We can do that. In fact, whatever you want, we can do it.”

Snell’s ebullience about the future of cold brew is palpable. “In the US, cold brew continues to be driven by population growth and an audience looking for differentiated, natural products. Our plan is to grow faster than the market and we’re well placed to do that. Key to our success will be an unwavering focus on our customers. Because when *they* win, so do we.”

#### **The revolution is upon us**

Let’s return then, to Snell’s assertion that we’re on the cusp

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of a worldwide cold brew revolution. Outside North America, cold brew has been slower to enter the mainstream, but Snell believes we're nearing the tipping point. "America set the trend for processed food and drink, and a decade ago, we saw a reaction against this. A similar thing is now happening elsewhere in the world, particularly in Europe, but in developing markets as well."

"Our experience in the US market is a huge asset globally, but as a team we're also able to draw on the expertise of our colleagues around the world. Take Finlay Beverages in the UK, which has over 100 years of coffee experience and a brand-new roaster. That's experience you can't buy and it makes us stronger, together."

*‘Our experience in the US market is a huge asset globally, but as a team we’re also able to draw on the expertise of our colleagues around the world.’*

When does Snell expect the scales to tip? "It'll be a gradual revolution. My message to brand owners, retailers, food service and manufactures, is to get in now to stay ahead of the trend."

**Finlays Americas: roadmap to the future**  
Finlays' operation in the Americas is far from a one drink pony. As well as its operation in San Antonio, Finlays has another facility in Texas as well as three other facilities on the east coast, including its extracts and ingredients business.

As of 2020, these will all be organised into one commercial business unit under the name Finlays Americas, with Snell as CEO. So, what does he see as the road ahead?



*‘We aspire to be recognised as the true leader in beverages. When you think of tea, coffee, beverage extracts and botanicals, we want to be the first person you call.’*

“We aspire to be recognised as the true leader in beverages. When you think of tea, coffee, beverage extracts and botanicals, we want to be the first person you call. We’re already there in some categories, but there’s work to do in others. Liquid tea extract and botanicals is a huge opportunity in the Americas and that’s an area we need to focus on. Combining our portfolio into one place is a powerful proposition, offering increased flexibility, service and value to our customers, and those we’d like to be our customers.”

For Snell, a channel-focused approach is key. “Giving our customers what they want is our absolute priority. A channel-focused approach where we intimately understand our customer will allow us to do that. That’s why I see my role as Chief Cultural Officer and it’s how the team and I are going to drive Finlays Americas from strength to strength”.

“I’m an entrepreneur at heart and what excites me about the future of Finlays, both in the Americas, and worldwide, is the opportunity for innovation and for growth. We’ll only achieve that by loving our customers.”

After a whirlwind couple of years in the Finlays family, it sounds like Charley Snell feels right at home.







# A brew for EU

WHAT'S BREWING IN THE UK AND EU  
COFFEE MARKETS

*Words: Ian Bryson    Images: Finlays archive*

FINLAYS MIGHT BE MOSTLY FAMOUS AS A TEA BUSINESS, BUT IN FACT WE HAVE OVER A CENTURY OF EXPERIENCE IN ROASTING, GRINDING, EXTRACTING AND PACKING COFFEE. OUR HERITAGE IN COFFEE GIVES US A UNIQUE PERSPECTIVE ON CURRENT TRENDS AND WHERE THE INDUSTRY IS HEADING NEXT. AND WE BELIEVE THERE'S NEVER BEEN A BETTER TIME TO BE IN THE COFFEE BUSINESS.

**From strength to strength**  
Innovation that drives premiumisation is a key characteristic of the industry. Single-serve pods, single-origin coffee and the inexorable rise of cold brew are among the most exciting trends, particularly in food service. According to Allegra, there are now 37,598 branded coffee shops across Europe, up 1,235 in the last year. By 2024, that the number is expected to reach 45,000.

The UK is the largest market in this sector, closely followed by Germany and France. Interestingly, growth is reaching all corners of Europe with the highest growth rate in Romania at 28.3%.

The UK retail market also continues to grow with sales of roast and ground coffee now worth £422m (Source Kantar 52-week data to 29.12.19). The sector is growing at 6% in value and 7% in volume. The highest growth is still coming from single serve pods which are now worth an incredible £200m. Consumers, it's fair to say, have an unquenchable thirst for the black stuff in all its glorious forms.

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*‘Consumers, it’s fair to say, have an  
unquenchable thirst for the black stuff in all  
its glorious forms.’*

#### **Ready to capitalise**

Finlay Beverages has a major share of the UK retail private label roast and ground coffee market. It also has a major share of the foodservice market. To capitalise on the continued growth in coffee, we have embarked on our biggest ever capital investment plan for coffee at our Yorkshire site.

At the end of 2019, we completed the installation of our second roaster from Brazilian manufacturer Lilla. When coupled with the knowledge and experience from our team of coffee specialists, the hybrid roaster means we can match blends and taste profiles across retail and foodservice. This means our customers will see improved flexibility with a wider range of coffee options and taste profiles available to drive new and incremental consumer sales.

We’ve also installed three new high-speed, fully-automated, packing lines which will mean we can offer improved case packing and, in the future, environmentally-friendly packaging options.

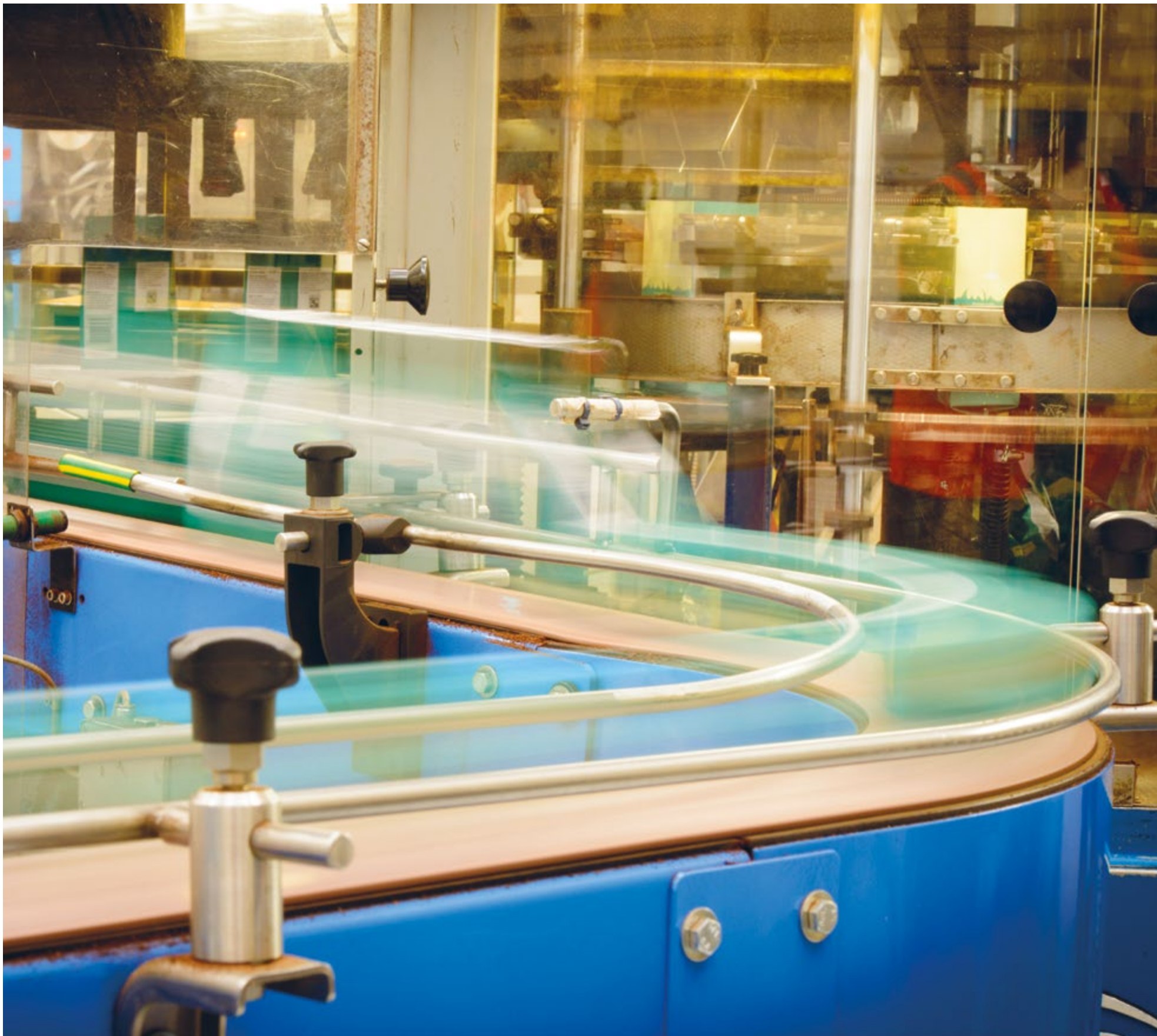
#### **A hugely exciting opportunity**

Our focus isn’t just on dry, packed coffee, but also on liquid coffee extracts and in particular, cold brew. According to our Insight Team, the ready to drink and iced coffee sectors in Europe are now worth \$1.9bn and this is set to grow to over \$2.6bn by 2024. Cold brew, made by steeping coffee grounds in cold water resulting in a smooth, aromatic and perfectly balanced coffee, is a hugely exciting opportunity for

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European beverage brand owners. Our market-leading US cold brew business has skyrocketed in recent years and we believe we are on the brink of a similar explosion here in Europe.

#### **A cut above**

There are many cold brew products available on the European market, but until now, the quality simply hasn't been up to scratch. We're here to change that. By combining our 110 years of roasting and grinding experience in the UK, with our proprietary extraction knowledge from the US, we can now produce cold brew coffee on a whole other level. We are now

*'In all our 110 years, there's genuinely never been a more exciting time to be in coffee.'*

creating our own cold brew coffee with a bespoke European taste profile and sampling with customers across the region to increase our knowledge of their expectations. This knowledge is key to our growth strategy.

#### **Looking to the future**

In summary, coffee has a neon-bright outlook in the UK and Europe as the growth of recent years shows no signs of slowing. The key for beverage brand owners is to get ahead of the curve in finding ways to tap into consumer demand for premium, differentiated products.

In all our 110 years, there's genuinely never been a more exciting time to be in coffee.



# Coffee waves

IN THE EVER-CHANGING WORLD OF COFFEE,  
WHAT'S COMING IN THE NEXT WAVE?

*Words: Tom Blackwall   Illustration: Chiara Zennaro*

EACH DAY, WE CONSUME AROUND 2.5 BILLION CUPS OF COFFEE AND THE POSITIVE IMPACT THAT THE ECONOMICS OF COFFEE HAS HAD CAN BE EVIDENCED BY WALKING DOWN THE HIGH STREET OF ANY MAJOR TOWN OR CITY THROUGHOUT THE WORLD.

Just as the way the first and second industrial revolutions permanently changed the nature of global industrialisation, there have been similar revolutions within the history of coffee that have forever altered the global coffee industry. Within the coffee world we refer to these revolutions as “waves”.

## *First wave – commercialisation*

Arguably the most important wave occurred in the 1800s when global commercialisation commoditised coffee and consumption started to grow exponentially. Key innovations in this period were instant coffee and vacuum packaging.

## *Second wave – socialising with coffee*

The 1970s when Starbucks started to transform and create a culture around “socialising with a coffee”. Think coffee on the high street and barista-made drinks.

## *Third wave – specialty coffee*

A reaction to bad coffee and a step towards better coffee. The 2000s were the start of the specialty coffee industry where brands started to focus on origins, processing methods and varietals.

## *Fourth wave – from an art to a science*

From 2010, coffee production and brewing turn from an art into a science. Aficionados craved knowledge of the roasting process, extraction and even water quality as they sought to deliver the best possible cup.

## *Fifth wave - the business of coffee*

Today, coffee excellence and technology are used to turn something many consider a craft industry, into a highly profitable one, relying on a well-oiled supply chain.

## *Sixth wave - connectivity?*

So, what next? The answer lies in connectivity. Connectivity from the consumer back to the farmer, through the manufacturer. A connected supply chain enables us to create understanding, it allows the consumer to ask questions of the farmer and the farmer to ask questions of the consumer. Connectivity will enable consumers to truly understand the supply chain of the products that they enjoy and will enable manufacturers to personalise the products they produce, and this will be the first step towards a truly sustainable supply chain.



# Tea waves

DEFINING THE WAVES OF TEA

*Words: Helen Hume   Illustration: Chiara Zennaro*

DISCOVERED OVER FIVE THOUSAND YEARS AGO IN CHINA, TEA IS A GLOBAL PHENOMENON, SECOND ONLY TO WATER IN POPULARITY WORLDWIDE.

Yet while the five “waves of coffee” are well-established and broadly agreed, the same cannot be said of tea. Given its undeniably rich cultural heritage, we think this is an oversight, and one we set out to correct by defining what we believe to be the “waves of tea”.

## *First wave – tea drinking emerges in ancient China*

Legend has it that tea drinking was discovered by Emperor Shennong around 2737 BC. By the time of the Han Dynasty (206 BC – 220 AD) tea had become popular as a medicinal drink.

## *Second wave – democratisation of tea in China*

By the time of the Tang Dynasty (618 – 906 AD), tea became widely available within China and became a central part of everyday life. Loose leaf tea emerged and the leaves started to be roasted. Around this time, tea was introduced to Japan.

## *Third wave – advances to production techniques*

During the Song Dynasty (AD 960-1279) loose leaf tea grew increasingly popular. By the time of the Yuan (1271–1368) and Ming (1368 to 1644) dynasties, unfermented tea leaves were being pan-fired before being rolled and dried. Subsequently oolong, yellow and black teas were developed.

## *Fourth wave – tea goes global*

Tea becomes popular in Europe and the US thanks to Dutch and Portuguese forays in eastern China during the 17th century, returning with Chinese tea.

## *Fifth wave - production spreads*

In the early 1800s the British started to develop tea growing and production on a large scale in India and later Sri Lanka. The produce of these two countries was soon to eclipse all the tea that had ever come out of China.

## *Sixth wave - tea brands*

The introduction and dominance of tea brands in the second half of the 19th century, selling tea in packaged and blended form to guarantee a consistent product to the consumer. Not to mention, the introduction of the tea bag in the first half of the 20th century.

## *Seventh wave - flourishing formats*

From the 1970s, tea moves into varied different formats from powders to decaffeinated. Ready to drink tea, mostly packaged in a bottle, is a fast-growing category, particularly in Asia and America.

## *Eighth wave - health benefits*

In the future, health and wellness trends will play a huge role. Fermented teas such as kombucha are gaining in popularity by delivering an adult taste with probiotics many believe to be beneficial. We expect to see a focus on upscale and niche specialty tea driven by the experience economy. We also predict beautiful, minimalist, premium tea houses in Asia and beyond where one can take time out to savour the unexplored world of tea. A combination of these, coupled with true provenance and sustainability will ensure tea’s bright future for generations to come.





## Family matters

THOM WALTON SITS DOWN WITH CINDI BIGELOW TO DISCUSS  
BIGELOW TEA, US TEA TRENDS, AND THE POWER OF GOOD  
OLD-FASHIONED FAMILY VALUES

*Words: Thom Walton   Photography: Bigelow Tea*



A LONGSTANDING CUSTOMER OF FINLAYS, BIGELOW TEA IS THE VERY DEFINITION OF A FAMILY BUSINESS, NOT JUST BECAUSE IT’S RUN BY A FAMILY, BUT BECAUSE OF ITS VALUES-DRIVEN APPROACH. FOUNDED IN 1945 BY RUTH CAMPBELL BIGELOW, TODAY BIGELOW TEA IS RUN BY RUTH’S GRANDDDAUGHTER CINDI BIGELOW AND IS THE NUMBER ONE SPECIALTY TEA COMPANY IN THE US.

BUT MORE THAN THAT, IT’S A BUSINESS POWERED BY AN UNCOMPROMISING INTEGRITY AND A SINGULAR FOCUS ON CREATING QUALITY PRODUCTS. WE SAT DOWN WITH CINDI TO DISCUSS BIGELOW, US TEA TRENDS, AND THE POWER OF GOOD OLD-FASHIONED FAMILY VALUES.

For Cindi Bigelow, nothing is more important than family. And given she counts her hundreds of employees as part of her family, that’s no small claim.

Warm, energetic and inspirational, Cindi is CEO and President of Bigelow Tea, the largest specialty tea company in the US. Ask Cindi to describe Bigelow as a business and she’s more likely to frame her answer in terms of values and impact in the community than she is in more prosaic business terms. The company’s purpose is, she says, “to create an environment of pride that brings out everyone’s desire and ability to make a difference every day”. Its vision is “to harness that pride in order to deliver an uncompromising quality tea experience that enriches life’s everyday moments”.

Speaking with Cindi, it’s quickly apparent that she does things differently and that Bigelow Tea is more than just a business – it’s a way of life. It’s precisely this tenacious, uncompromising, community-focused approach that has led it to become a much-loved household name across the US. “We live by our values every day,” she explains. “We talk about them, live them and role model them so everyone in this company understands that we honour that they chose to work here. We feel blessed that they want to work for our family, and they know they are working for a place that strives to be genuine and transparent. Those are the reasons we believe this company is doing well.”

### **Introducing the US to specialty tea**

For over 70 years and across three generations, the Bigelow family has been passionate about one thing in particular – tea. The business was founded by Cindi’s grandmother Ruth Campbell Bigelow who had been dissatisfied with the commodity standard of tea available at the time. After weeks of experimenting at the kitchen table, Ruth created the first-ever cup of specialty tea in the US.

Cindi explains: “She named it 'Constant Comment' after she came back from a party where people didn’t stop talking about it. Through sheer grit, tenacity and a quality product, the company survived. Today we’re the number one specialty tea company in America. It’s about family, integrity and being uncompromising in everything that we do.”

Cindi took the helm from her parents in 2005, but not before spending 20 years working in different roles. “I was exposed to all areas of the business while building my own relationships. It was a real period of change for the company, we were smaller, a lot was needed to build the brand, and it built the foundation which I still use to help me lead the business today.”

Understanding every area of the business is something Cindi still finds invaluable. “There’s a trust factor between me and the employees. They know when I say something it is 100% the truth. It’s my job as CEO and President to live, breathe and execute on our values.”

### **Uncompromising quality**

Bigelow Tea offers over 150 teas across a number of ranges, available across the US, and in Canada, Mexico and South America. Keeping on top of trends in tea is important to Bigelow. Cindi says: “Our job is to ensure that if there is a desire for a type of tea, we can provide it. If someone has a need for a real quality cup of tea, they can find what they want.” An uncompromising approach to quality is also front of Cindi’s mind. “If we’re going to create a new product, we don’t just want to be better than the competition, we want it

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to be incredibly delicious. We have actually pulled new product launches because, even though we were better than the competition, we weren’t delivering on the flavour we needed to be truly outstanding.”

**A shared passion for tea**

Finlays supplies Bigelow Tea with a wide variety of teas from its farms in Sri Lanka and Argentina. In 2019, Bigelow Tea was also the first customer of James Finlay Guizhou, Finlays’ new operation in China, which uses an innovative sustainable sourcing model to produce and process certified Chinese tea. What drew Cindi to Finlays, she says, was that it shared her passion for high-quality tea. “What I like about Finlays is that it’s tea people. Finlays is the definition of dedicated and passionate tea individuals.”

*‘I always say our shareholders are our employees and the community.’*

Cindi recalls a time early in the relationship when she was visiting a Finlays tea garden in Sri Lanka, where she saw precisely the care and attention that went into producing high-quality tea. “I was taken aback by their dedication,” she says. “Finlays is the real deal. It’s more than the quality of the product, it’s the quality of the people. Tea isn’t an industry for everyone – you’ve got to understand the intimacy of the people, their knowledge base. It’s for true tea people.”

**B-ing the change**

For Cindi, the power of being a family business is that it means you can do the right thing. “I always say our shareholders are our employees and the community. We’re not here to build family wealth – we don’t even think like that. We care about the greater community.”



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It’s no surprise to learn then that Bigelow Tea is a B Corporation – an increasingly visible and highly-regarded global certification scheme for businesses that, in its own words, “meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose”.

What is interesting however, is that Bigelow Teas had been thinking and acting as a B Corporation long before such a concept existed. Cindi explains: “I was interested in being a B Corp before anyone knew what it was. It’s a great blueprint on how to run a company. I went to our board of directors and told them I wanted to do this in order to challenge us to become the best employer possible.”

For Cindi, becoming a B Corporation is not an end in itself, nor is it a marketing tool. “It’s got to be holistic. It’s not just about being a B Corp, it’s about being a living and breathing organization for good.”

Bigelow Teas recently achieved using 100% renewable energy and has been zero waste to landfill for several years. Cindi says: “We love pursuing these things because we can, and because we should.”

**A Charleston Tea Party**

You might be surprised to learn that not only can you grow tea in the US, but that in the right hands, it makes it fabulous and unique. Case in point: Bigelow Tea’s own tea gardens in Charleston, South Carolina, the largest commercial tea gardens in the US. Cindi says: “We protected the land from being turned into condominiums. We produce a specific type of tea that reflects a flavour based on the the soil and low altitude, which is what makes that tea so unique.”

As well as producing tea that is sold in the local area, the gardens attract 80,000 people per year. They come to enjoy the stunning surroundings and trolleybus rides, while also seeing a tea harvester in action and tea being grown and processed on American soil. It is, by all accounts, a wonderful celebration of tea and a vibrant monument to how Bigelow does things differently.

**Par-tea in the USA**

Unlike in the UK or Asia, tea has long played second fiddle to coffee in the hearts of the American consumer. While Cindi doesn’t see tea challenging coffee’s crown quite yet, she has spotted a rising trend among the younger generations. “The older population are more coffee drinkers. But those aged 25 and below are 50/50 coffee and tea. That’s happened over the last four to five years.”

Asked why she thinks that is, Cindi explains: “It’s more of a conversation piece. Green and black tea is the brew of a powerful plant and herbal teas also carry so many benefits. All of them have their medicinal properties. There’s greater awareness of that. People are just more aware of tea’s health benefits. It’s loaded with antioxidants and the younger generations are really enjoying it.”

Cindi sees the health halo tea enjoys as vital to Bigelow’s product strategy. “We have to make sure we’re producing a product that’s completely delicious, but also healthy. That’s going to be our direction. Product innovation is something we spend quality time on. In the world of tea, we do think of ourselves as very innovative.”

**A business for the long-term**

Cindi’s passion for tea and for making the world a better place is effervescent. At a time when brands and businesses have been quick to jump on the social impact bandwagon, it’s refreshing to hear from a business which recognised business’ role in making the world a better place, long before doing so was fashionable.

Not that this was the intention, but Bigelow’s unique approach is helping it go from strength to strength, making it a business for the long-term. “If you look at who’s growing, it’s Bigelow tea,” says Cindi. “We think the reason why we’re doing well is because ultimately the customer does realise we offer quality for value.”





# Perfect storm in a porcelain teacup

HOW CHINESE TEAWARE HELPED MAKE TEA A BRITISH ICON

*Words: Colin Sheaf Images: Giulio Mazzarini*





*"A technically sophisticated product that would  
prove to be fundamental in transforming  
'Camellia Sinensis' from an exotic rarity into  
a ubiquitous cultural icon."*

DESPITE ORIGINATING IN CHINA, PORCELAIN TEAWARE REMAINS INEXTRICABLY ENTWINED WITH BRITISH CULTURE. COLIN SHEAF, CHAIRMAN OF THE SIR PERCIVAL DAVID FOUNDATION OF CHINESE ART, AND DEPUTY CHAIRMAN AT BONHAMS AUCTION HOUSE, IS A WORLD-RENOWNED EXPERT IN ASIAN ART, INCLUDING TEAWARE. HERE HE EXPLAINS HOW, WITHOUT THE PHYSICAL ACCESSORIES OF CHINESE TEAWARE, TEA MAY NEVER HAVE BECOME BRITAIN'S NATIONAL DRINK.

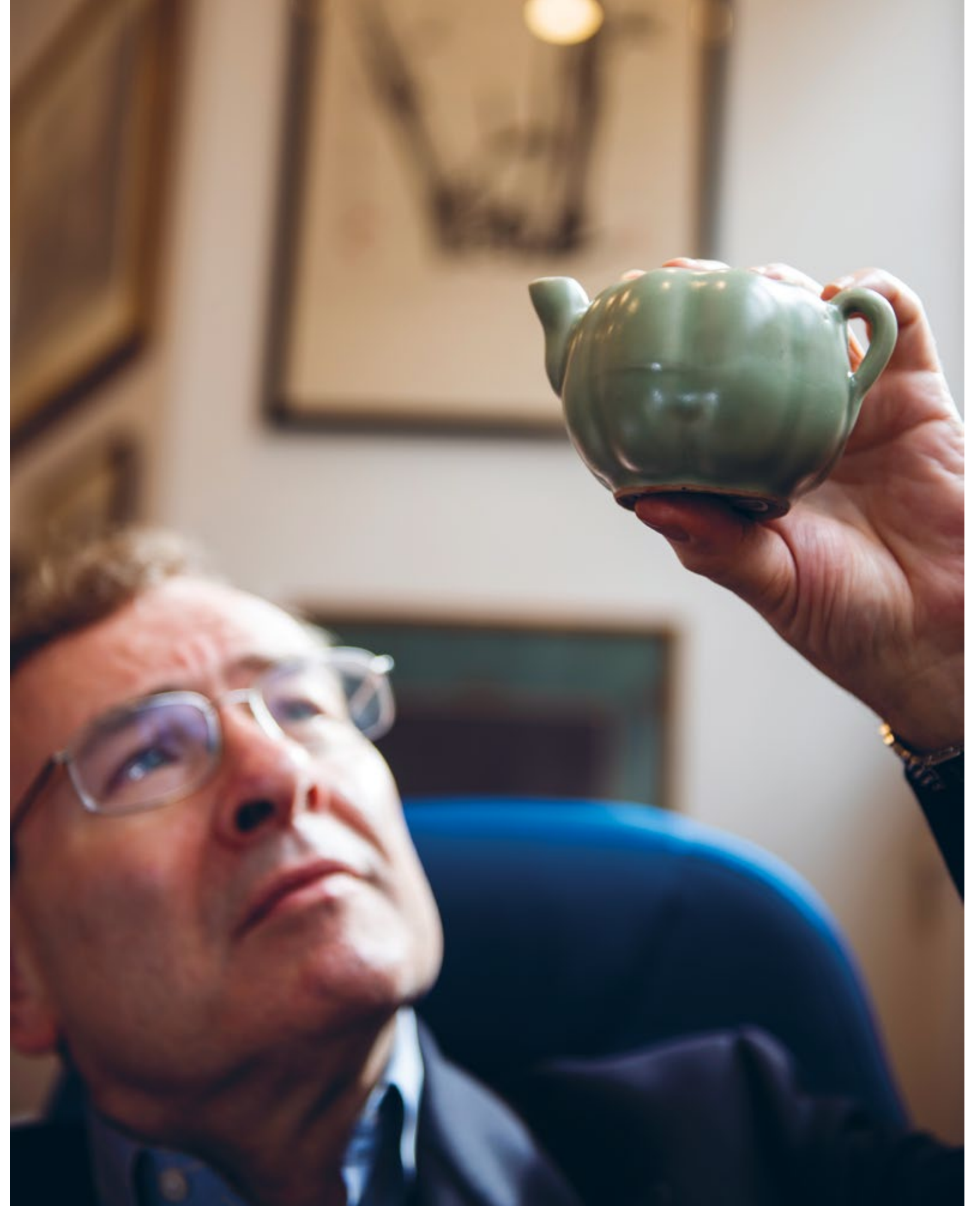
The date is 25 September 1660. Famed diarist and chronicler of his age Samuel Pepys is sampling a new beverage for the first time. "And afterwards I did send for a cup of tee (a China drink) of which I never had drank before, and went away." Little did he know this "China drink" would become synonymous with British culture for centuries to come, bringing with it into

popular culture one of the world's most enduring products. A technically sophisticated product Chinese potters had been using to make and serve tea in for centuries. And that would prove to be fundamental in transforming 'Camellia Sinensis' from an exotic rarity into a ubiquitous cultural icon. That product was porcelain.

#### **A perfect storm**

Tea first arrived in Europe in the early 17th century, imported by the Dutch East India Company which had a monopoly of trade with Asia. The first mention of tea bowls coming to Europe was in the Company shipping lists for 1624. It wasn't until half a century later than tea was popularised in Britain

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by King Charles II's Portuguese wife Catherine of Braganza, a tea lover since childhood. So much so, she brought a chest of tea with her as an extravagant part of her dowry.

Catherine's influence introduced tea drinking to the English royal court. It was an immensely chic and recherché way for ladies to entertain each other grandly, without resorting to alcohol. In this socially-competitive environment, Catherine's endorsement sparked a trend among the aristocracy, much like a celebrity endorsement might today.

*"The combination of the novel, practical attributes of tea as a caffeinated, non-alcoholic and refined beverage; with the arrival of porcelain teaware accessories from China; created the 'perfect storm' of desire."*

Simultaneously, the Dutch were shipping back a novel type of accessory for drinking tea from their Asian headquarters in Java, to their huge wholesale annual auctions in the Netherlands. This was made using an elegant, translucent and highly decorative material by the name of porcelain which was quite unlike anything Western potters could produce.

The combination of the novel, practical attributes of tea as a caffeinated, non-alcoholic and refined beverage, with the arrival of porcelain teaware accessories from China, created the 'perfect storm' of desire. The kind that marketers today dream about.



*‘Delightful porcelain was not only a pleasure to use,  
but it also gave tea a recognisable brand, leading  
to enormous cultural cachet.’*

#### **Transforming societal norms**

The rise of tea and teaware helped to open up social occasions for women, creating a new dynamic. The arrival of three new, non-alcoholic – but caffeine-rich – beverages (tea, coffee and ‘breakfast chocolate’) played an amazing role in helping emancipate women from traditional roles, enhancing their independent social status.

During the 17th century, the format for entertaining was changing. The British aristocracy was building Palladian mansions that were designed internally for more refined social behaviour than traditional pre-Restoration baronial halls had permitted. While the men would drink and talk in the dining room and public rooms, often women would often now retire to the “withdrawing room”, (what we’d now call a “drawing room”), to drink tea. Sophisticated porcelain quickly became integral to these social occasions.

#### **Teaware: a distinctive brand**

Without having the accessories available to serve it attractively, tea may never have taken off as it did. Until then, most drinking receptacles – thick, clunky pots like Dutch Delft or lumpy stonewares – were more akin to a mug for builder’s tea than something you’d expect in high society. Delightful porcelain was not only a pleasure to use, but it also gave tea a recognisable brand, leading to enormous cultural cachet. It served as a visually distinctive vehicle to ignite people’s desires for this chic and enjoyable beverage.

#### **Have it your way**

By the early 1700s, when Queen Anne took to the throne, Chinese and Japanese porcelain was well-established in

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smart interiors, with rich families furnishing their houses with extravagant dinner services (“setts”), often comprising hundreds of pieces. Less wealthy, but socially-ambitious, nouveau-riche families, who couldn’t (yet) afford a gold or silver dinner service, would have their family coat-of-arms painted onto a porcelain service while it was being made in China.

These personalised dinner services and tea sets became a status symbol for successful British families, with some 10,000 estimated to have been made during the 18th century.

*‘These personalised dinner services and tea sets became a status symbol for successful British families, with some 10,000 estimated to have been made during the 18th century.’*

A typical tea set would include, among other things, airtight jars (‘caddies’) for storing the leaf tea; twelve each of tea bowls and coffee cups and saucers; a teapot and little stand; a coffee pot; a milk jug; a sugar bowl ‘slop’ basin; and often a small spoon-tray. All elegantly standing on a handsome silver tea tray, ready for the ‘lady of the house’ to skilfully dispense.

Cementing its status, William III’s wife Queen Mary was herself an avid collector of Chinese and Japanese porcelain. An inventory from 1697 suggests she had nearly 800 pieces spread throughout nine rooms, a few of which have amazingly survived to this day.



*‘The English pots were deliberately not quite as fine as those made in China, because many were decorated by using printed designs, unlike Chinese hand-painted ones.’*

#### Entering the mainstream

With both tea and porcelain usage spreading through society like wildfire, it was only a matter of time before it entered the mainstream. In fact, British-made ceramics from Staffordshire were one of the earliest success stories of the industrial revolution at the end of the 18th century. The English pots were deliberately not quite as fine as those made in China, because many were decorated by using printed designs unlike Chinese hand-painted ones, but it did make these local ceramics more accessible to the middle classes.

Queen’s Ware, which was invented by Josiah Wedgwood in the 1780s, was a refined ceramic material that was easy and fast to mass produce. This ultimately turned teaware into a low-cost, high-volume business. Teaware had entered the mainstream, bringing tea culture to a much wider audience.

#### The end of an era

The advent of the Napoleonic Wars at the start of the 19th century precipitated the end of the golden age of Chinese export porcelain coming to Britain. While Britain imported many craft products like silk and porcelain, and commodities like tea and pepper, from China, it had little to offer in return, except for bar silver. Once that silver was needed to finance the war efforts against Napoleon, British shipping routes from Asia were disrupted, and the import of Chinese porcelain dried up.

By then however, the Staffordshire ceramics industry was well established and highly competitive, using many technical

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innovations like bone china (porcelain made using animal bone ash) which was a strong, cost-effective substitute.

**Role reversal**

When I started working in the London art world in the 1970s, Chinese art was very out of fashion. Since then, happily, that trend has reversed dramatically, and all Chinese art – including ‘export-market’ art like porcelain teaware – is highly sought after. With pleasing symmetry, much of the porcelain that arrived in Britain hundreds of years ago from China is now going back to its country of origin at auctions in Bonhams.

Interestingly, Chinese industry is now working closely with (rather than competing against) the Staffordshire ceramics industry, to learn the current ‘tricks of their trade’. This is not just from an artistic point of view, but significantly also a technological one, because the ceramic body is increasingly recognised by engineers as having remarkable industrial properties such as low conductivity and high heat resistance.

**History repeating**

Without porcelain, tea may not have come to dominate the British ‘beverage landscape’ quite so quickly, or possibly at all. What’s fascinating is how elements of the original story of tea and teaware in Britain still resonate with the world today. How “celebrity” endorsement, covetable accessories and a stimulating product can combine to create a “brand” that transformed a simple commodity into a cultural icon with immense influence.

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*About Colin Sheaf. Colin Sheaf is Group Head of Asian Art and Group Deputy Chairman at Bonhams. An Exhibitioner in Modern History at Worcester College, Oxford, he has enjoyed a distinguished 40-year auction-world career as an authority on Chinese Art, based variously in London, New York and Hong Kong. Currently he oversees Asian Art specialist teams on four continents, with departments holding sales in London, Hong Kong, New York, Los Angeles, San Francisco and Sydney. For further information about Chinese porcelain and the historical tea trade, contact Colin Sheaf at [colin.sheaf@outlook.com](mailto:colin.sheaf@outlook.com).*



# What the history of teaware tells us about the future

*Words: Guy Chambers*

READING COLIN'S FASCINATING ACCOUNT OF THE ORIGINS OF TEAWARE IN BRITAIN, IT'S HARD NOT TO REFLECT THAT SOME OF THESE LESSONS FROM HISTORY ARE MORE RELEVANT TODAY THAN EVER.

The nation's favourite drink it may be, but these days most tea in the West is made using teabags, and drunk from uninspiring mugs without ceremony. While specialty and herbal teas are growing, standard black tea remains in decline. And that's partly because it's lost some of its novelty in the eyes of the consumer.

The million-dollar question is then: how to escape from this vortex? How do we, as an industry, ask consumers to rethink tea? Colin's argument makes me wonder whether fresh innovation in teaware could foster a new wave of tea culture and bring some of the magic back to the category.

## **Learning from coffee**

Look at coffee. Over the last 25 years, coffee culture has swept the world. As well as innovation in formats, the proliferation of coffeeware has been pivotal to infusing coffee with a powerful cultural kudos.

Consider the sensory theatre at a café when you order a cappuccino. Stream rising, the gurgle of frothing milk, the

smell of freshly ground coffee. The instagrammable lure of latte art. All resulting in a beverage that's bespoke to you and which consumers happily pay a premium for. It's a far cry from a teabag hastily plonked in a mug of scalding water. For such an incredible product, with such a rich history, tea deserves better.

## **Rethinking tea**

For me then, teaware will once again be central to how we can start to carve new channels for tea, attracting new demographics, and justifying a more premium price at the point of purchase for consumers.

It's a buzzword, but the focus must be on making tea more experiential. Teaware can help with that. Finlays already has some exciting plans in the pipeline that will help consumers see tea with fresh eyes. But we also need to collaborate as an industry focusing on product quality, innovation and creating a sense of theatre when tea is served. We need to give Millennials and Generation Z a reason to see tea with fresh eyes, and to be excited to share their experiences on social media.

This change will happen – it must – the only questions are how quickly, and who will be leading the trend.



## Finding the future in the past

UNLEASHING THE POTENTIAL OF CHINESE TEAS

Words: Guy Chambers    Image: Giulio Mazzarini



BRITS DRINK A LOT OF TEA. UK TEA CONSUMPTION IS AMONG THE WORLD’S HIGHEST (ROUGHLY 2KG PER PERSON PER YEAR), BUT BLACK TEA CONSUMPTION HAS BEEN IN DECLINE FOR WELL OVER A DECADE.

Such is the scale of the problem that Alan Jope, CEO of Unilever – owner of Lipton, the world’s largest tea brand – announced in January 2020 a strategic review of its tea business. According to Jope, all options are on the table including restructuring or even sale. Many brand-owners – like Unilever – are asking how to ignite the future growth of tea.

But perhaps the future of tea in developed markets may lie in its past. And if we want to explore the past, we should turn to China.

### **Black tea: an origin story**

Black tea is, of course, only a small sub-set of a vast range of teas, so how did it come to prominence in the UK and US? Simple: it was driven by history. Before the early 19th century, imports of tea to the UK and US were mainly green. Only after the development of tea-growing in the former British Empire India and then Kenya, did black tea come to the fore. Black tea was easier to make, easier to ship and easier to store. On

### **A multi-dimensional experience**

Tea in China is a multi-dimensional experience; an experience far richer and deeper than tea in most other parts of the world. This richness and depth can be seen both on the physical level and spiritual level.

On the physical level, Chinese tea has multiple types (including six main ones: green, black, wulong, white, yellow and ‘dark’) as well as differentiation by origin – similar to wine. Da Hong Pao (literally ‘Big Red Robe’) wulong tea from the Wuyishan mountains in northern Fujian is a fine example – with a backstory of terroir not unlike a fine Pauillac.

Chinese teas have several physical layers, both in terms of packaging (to present tea to the consumer) and tea-ware (to serve tea). Colin Sheaf’s excellent article on teaware (page 76) gives us a glimpse of how tea’s value is enhanced by teaware.

### **Strong cultural dimensions**

Tea in China also has extremely strong cultural dimensions. These are spiritual, social and even medicinal. In China, tea was closely associated with both Buddhism and Taoism. Buddhist monks adopted tea as their beverage of over a thousand years before ‘mindfulness’ became a buzzword. On

the social level, communal tea drinking formed an integral part of the development of urban society dating back to the Song dynasty (11th-12th centuries).

Even today in northern Guangdong and southern Fujian provinces, any visit to a home, office or shop typically triggers the preparation of ‘gongfucha’ on a purpose-built low table with an array of bowls, cups and other utensils. And many tea drinkers today are probably not aware of tea’s origins as a medicine in China – part of the Chinese repertoire of herbal medicines.

### **Complexity rarely travels far**

But the transmission of the multidimensional aspects of tea from China to other countries has always faced challenges. Complexity rarely travels far and the simplest form often travels the furthest. To make matters worse, the supply of Chinese tea often faced quality issues. In the eighteenth and early nineteenth century; stories were common about Chinese teas being adulterated either in China or in the UK with cheaper plants (elder, hawthorne and sloe were popular); chemicals (especially Prussian Blue for green tea); or simply reprocessed used tea leaves.

### **Back to the future**

Finlays’ own history is entwined with growing, sourcing and processing tea: from direct shipments of tea from Guangzhou in 1817 on the George Canning, a vessel commissioned by Kirkman Finlay (the son of the firm’s founder); through a century of managing tea farms in India and developing extensive tea-growing in East Africa; and all the way to the opening of the James Finlay Guizhou tea processing facility in October 2019.

Today, Finlays is well-placed to provide brand-owners around the world with a trusted source of teas – including from China. Initial orders from Guizhou for the US and Europe are encouraging. Despite the interruption of the coronavirus outbreak, the story of the broader development of the Chinese teas category outside China is only just beginning.

Although little of the Chinese ‘multidimensional’ experience of tea and tea-drinking is currently enjoyed outside China, this could be an opportunity. Perhaps by exploring the history of tea in China, we can explore how to unlock a potential source of future growth in other markets.





Image: [wonderartcage.tumblr.com](https://wonderartcage.tumblr.com)

# Mindfulness tea ceremony

HUAFU WANG TAKES US THROUGH A STEP-BY-STEP GUIDE ON HOW TO  
ENJOY THE PERFECT MINDFULNESS TEA CEREMONY

*Words: Huafu Wang*



*‘The mindfulness tea ceremony draws water  
from the tea, and spreads tea flavour and aroma,  
which creates a beautiful life by treating  
others with courtesy.’*

THE TEA CEREMONY IS A WAY TO APPRECIATE THE BEAUTY OF TEA. MANY DIFFERENT TYPES OF TEA CEREMONY ARE PRACTISED IN CHINA AND JAPAN, INCLUDING THE MINDFULNESS TEA CEREMONY WHICH IS DEVELOPING QUICKLY.

The mindfulness tea ceremony draws water from the tea, and spreads tea flavour and aroma, which creates a beautiful life by treating others with courtesy. The mindfulness tea ceremony is different from the traditional tea ceremony. The essence of its creation can be expressed using the Chinese words "静思 -Jing Si", meaning “thinking quietly”, ie meditation. It is used at a tea party to let everyone share their understanding of nature and their appreciation of a peaceful and beautiful atmosphere.

#### **A simple mindfulness tea ceremony**

This is a very simple introduction to the mindfulness tea ceremony. While traditional tea ceremonies vary from culture to culture and are rich with nuance, if you are truly mindful in the process — meaning you pay close attention to the way each movement feels, looks, smells and sounds — any variations are acceptable.

**Step 1:** The tearoom should be spotless. In the room, carefully selected old calligraphy or ink paintings together with some classical music can create a pleasant atmosphere. Prepare a peaceful space for you and your guests.

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**Step 2:** In principle, any tea can be used, but Matcha, and orthodox teas, such as oolong are preferable. Open the container, taking time to fully appreciate the tea's appearance and aroma.

**Step 3:** Put the tea in your chosen teapot and pour hot water on the tea carefully and mindfully. Breathe slowly and gently while you are waiting for the tea to brew. Direct your attention to the change of the colour of tea liquor and arising of the tea aroma.

**Step 4:** Before serving, take a moment to connect with your guests (even if that just means making eye contact) and absorb the moment. Serve the tea into small cups, and put each cup on a saucer and bring it out with both hands to show your respect. Then invite your guests to drink the tea.

**Step 5:** When accepting the tea, guests should nod and smile to the host to express their gratitude. Give thanks for being here, now, and bring the tea to your lips. Inhale gently and let the fragrance infuse you. Take a sip. Hold the tea in your mouth a moment, as you allow it to flow to different parts of your palate and tongue. Breathe very slowly. Appreciate the flavours on the exhale. Drink your tea reverently.

I especially appreciate a Japanese saying, "one period, one meeting". Here, a period refers to a person's life. Therefore, when you meet someone, treat them as if you will only meet them once in your life. At this moment, it is important to cherish every second during the tea ceremony.





# Doing the right thing, come what MAY

*Words: Igor Lisinenko   Images: MAY Foods*

MAY FOODS IS A LEADING RUSSIAN TEA COMPANY WITH A GROWING GLOBAL PRESENCE, AND A LONG-TERM CUSTOMER OF FINLAYS. WE SAT DOWN WITH ITS FOUNDER IGOR LISINENKO TO TALK GLOBALISATION, DIGITAL TRANSFORMATION, THE IMPORTANCE OF EMPATHY AND HOW THE IDEA FOR HIS BUSINESS CAME FROM HIS TIME SERVING IN AFGHANISTAN.

**1750: Thank you for joining us Igor. Please tell us about MAY Foods and what makes it unique.**

Igor Lisinenko: MAY is among the top two tea companies in Russia, both in financial terms, and in sales volume. We are unique in that we build a world of harmony and beauty together with employees and partners who understand and appreciate this vision. This distinctiveness is in our mission – to create superior value – and in our corporate values.

Our employees constantly go beyond their direct responsibilities at work and develop unique projects. We also cultivate the principle of openness among all colleagues. We appreciate feedback, and we have a section on our website “Question to the General Director”, where absolutely everyone

can ask the CEO a question – personal or professional – and be sure to get an answer.

**1750: What prompted you to become an entrepreneur?**

IL: I served in Afghanistan, and every night simply dreamed of living until the evening. There I fell in love with tea – real, loose-leaf, strong tea, which at that time wasn’t sold in the Soviet Union.

For some reason, no-one had thought to make a quality tea, despite tea being a beloved, ancient and traditional drink for Russians. After the trials of life during war, a person realises he can overcome any difficulty. So I created a business that gave Russians a quality product for the first time. Then, in 1991, Russia got to know MAISKY, the main product of MAY, and fell in love with it. Today our company has five brands: four teas and one coffee.

**1750: Please tell us more about your tea products.**

IL: Our tea brands satisfy different consumer segments. MAISKY tea is a product of the highest quality, hand-picked on the best tea gardens of Sri Lanka, including from Finlays.



In 2010 and 2019 the brand was recognised as the number one Russian brand.

Since 2018, we have been producing MAISKY Ivan-Tea and are experimenting with growing a rosebay willow herb on our own estates in the Vologda region. This is time-consuming as it is a wild plant and difficult to tame, but we are working with the agricultural scientific communities to achieve this. Today, we have registered two of our own patents – on the method of production from a leaf of rosebay willow herb and on the product Ivan-Tea itself.

RICHARD is a royal tea that demonstrates powerful growth potential and is already represented on many international online sites. By this brand we are developing the royal tradition of tea drinking.

The aromatic varieties of CURTIS tea are for those who want to treat themselves to exotic tastes. This brand is beloved by young people who always prefer everything new. In addition, CURTIS includes a line of fortified teas, and we have also developed drinks that can be cold-brewed.

LISMA is a collection of high-quality varieties of real Indian tea for everyday life, created for true lovers of a strong drink.

**1750: And what about your coffee?**

IL: We have been developing the coffee category and the COFFESSO brand for three years. In 2020, the brand is conquering a growing market under a new concept: Arte del caffè italiano. We are collaborating with a famous barista,

the Italian champion in cup-testing Giacomo Vannelli, who, working with our own cup testers, has masterfully selected the coffee beans and the level of coffee-roasting to create unique blends that meet classic Italian standards.

**1750: Who are your consumers?**

IL: Our consumers are adherents of old traditions, classic tastes, and those who like to try something new. There is also a large category of those who take care of their health and adhere to proper nutrition. Tea is a basic necessity, but we go beyond the standards, ensuring people have a choice even among such a familiar drink as tea.

**1750: Tell us about your partnership with Finlays.**

IL: Finlays and MAY began to cooperate in 1999, when the first container of tea was shipped from Malawi. Finlays currently delivers tea from Kenya, Argentina, Vietnam, Kenya and Tanzania. Kenya is the main supply country, accounting for 77% of total tonnage.

Since 2017, there has been a sharp increase of Finlays' share of our purchases. This is for two reasons: firstly, MAY increased the use of Kenyan tea in blends due to more competitive prices and good quality characteristics compared to tea from other countries. Secondly, Finlays' excellent tea expertise, its good work in observing the quality parameters, and its financial power allowed it become one of our leading suppliers.

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**1750: What are your global operations?**

IL: We are already in 46 countries, and plan to be in 75 by 2025. The global market is where we can apply our efforts to create unique and superior value in tea and coffee with no boundaries. The needs of global consumers are very similar; one might even say that in some cases they have no differences. For example, our brand RICHARD is perceived by consumers of all countries, including the UK, as a real royal tea.

**1750: Tell us about TEA.RU.**

IL: Following the trend of business digitalisation, in 2019 we opened our own marketplace TEA.RU. At first we sold only tea and coffee, but then began to involve partners selling related products like chocolate, sweets, candies, dishes and gifts. There are now several thousand products on the marketplace, and the number of merchants who want to cooperate with us is constantly increasing.

**1750: What are the key trends in the Russian beverage market?**

IL: Coffee is now in greater demand than tea. Many factors contribute to this: the discovery of new methods of coffee making, food-pairing and decaffeinated coffee. But we do not forget tea. We are actively developing a culture of drinking these two drinks and are trying to present their unique qualities to consumers. Nowadays, a healthy lifestyle, vegetarianism, sports and fitness are popular all over the world, and our tea, with its diversity, fully fits into these trends.

**1750: How does being an entrepreneur shape how you see the world?**

IL: The world is beautiful, however since childhood, I've inexorably wanted to make it even better, and this desire drives me constantly. I imagine the future development of human civilization on the faraway horizon, 20 years ahead, and direct the strategic vision of my company there.

**1750: Many thanks Igor – it's been a great pleasure talking to you.**

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*To find out more about MAY-Foods visit [www.themay.com/en/](http://www.themay.com/en/).*



# Pearls of wisdom

THE SECRETS TO IGOR LISINENKO'S SUCCESS

*Words: Igor Lisinenko   Image: MAY Foods*

**1. To build a successful business, you need to think first not about profit, but about the benefits you can bring to people.** Business is just a tool to change the world for the better. The natural talent of an entrepreneur is to be able to empathise. This is the ability to see a major problem and feel the pain of people, to understand when they are not satisfied with something, to love them. And an entrepreneur should overcome any difficulty to solve this problem.

**2. Don't just adapt to trends, create your own.** Nowadays most consumers are driven by health concerns and wholesome diets. Following this trend, we have developed a series of healthy drinks, including our fortified CURTIS tea, Ivan-Tea containing GABA and the herbal drink Herbs of Russia and are constantly expanding these lines.

**3. Only mutual trust leads people, companies and entire nations to success.** And a total distrust of each other leads to collapse and ruin. Trust is a technology that needs to be embraced. When you trust many people, the risks are significantly reduced. They can't all deceive you at once. And thus you can avoid big losses if someone does not justify your trust.

**4. Entrepreneurs should learn psychology, sociology and economics.** Psychoanalysis and Gestalt psychology helps build relationships with colleagues and partners. Sociology lets you work with consumers. Microeconomics and macroeconomics are needed to calculate everything.







# The Art and Science of flavour

WE SAT DOWN WITH TWO FINLAYS EXPERTS, WHO OFFER UNIQUE  
PERSPECTIVES ON THE NATURE OF FLAVOUR

*Words: Thom Walton   Images: Giulio Mazzarini*





*‘Flavour is the confluence of the three dominant senses of smell, taste and touch.’*

AT FINLAYS, HELPING OUR CUSTOMERS CREATE PRODUCTS WITH EXCEPTIONAL FLAVOUR IS OUR RAISON D’ÊTRE. BUT WHAT EXACTLY DO WE MEAN BY THE CONCEPT OF “FLAVOUR”? IS IT SIMPLY HOW SOMETHING TASTES, OR A MORE ROUNDED SENSORY EXPERIENCE? CAN WE MEASURE FLAVOUR, AND IF SO, IS THE BEST WAY TO DO THAT USING OUR INSTINCTS, OUR SENSORY EXPERTISE, OR IS A MORE SCIENTIFIC APPROACH CALLED FOR?

To guide us through this fascinating area, we sat down with two Finlays experts, who have unique perspectives on the nature of flavour.

**Tell us about your role.**

Mark Peters: I taste and assess tea from across the world to gauge its quality. I spend most of my time in the tea tasting area in London, and wherever else I’m needed in the world of tea.

Frieda Dehrmann: My role is about creating the technical links between the chemistry and the emotions of the products we consume. I’m more desk-based than Mark, and in laboratories in regional manufacturing areas.

**How would you define flavour?**

MP: Flavour has a specific meaning in the context of tea, referring to a characteristic of high-grown tea where the flavour is allowed to develop. How someone experiences the taste of tea is, for me, defined by its body, strength and brightness. Flavour is an occasional bonus.

FD: In simple terms, for me flavour is the confluence of the three dominant senses of smell, taste and touch.

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**Is flavour more quantifiable, or qualifiable?**

MP: For me how something tastes is qualitative. I have an expectation of what a tea should taste like ahead of time, so I'm looking for divergence from that. It's something I experience instinctively. When I started out 38 years ago, I was told it would take seven years before I'd be useful. While anyone could in theory become a tea taster, doing so means tasting tea all day every day and being repeatedly exposed to all types of tea from all origins, from all different seasons. After all these years, it's become second nature.

FD: The concept of flavour is a quantifiable characteristic. Certain molecules give you certain presentations of aroma and taste, so if you train yourself with these molecules, you can quantifiably measure how much is there. Having a molecular understanding of a product is extremely valuable from our customers' point of view. Based on empirical data, we can offer provable consistency time and again. Not only that, we can quantifiably demonstrate that a product has certain desirable characteristics and how best to take advantage of these when it comes to applications.

**What is the physiological process of experiencing flavour?**

FD: It's a hugely complex science. Humans evolved to experience flavour subconsciously, but we do so using every sense. Sight and smell are huge factors in how we perceive flavour, as is touch, even sound. Even if we don't realise it.

MP: I'd agree with Frieda. When I taste tea, I do it instinctively, but my subconscious mind is computing those same factors without identifying them individually.

**How much about the flavour of a tea could you discern without actually tasting it?**

MP: A huge amount. First I would look at the dry leaf, the colour and the brightness of the liquor, as well as the hue of the infusion. If it looks appealing, chances are it will taste appealing. I may also smell the infusion if I was looking for defects or positive attributes. I could also tell its origin, age and freshness.

FD: Using chemical analysis, I could give you an indication of its likely flavour characteristics based on the molecules it contained, as well as analysing things like pH level and its



colour. I could probably also tell its continental origin and I could tell you how it had been processed in terms of being dried, heated etc. Where I can really add value is that, based on its empirical characteristics, I could tell you how the product might fit into the market in terms of location, demographics and application.

**How do your different perspectives marry together?**

MP: We work together a lot and when we do, we come to a collective judgement. The science and the tasting are interwoven.

FD: Mark brings a deep and enduring knowledge of origin, quality, market value. What a scientific approach brings is a deconstructed understanding of a product on a molecular level. The convergence of looking at things from different perspectives is hugely powerful. Mark's checking the tea is as it should be, measured against his expectation, and I'm focussed on how that tea can ultimately be used in practice.

**Where do you see the future of tea tasting going?**

FD: There's huge potential for development. Artificial Intelligence is the holy grail for sensory scientists and the product development opportunities would be phenomenal. But there are huge challenges to that happening any time

soon. We are involved in some projects that will deepen our understanding of the flavour and how we can help brand owners unlock its potential. For example, working with the Breeding Team, led by Richard Mosi in Kenya, and using things like proteomics and metabolomics, we can start to stack vast amounts of data, turning it into knowledge and then invaluable insights for our customers.

MP: From the tea-tasting side, technology's been around for a while. We used to have a tea-tasting machine – an e-tongue – but it was incredibly slow, you had to clean it, and ultimately it didn't add value.

FD: If you were to watch Mark at work, you'd quickly see that nothing works as fast and effectively as a human when it comes to assessing tea.

**So in your view, is flavour more of an art or a science?**

MP: For me, while taste is important, I'd say science plays the biggest role as intrinsically flavour is related to terroir, soil type, plant variety and climatic conditions.

FD: I'd say it's both. Analysing flavour is strongly founded in science. But the art and creativity are in how you express that science, to make it impactful to customers and consumers. You can't have one without the other.

## Meet the EXPERTS



*Name: Mark Peters*

**Job:** Tea specialist at Finlays

**Background:** 38 years as a tea taster at Finlays

**Preferred tea:** Strong, east African builder's, maybe with some Assam.

**Cups of tea per day:** Four to five (or hundreds if you include those I taste).



*Name: Frieda Dehrmann*

**Job:** Group Head of Quality and Analytical Science at Finlays.

**Background:** Degree in biochemistry, various roles in global brewing including as consumer science and sensory manager. Joined Finlays in 2018.

**Preferred tea:** Earl Grey but depends on my mood.

**Cups of tea per day:** one to three.





# Espresso mar-tea-ni

THE UNSTOPPABLE RISE OF  
TEA AND COFFEE IN COCKTAILS

*Words: Thom Walton   Images: Giulio Mazzarini*



*‘We actually use tea in a lot of drinks  
without listing it as an ingredient...around a third  
of all drinks include tea in some form.’*

FROM ESPRESSO MARTINIS TO EARL GREY NEGRONIS, THE USE OF TEA AND COFFEE IN COCKTAILS IS MORE PREVALENT THAN EVER. TO UNDERSTAND THIS TREND, AND WHY TEA AND COFFEE ARE BOTH EXCITING AND PRACTICAL INGREDIENTS FOR BARTENDERS, 1750 PULLED UP A BARSTOOL WITH ELLIOT BALL, CO-OWNER, MANAGER AND BARTENDER OF THE COCKTAIL TRADING CO. – ONE OF THE UK’S MOST ESTEEMED AND EXPERIMENTAL BAR BUSINESSES.

A NEUROSCIENTIST BY TRAINING, ELLIOT AND HIS PARTNERS OPENED THEIR FIRST POP UP IN 2014 AND NOW HAVE FOUR LOCATIONS ACROSS THE UK, AS WELL AS A CONSULTANCY ARM. ELLIOT ALSO SHARED WITH US THE SURPRISING SECRET INGREDIENT IN HIS ESPRESSO MARTINI...

**1750: Thanks for joining us Elliot. How did you first get into bartending?**

Elliot Ball: After graduating in Psychology/Neuroscience I moved to London and kept bartending, keeping up the academic approach.

There weren’t too many neuroscientists who were also slinging cocktails, so I started doing consultancy and, with my partners, we opened The Cocktail Trading Co.

**1750: Why do tea and coffee work so well in cocktails?**

EB: Tea and coffee is a big thing for us. In cocktails, you have a balance of primary seasonings like sweet, sour, salt, bitter, umami, which tea and coffee help with. But they’re also valuable for their trigeminal aspects like temperature, mouthfeel, astringency.

**1750: How do you use them in your concoctions?**

EB: A key part of our prep is in mixes and it makes sense to use tea and coffee as they’re ready to go – the time is spent on prep not during service. We actually use tea in a lot of drinks without listing it as an ingredient and around a third of all drinks on menu include tea in some form or other.

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**1750: Could you give an example of how you use tea without listing it?**

EB: We use tea for the astringency and mouthfeel it imparts. For our espresso martini, we start with a rooibos and brew coffee into it, producing an extra vanilla note. At no extra cost, this provides an astringency that complements the coffee. It also allows us to add a little more sweetness and salt without it feeling over-seasoned.

**1750: Which type of coffee is your go-to?**

EB: In cold brew, the characteristic bitterness and astringency is nowhere near as present, allowing other flavours to speak through. Without the bitterness, cold brew works better in cocktails because most of the cocktails out there are sweet and sour which don't combine well with bitterness.

**1750: Which teas do you use?**

EB: We use jasmine tea to chill and carbonate our Bride's Nectar cocktail because it has a floral characteristic that we wanted to complement. While we could carbonate with water, jasmine tea adds florality and astringency. Rooibos is also such a versatile flavour, just one step left of vanilla, while white tea blends offer herability.

**1750: How do customers respond to coffee and tea in cocktails?**

EB: Tea and coffee is a more mature set of flavours, as is the allure of caffeine. The astringency and mouthfeel of tea and coffee offer a great deal to the overall satisfaction of a cocktail – it's a lot better than just sticking a load of sugar in it.

**1750: Where do you think things will go next?**

EB: The interesting thing isn't new ideas, it's seeing where new ideas enter the mainstream. I think as interest grows, we'll see more intention towards tea as an ingredient, but also a deeper understanding of tea, its variety and where it comes from. As understanding of what tea and coffee are develops, we're going to have many more interesting drinks.



*finlays* HIBISCUS HARD ICED TEA

A perfect blend of sweet and sour with the added aroma and mouthfeel from carbonated tea.

INGREDIENTS

- 100ml hibiscus tea, chilled until very cold
- 25ml seasoning syrup (recipe below)
- 25-50ml gin (depending on how strong you want it)
- A few sprigs of mint and slice of lemon to garnish
- 4 coffee beans (optional)

METHOD

Carbonate the tea using a Soda Stream, only filling the bottle 1/3 full to ensure it doesn't fizz over. If you don't have a Soda Stream, you can use 50ml chilled tea and 50ml soda water.

To make the seasoning syrup, place 500g caster sugar in a small saucepan, add 250ml water and place on a low heat, stirring constantly until dissolved. Then add 10g citric acid powder (available from pharmacies and online) and 5g of sea salt, stirring until dissolved. Take off the heat and then cool. The syrup will last a month in the fridge.

Build your cocktail. Fill a tall glass with cubed ice and add the gin, syrup and carbonated tea. Stir gently and garnish with a slice of lemon and a sprig of mint.

This is a versatile recipe and you can experiment by combining different types of tea with different spirits. Think rooibos with spiced rum or jasmine tea with whiskey.



*the* COLD BREW-LE-VARDIER

A caffeinated twist on the classic Boulevardier. Cold brew pairs perfectly with anything aged in wood, complementing the vanilla and spice notes and adding a bitterness to balance the astringency.

INGREDIENTS

- 40ml bourbon
- 20ml sweet vermouth
- 15ml Campari
- 35ml cold brew coffee
- Orange peel to garnish

METHOD

Fill a large mixing glass with cubed ice, add all the ingredients and stir very well until super chilled. Strain into a chilled coupe or tumbler, and garnish with orange peel.





## What cocktail trends can tell us about RTDs

*Words: Arisha Ramparsad    Image: Giulio Mazzarini*

CONSTANTLY INVENTIVE, AND WITH A HUGE FOCUS ON MULTISENSORY EXPERIENCE, THE COCKTAIL INDUSTRY IS A MAJOR INSPIRATION FOR THE APPLICATIONS TEAM AT FINLAYS, NOT JUST FOR ALCOHOLIC RTDS, BUT NON-ALCOHOLIC ONES AS WELL.

Recent innovations like hard iced teas and hard seltzers are growing rapidly, attracting a new generation of consumers who want a differentiated alcoholic beverage, which also has the “health halo”. The cocktail industry is also a source of inspiration in terms of visual appeal, as we seek to create beverages that taste every bit as good as they look on Instagram.

As Elliot suggests, the current trend is for bartenders developing a more nuanced understanding of tea and coffee. How its provenance, variety, and processing method impact taste profile and what this means for application. Not all teas and coffees are created equal, and finding the perfect variety is crucial to creating the functional, differentiated RTD beverages that consumers demand today.





# Stronger on purpose

THE ROLE OF BUSINESSES IN DRIVING CHANGE

*Words: Subathra Vaidhiyanathan    Image: Giulio Mazzarini*



THANKS TO THE COMBINED EFFORTS OF DAVID ATTENBOROUGH AND GRETA THUNBERG (AMONG OTHERS), SUSTAINABILITY HAS GONE FROM BEING A FRINGE ISSUE IN SOCIETY TO BEING ONE OF THE DOMINANT GLOBAL ISSUES OF OUR TIME. THE STAKES ARE JUST AS HIGH FOR BUSINESS ALSO.

Finlays has an incredible history stretching back to 1750 – the definition of a sustainable business! But to keep operating for another 270 years, sustainability will have to drive everything we do.

To think about sustainability as a strategy that operates in isolation is to miss the point. You can’t silo something that touches every aspect of your organisation, and increasingly drives a company to be fit for the future. That’s why at Finlays, we’re working towards becoming a purpose-driven business, embracing sustainability-oriented thinking and creative, human-centred innovation.

## What is a purpose-driven business?

In purpose-driven businesses, the values that underpin a company are there in every department, and every boardroom decision. Like ‘design thinking’, this moves away from focusing on ‘band aid’, short-term solutions, to thinking about creative, integrated strategies over the long term.

In the words of Greta Thunberg, the question isn’t only “do we have the budget for this?”, but also, “have we got enough of the carbon budget to spare to go through with this?”. Many

believe sustainable issues relate to protecting the planet. This is true, but there is another layer too. “Sustainable” issues relate more to sustaining human existence, including making sure we have natural resources to support our business into the future.

We don’t just do it because it’s the right thing to do, but because *thinking* long-term is precisely what will make our business *successful* long-term. This is what makes it truly sustainable.

Becoming a purpose-driven business at Finlays will not only help us remain profitable as a business today, but puts people and the planet at the heart of what we do, making sure we will continue to thrive 200 years from now. We have an inherent understanding of this at Finlays, where one of our core values is being sustainable, alongside being trusted and innovative. We need now to embed these values in everything we do. More than that, sustainability is key to achieving the other two. This means looking beyond short-term profits to create sustainable long-term social, economic and environmental value for our stakeholders, customers and for the world at large. It means making every single decision through the lens of long-term thinking.

## Finding the win-win-wins

One way that we are looking at long-term growth in Finlays is through our vertically integrated supply chain. Having greater control over our supply chain not only helps keep our costs

down, but also gives us an enormous responsibility to ensure we’re creating and sharing value at every stage, stretching from our own farms, right through to the end consumer. This makes our supply chain one of our greatest strengths for our customers, offering transparency, traceability that reduces risk, and ultimately, trust.

As the global consumer grows more discerning about where their food and drink comes from, we shouldn’t underestimate the power of an integrated supply chain. We have seen how blind-spots in supply chains can lead to unforeseen human, environmental and reputational damage. When those across our supply chain win, then our customers win, and so do we. We promise our customers transparency and traceability to make sure that we don’t have our own blind spots, and that we continually improve our environmental and human rights record. It’s about proactively creating win-win situations.

## The role of business in driving change

Collectively, businesses have the power to play a key role in making change happen, as well as a responsibility to do so. And they should do so eagerly, not only because it’s best for the world at large, but because it’s best for their own long-term prospects. And we cannot do this alone. Collaboration is key to driving long-term sustainable change and creating meaningful impact. That is why we partner with stakeholders locally and globally to drive forward our Sustainable Futures strategy.

Finlays isn’t perfect – no business is. But the road ahead is an exciting one, and one we want to bring all our colleagues and customers along with too. Transforming into a thought-leading, purpose-driven business isn’t something we can achieve overnight. It’s something we need to do collectively and strive for each and every day. There is certainly strength in numbers. The more people who join us on this journey, together, the stronger we’ll become.



## Sustainability HIGHLIGHTS

IN 2018, WE LAUNCHED OUR REFRESHED SUSTAINABILITY STRATEGY, *SUSTAINABLE FUTURE*. OUR REVAMPED STRATEGY FOCUSES ON SIX OBJECTIVES: INTEGRATED LANDSCAPES, LAND STEWARDSHIP, OUR PEOPLE, LOW IMPACT OPERATIONS, EMPOWERED COMMUNITIES AND SUSTAINABLE SUPPLY.

Talking practically, while we have dedicated resources in a Sustainability Department within our organisational structure, we do not see sustainability as a stand-alone function. It goes to the heart of everything that we do as Finlays. For example, the six elements of our sustainability strategy are each sponsored by a member of our global leadership team. Each leader acts as a champion to integrate the strategy into the fabric of our business. Listed below are the highlights of our work in 2019, based around our six objectives.



### Integrated Landscapes

FINLAYS WILL PROTECT AND ENHANCE 100,000 HECTARES OF NATURAL FOREST BY 2022. TEA AND COFFEE ARE DEPENDENT ON THE PEOPLE, COMMUNITIES AND NATURAL RESOURCES IN THE WIDER, EXTERNAL LANDSCAPE.

In 2019, as a partner of ISLA and IDH, we rehabilitated the Kondamet spring water catchment located at Ainamoi sub-county in Kericho County, Kenya. This is the third such water project through this partnership, and is expected to be completed by February 2020. Various smaller projects were also undertaken, including the planting on 5,720 trees to enhance biodiversity and conserve the environment. In Argentina, Finlays has been a member of the Tabay Watershed Committee since its inception 10 years ago in response to a severe drought in 2009. The committee works to conserve approximately 750 hectares. Last year, the Tulipan stream (a tributary of the Tabay) was cleaned, as well as recovery of watersheds for the consulate water in Los Teales neighbourhood. This year will focus on the root causes of water pollution to work on real solutions to keep the tributaries of the stream clean.



### Land Stewardship

REDUCE AGROCHEMICAL USAGE BY 50% BY 2022. FINLAYS RECOGNISES THAT GOOD AGRICULTURAL PRACTICES AND LAND MANAGEMENT ARE ESSENTIAL TO BE ECONOMICALLY AND ENVIRONMENTALLY SUSTAINABLE.

In 2019, Casa Fuentes in Argentina continued its work in reducing herbicides and practising sustainable weed control in tea production through the use of sheep grazing. This project is taking place in Acaragúa on a 126-hectare site, with an initial trial of 30 sheep, which will increase to a herd of 100 in the future. Last year, Casa Fuentes worked on converting a batch of 59 hectares of tea for organic certification.



Sustainability HIGHLIGHTS



Our People

INCREASE PARTICIPATION OF WOMEN IN ALL LEVELS OF MANAGEMENT TO 30% BY 2022. OUR EMPLOYEES ARE AT THE HEART OF OUR BUSINESS.

In 2019, Finlays continued our partnership with Starbucks on the PosiTEAve initiative in both Sri Lanka and Kenya. In Kenya, a project has been set up with two separate components: management training and entrepreneurship training. Management training seeks to address gender inequality through the development and empowerment of young women to enable them to take on management positions and more responsibility. In Sri Lanka, the PosiTEAve initiative empowers local communities to create positive change through youth volunteer groups. 58 volunteers have been trained as ‘change agents’ in their communities, addressing issues such as water management, hygiene, and community cohesion.



Empowered Communities

MAKE A POSITIVE IMPACT WITHIN THE COMMUNITIES BY 2022. FINLAYS COMMITS TO EMPOWERING LOCAL COMMUNITIES BY ACTING AS A CATALYST FOR POSITIVE CHANGE.

In Kenya, due to a lack of functional fire engines in certain neighbouring counties or municipalities, our firefighting team has responded to a number of incidents. These operations have been lauded by the communities they serve. Several scholarships this year have sponsored students at the secondary (20 students), undergraduate (130 students), and graduate level (two scholars in the UK). In Argentina, activities have taken place in support of schools in the municipality of Campo Viera and Acaraguá, including painting school walls, delivering school supplies at the beginning of the year, and planting trees native to the region.



Sustainable Supply

100% TRACEABLE, TRANSPARENT SUPPLY TO INTERNATIONALLY ACCEPTED STANDARDS BY 2022.

In 2019, we continued to work closely to support smallhold farmers to achieve Rainforest Alliance certification, taking care of the costs involved in external audits. We also perform water analysis and advise on the purification of water for human consumption. As of last year, 94% of our tea, and 82% of our coffee is completely traceable (including 100% of the coffee we supply into the UK). The remaining percentages are due to certain country-specific procurement challenges. We are changing our procurement model to move towards direct sourcing from mills and crops to meet our 2022 target of 100% traceability.



Low Impact Operations

REDUCE THE ENVIRONMENTAL IMPACT OF OUR OPERATIONS YEAR ON YEAR BY 2022.

Finlays is reducing its impact compared to last year across four sustainability parameters – carbon, energy, waste and water. In Sri Lanka in 2019, we worked on making our buildings more energy efficient, which included replacing all inefficient tube lights & CFL lighting with efficient LED lights. We also replaced the CFL streetlights surrounding the building with solar powered streetlights. In Argentina, Casa Fuentes has been working on improving soil fertility by using compost sourced from our processing plants. Compost is made from a mixture of tea wastes and sawdust sourced from the wood sawmills in the local area.



# Diversity is the spice of life

IN AN INCREASINGLY COMPETITIVE AND DEMANDING WORLD, DIVERSIFICATION IS KEY TO REMAINING RELEVANT – AND THIS IS PARTICULARLY TRUE FOR THE SMALLHOLDERS IN KENYA, WHO ARE KEY SUPPLIERS OF LEAF TEA TO FINLAYS.

Words: Wolfgang Tosch    Image: Giulio Mazzarini



FOR FINLAYS, DIVERSIFICATION MEANS DEVELOPING AND HONING OUR INNOVATION CAPABILITY TO CONTINUE TO BRING OUR CUSTOMERS QUALITY PRODUCTS AND SOLUTIONS. FOR THE SMALLHOLDERS IN KENYA, DIVERSIFICATION MEANS FINDING NEW SOLUTIONS TO SUSTAIN THEMSELVES AND THEIR COMMUNITIES AT A TIME WHEN DEPRESSED TEA PRICES ARE PUTTING THEM UNDER MOUNTING PRESSURE.

**An issue of national importance**

The last five years have seen a steady decline in the prices for commodities used to make beverages, particularly tea. The effect on farmers' livelihoods has been profound. The low prices are driven by numerous economic and climatic factors: currency devaluations in some Asian and African markets; increased inflation rates in Egypt and Sudan; levying of VAT locally; and the reintroduction of international sanctions on Iran.

The global overproduction of tea is aggravated by reduced demand in major tea importing markets including the EU, China, Russia and the Middle East. In Kenya, this is compounded by

inclement weather which, conversely, resulted in lower yields and diminished quality, making it increasingly challenging for the smallholders to remain competitive.

This is an issue of national importance. The Kenyan tea industry supports up to 10% of the Kenyan population, around 4 million people according to the Kenya Tea Development Authority. In terms of scale, tea price volatility is threatening the economic and social sustainability of industry in Kenya and is a national threat to the economy.

**Addressing an urgent need**

As a major player in the tea market that works with around 12,000 members of the FinTea Coop, Finlays understands the urgent need to support its smallholder community through this crisis. Central to this is an innovative plan to help smallholders diversify into new crops, providing an alternative and sustainable income stream.

**Botanicals – a blossoming opportunity**

Essential oils are concentrated plant extracts that retain the

natural smell and flavour of their source, and are a significant commercial opportunity. Globally, the market is worth US\$24bn p.a. and growing at a rate of >10% YoY according to UN Comtrade stats 2011. While the Kenyan share of this market is small, it represents an exciting opportunity to create an alternative revenue stream, particularly via the export market. That's why in 2017, Finlays set up a collaborative project to develop and test approaches to underpin the sustainable production of crops and extraction of good quality oils in Kenya.

**A joint effort**

Majority funded by Finlays and part-funded by Innovate UK, the project includes a number of multi-disciplinary teams with expertise in Kenyan farming systems (Finlays, Dudutech), sustainable agriculture and the essential oil industry. The smallholders benefit from the expertise of UK academic partners in organic chemistry at the University of Reading, and organic agronomy at the University of Lincoln. This allows smallholders to develop understanding and capability in agricultural products, facilitating trade and supporting their incomes.

**A major milestone**

In late 2019, the team celebrated a major milestone with the successful steam distillation of Rose Geranium oil – said to be of the highest quality by a potential buyer in the US. Additionally, Rosemary, Vetiver and Eucalyptus Citriadora were all distilled at plant scale. The success of Rose Geranium on the experimental plot and subsequent harvests and distillations led to a pilot phase of Rose Geranium planting with a selection of tea outgrowers. This also supported the need for additional investment in equipment to improve and increase distillation capability. Currently several essential oil producing plants are being tested for economical production in the experimental garden at James Finlay Kenya to ensure crop rotation and market diversification.

Diversification, whether through innovative products, solutions, collaborative partnerships or simply investing in alternative crops, is setting Finlays, our customers and the smallholders up for a better, more sustainable and more successful future.



# Coffee constellations

THE SHAPE OF THE COFFEE INDUSTRY IS TRANSFORMING, THROUGH  
ACQUISITIONS, MERGERS AND EXCITING NEW RELATIONSHIPS

*Words: Siân Edwards*

SLOWLY AND INEXORABLY, THE SHAPE OF THE COFFEE INDUSTRY IS TRANSFORMING. PARTNERSHIPS, MERGERS AND ACQUISITIONS ARE CONCENTRATING ACTIVITY, WITH CONSTELLATIONS OF ACQUIRED BRANDS FORMING AROUND PARENT COMPANIES WITH INCREASING GRAVITATIONAL PULL.

The benefits for these parent companies is clear: increase market share, drive innovation and rapidly expand capability to achieve ambitious growth strategies in a highly competitive and high-value category.

What's less clear is how this shift could impact small-scale producers at the beginning of the supply chain.

Greater financial stability and support for acquired brands, may in turn be a boon for small-scale farmers, leading to longer-term contracts and larger volumes. Farmers may also benefit from the enhanced resources and experience of conglomerates, creating new networks and driving quality and sustainability widely throughout the industry.

Conversely, consolidated and centralised purchasing power could mean larger producers, with the capacity to supply greater volumes, gaining ground at the expense of smaller ones. This puts smaller producers at risk, and potentially excludes or disadvantages smaller origins. If this is the case, a renewed emphasis on supporting smaller producers and working across a wide range of origins is a must - as is responding to the consumer desire for origin choice, and premium coffee sourced from rare or exclusive growing areas.

What's also fascinating to consider is the impact at the other end of the supply chain. Partnerships between industry giants are opening up entire markets and distribution channels, blurring the distinction between foodservice and retail and increasing choice for the consumer. We've already seen a number of foodservice giants successfully look to retail channels for expansion and growth, facilitated by manufacturing and distribution partners.



### Constellation key

- Parent company
- Food service-operator
- Roastery
- Food/ beverage brand owner
- Equipment manufacturer
- Other
- Acquisition
- Major stake
- Merger
- Special relationship





# A supernova in waiting?

WHAT UNILEVER'S STRATEGIC REVIEW COULD MEAN  
FOR THE INDUSTRY

Words: Sián Edwards

THE TREND TOWARDS ACQUISITION AND CENTRALISATION IS LESS APPARENT IN THE FRAGMENTED TEA INDUSTRY, WHERE MANY MAJOR PLAYERS ARE OPERATING IN SMALLER CONSTELLATIONS WITH LESS M&A ACTIVITY.

However, constellations are forming around the largest multinationals as they develop their portfolios and expand into new markets. As with coffee, partnerships have been operationally driven, enabling brands to more effectively develop and distribute their products and services outside of their core operating areas.

Unilever is the foremost multinational, with acquisitions since 2013 including Pukka, T2 and Tazo expanding its reach into the premium wellness leaf tea and infusion segments. Reports earlier this year regarding Unilever's "strategic review" of its tea business sent shock waves through the industry, as the future for this potential supernova became unclear.

Unsuccessful attempts to ignite growth across Unilever's tea portfolio has been the catalyst for the strategic review, particularly within the black tea segment. Much of the speculation has therefore been around the future of PG Tips and Lipton, historically the core of their tea business but now out of sync with the pockets of growth that Pukka, T2 and Tazo have been positioned to target.

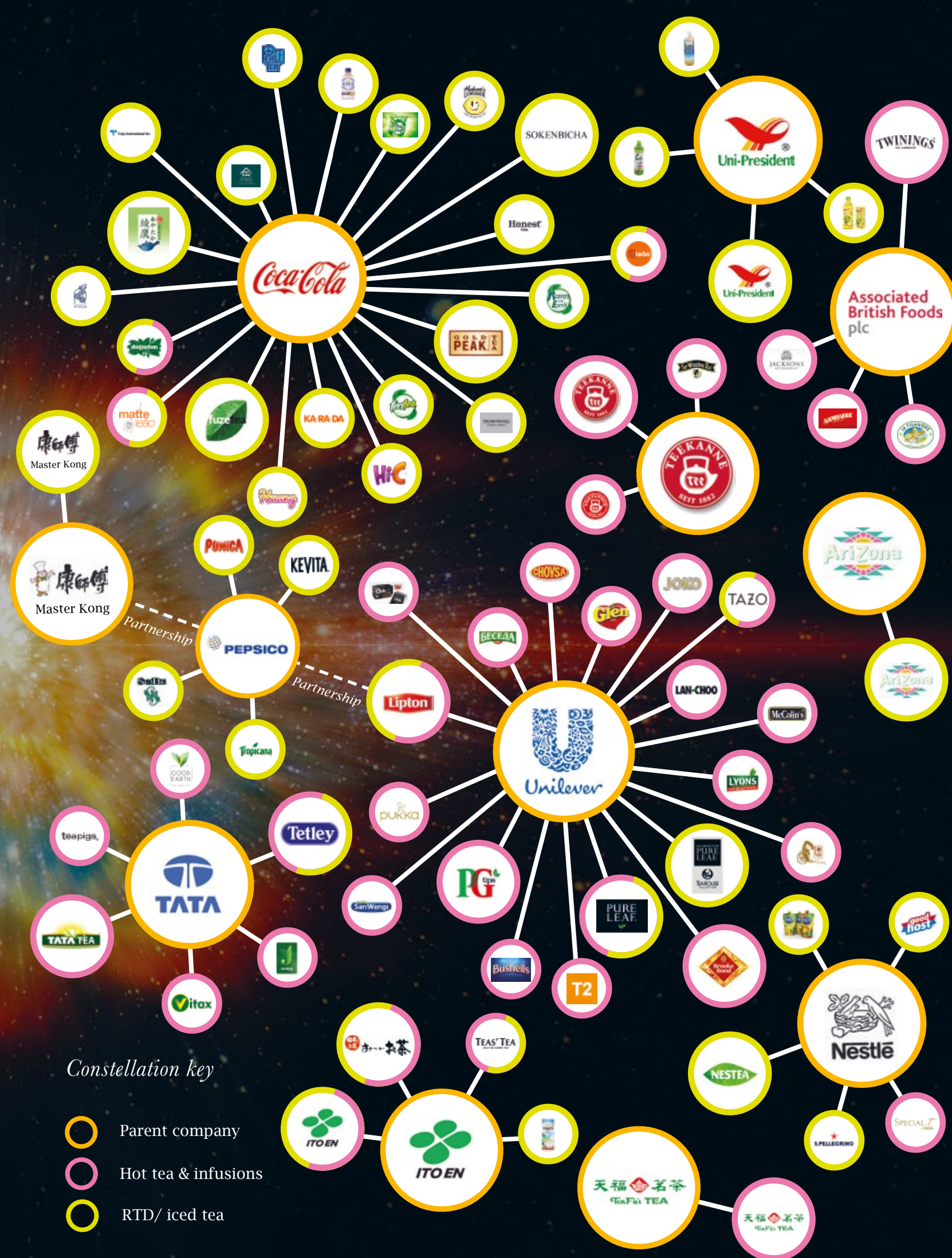
If Unilever chooses to dismantle its global tea portfolio,

this would have significant implications for the industry, potentially creating giant stars and major constellations almost overnight.

The Unilever tea business is a large and complex animal spanning multiple countries and multiple sectors of the tea value chain. It includes tea farms (in Kenya and Tanzania), tea sourcing offices, tea packing factories and even tea extract manufacturing. Existing bottler and distribution partner PepsiCo is an obvious-but-not-certain landing place for the Lipton RTD/iced tea products, but the possible home (or homes) for Unilever's hot tea brands is less clear, with JV and full sale among the rumoured potential options.

Industry dynamics make PG Tips and Lipton tea challenging disposals despite high consumer recognition and strong market share. The 2017 sale of Unilever's €6 billion Spreads business to private equity house KKR has sparked rumours of a similar move for their tea division, enabling Unilever to sharpen its portfolio while preserving the integrity and position of the iconic tea brands.

While we can only hypothesise about the future of Unilever's tea division, their review will offer a valuable lesson for the industry to focus on areas of growth and ensure products are relevantly positioned for today's consumers. More importantly than ever, understanding the consumer and engaging with today's trends will drive future growth.





# Good mood foods

THERE IS A MAJOR TREND FOR CONSUMERS SEEKING FOODS THAT OFFER HEALTH AND MENTAL WELLBEING BENEFITS. CHARLEY SNELL TAKES A LOOK AT SOME OF THE MOST EXCITING EXAMPLES OF GOOD MOOD FOODS

*Words: Charley Snell*

GOOD MOOD FOODS ARE SET TO BE ONE OF THE TRENDS OF THE NEXT DECADE. “BETTER FOR YOU” IS GIVING WAY TO “BETTER FOR ME” AS CONSUMERS LOOK FOR OPTIONS THAT FEED MENTAL WELLBEING AND PERSONAL SATISFACTION IN ADDITION TO PHYSICAL HEALTH.

FROM ADAPTOGENS AND PROBIOTICS TO CATECHINS AND TURMERIC, THERE’S AN ALL-OUT QUEST TO FIND FOOD AND DRINK FILLED WITH INGREDIENTS THAT MAKE THE EXPERIENCE EQUALLY ENJOYABLE AND BENEFICIAL.

Here are some of the top examples.

## **Cold Brew Coffee**

Swapping out hot-brewed coffee for a brew that’s been steeped in cold water for 12 to 24 hours is believed to offer mental and physical benefits.

## **Moon Milk**

Moon Milk is an increasingly popular choice to de-stress or have before going to sleep, because it combines warm milk with ashwagandha, an adaptogen known to significantly reduce anxiety. Plus, it can be enhanced with a range of spices and natural flavours—like honey or fruits—to suit almost any palate.

## **Green Tea**

Green tea is an ideal midday revitaliser thanks to its combination of caffeine and L-theanine. Respectively, they offer benefits of



mood improvement and anti-anxiety. Together, they provide a unique synergistic effect – particularly good at enhancing brain function and mental clarity.

**Spirulina Chiller**

It’s always a good idea to have an immune-boosting superfood as a key ingredient. Spirulina is a freshwater algae packed with protein, copper, iron, omega-6 and omega-3 fatty acids, plus vitamins B1, B2, and B3. It can be mixed with tea and fruit combinations for an invigorating smoothie or chiller.

**Chai Tea**

The warm scents and tastes of chai tea are a welcome relief any time of day. The cardamom, cloves, and ginger can lead to increased feelings of alertness and decreased frustration. Additionally, the cinnamon can help keep blood sugar levels stable to counteract food cravings and energy lulls.

**Organic Hot Chocolate**

Wellbeing is often found in comfort, and organic hot chocolate serves plenty of it. By combining warm indulgence with the antioxidants found in raw and organic cocoa powder, this treat serves a doubly satisfying sip.

**Yerba Mate**

Made from the leaves of the rainforest mate tree, Yerba Mate tea has a strong caffeine kick with the healthful benefits of antioxidants, amino acids and more. Easily spotted in gourds with metal straws throughout South America, it can also be enjoyed across the globe in hot and cold varieties.

**Golden Milk**

Turmeric – the key ingredient to Golden Milk – is known as the “spice of life” in India, and for good reason. Golden milk is fast becoming a mood-boosting mainstay because of turmeric’s ability to provide a soothing experience alongside 150 potentially therapeutic properties (you read that right: 150!).

**Kombucha**

Gut health is a growing concern for consumers and fermented drinks answer the call. Fermented from sweetened tea, Kombucha provides a fizzy, distinctly tart and effervescent drink, rich in probiotics. And since it’s endlessly customisable with flavour add-ins, there’s an option for every taste (and gut).

**Matcha**

Made from green tea leaves that have been ground into a fine powder, Matcha offers the benefits of the entire leaf, including a much higher catechin content than standard green tea. According to some, this boost in antioxidants means an increase in metabolism and overall sense of wellbeing.

Momentum is rapidly shifting to these good mood beverages as more people move away from the sweet and shiny drinks that have gained a following on social media. Expect to see more functional ingredients, traditionally holistic drinks, and original combinations of both leading the way.







# The powder of good

HOW HIGHER-CATECHIN GREEN TEA POWDER TAPS  
INTO HEALTH TRENDS

*Words: Arisha Ramparsad*

CAN GREEN TEA KEEP THE DOCTOR AWAY? MANY PEOPLE CERTAINLY THINK SO AND THE POPULARITY OF THE BEVERAGE HAS INCREASED AS A RESULT. AND OUT OF THE VARIOUS CHEMICAL COMPONENTS FOUND IN GREEN TEA, PERHAPS THE MOST EXCITING ARE CATECHINS.

In simple terms, catechins are antioxidants that occur naturally in green tea leaves and are rumoured to help prevent cell damage and provide various other health benefits. The technical answer is that catechins are a flavonoid which is a key component in the total polyphenol content, something which contributes to the astringency we experience when we consume green tea. The average brewed cup of tea contains 25-30% total polyphenols, of which 1-2% will be catechins.

**Tapping into health trends**

Catechin powder is interesting because it taps into the macro trends for health and wellness and functional beverages. Some studies of high catechin tea have shown there are beneficial effects to weight loss and cardiovascular disease and a recent meta-analysis study by Chinese researchers suggested that tea consumption could, in some circumstances, have a link to lower risk of oral cancer.

While the benefits are unproven, these views are held widely. A global study of 26,700 consumers found that over three-quarters (78%) believe green tea had a positive impact on their health. Catechins can help manufacturers and brand owners to capitalise on this. Coming in the form of a powder, catechins can be used in everything from RTDs and functional beverages, to pharmaceuticals and dairy.

**Producing catechins**

How you grow, harvest and process affects the amount found in made green tea leaf. Finlays is ideally placed to produce higher catechin green tea powder on our Kenyan tea farms and processing facility. Indeed, from plucking to powder takes just four hours, resulting an average catechin content of 30%.

**It’s how you use it**

In our London Applications Centre, we’re looking extensively at how to get the most from high catechin powder. In our view, a good old fashioned hot brewed or refreshing, unsweetened iced green tea are the best, but the possibilities are varied.





*Powering up coffee productivity*

Aspen celebrated the completion of its new production facility at San Antonio in Texas. The latest expansion will significantly increase the company’s coffee production capacity and, in particular, will enhance its capabilities for cold brew, which is one of the coffee industry’s most rapidly expanding segments. The investment will enable Aspen to continue its fast-track growth in the production of beverage extracts and concentrates for leading brands and retailers in the US, Asia and Europe. It will also offer significant manufacturing job opportunities in San Antonio - one of the USA’s fastest-growing cities.



*Finlays Colombo wins Health and Safety Award*

In August 2019, the Beverage Packing Division of Finlays Colombo was named the winner of the Food and Beverages (Large Sector) category at the National Occupational Safety and Health Excellence Awards. This is the second consecutive time Finlays has won the national award. This evaluation was conducted by the National Institute of Occupational Safety & Health (NIOSH) in Sri Lanka and over 600 companies competed under eight industrial segments.

The Beverage Packing Division also won the Safety Innovation category award at the Zero Harm Global Awards 2019, run by Finlays.

*Official Opening at James Finlay Guizhou*

October 2019 saw the official opening of Finlays' new tea production facility at Sinan, Guizhou, in southwestern China. With investment to date of around \$10m, and a further \$7m planned, the 23,535 square-metre site processes tea for both the domestic and international markets and aims to achieve an annual output of more than 18,000 tonnes within five years.

Finlays is working towards building its supplier base across China, with approximately 70% of the raw product to be supplied from Guizhou province - China's largest tea producing region. The company is trialling mobile smart-technology covering the entire production process, from on-farm primary processing to factory-based secondary processing, offer supply-chain transparency and real-time origin traceability.



*Finlays Colombo launches CSR initiative*

December 2018 marked 125 years of Finlays' presence in Sri Lanka. To commemorate this milestone, Finlays Colombo launched a Corporate Social Responsibility programme to refurbish the 105 operational Child Development Centres (crèches) at Finlays' tea farms in Sri Lanka.

As of January 2020, the team has assessed 85 out of 105 Centres. These provide day-care facilities for the children (ranging in age from three months to five years) of the farm’s workforce. This project is to be rolled out over a two-year period and will continue to be at the forefront of Finlays Colombo's CSR initiatives throughout 2020.







*Driving change in Kenya*

Alongside his role as General Manager, Corporate Affairs for James Finlay Kenya (“JFK”), Sammy Kirui is a leading advocate for positive change in his community. As Secretary of the JFK-funded Finlays Charitable Trust, Sammy has been involved in implementing a range of unique and practical approaches to advancing educational opportunities and community development, as well as promoting environmental conservation in Kenya.

Over the past eight years, over 60 community projects have been implemented and more than 10,000 trees have been planted annually by the Trust.

Sammy’s tireless efforts have recently been recognised with state honours. At an awards ceremony held in Mombasa in October, the President of Kenya, Mr Uhuru Kenyatta, presented Sammy with the prestigious Head of State Commendation - a civilian medal that recognises individuals for making an outstanding contribution to the development of the country. Sammy was one of 210 “mashujaa” - heroes and heroines - selected for national recognition and one of two individuals nominated by Bomet County, where Finlays operates.



*Finlays partners with Global Tea Initiative at UC Davis*

Finlays has joined the Tea Advisory Committee of the Global Tea Initiative for the Study of Tea Culture and Science (GTI) at the University of California, Davis – the US’s number one university for Agriculture. The GTI’s mission is to promote the global understanding of tea through evidence-based knowledge. It aims to be an international hub for tea dialogue, while advancing global research on tea, developing educational programmes, and increasing engagement with consumers, professionals and others.

Joining the Committee as a Charter Leadership Member, Finlays

will provide a vital source of industry expertise and play an influential role in advancing the initiative and its aims. Finlays is also providing internships to UC Davis students involved in the GTI, helping to bring the next generation of talent into the industry. Finlays will be part of the committee for at least five years and will be also be involved in the Education Sub Committee.

Helen Hume, Finlays Head of Tea Sourcing, who sits on the Committee, says: “It’s fantastic to partner with one of the world’s most prestigious universities. We’ll be playing a leading role in the GTI and ultimately helping the global tea industry achieve its full potential.”





# Bush to cup

TRACING THE JOURNEY FROM THE TEA FIELDS OF KENYA  
TO A PERFECT CUP OF TEA

*Words: Ian Bryson   Images: Giulio Mazzarini*

WITH 150 YEARS' HERITAGE, FINLAYS IS ONE OF THE WORLD'S LEADING GROWERS OF TEA, WITH EXTENSIVE FARMS IN KENYA, SRI LANKA, ARGENTINA AND A NEW PROCESSING FACILITY IN CHINA. BEING VERTICALLY-INTEGRATED GIVES US CONTROL OVER THE ENTIRE SUPPLY CHAIN, ENABLING OUR CUSTOMERS TO GAIN THE BEST OF OUR KNOWLEDGE FROM BUSH TO CUP.

Any consumer who drinks a cup of tea from Finlays can do so with 100% confidence that it has been sustainably sourced and cared for throughout its journey.

Using an example from the UK, we invite you to join us on a journey to see our supply chain in action. A journey that begins in the tea fields of Kenya and ends with the incomparable joy that can only be found in a great cup of Finlays tea.





1. IN KERICHO, KENYA, ONE OF OUR EMPLOYEES PLUCKS THE TOP TWO LEAVES AND A BUD FROM ONE OF THE BUSHES THAT COVER ALMOST 8,000 HECTARES.



2. WE SORT THE TEA ENSURING ONLY THE BEST QUALITY LEAVES HEAD TO THE PROCESSING FACILITY VIA OUR SUSTAINABLE ROPEWAY.



3. AT THE FACTORY OUR LEAF IS EXPERTLY PROCESSED TO CAPTURE ITS WONDERFUL CHARACTERISTICS OF COLOUR AND FLAVOUR.



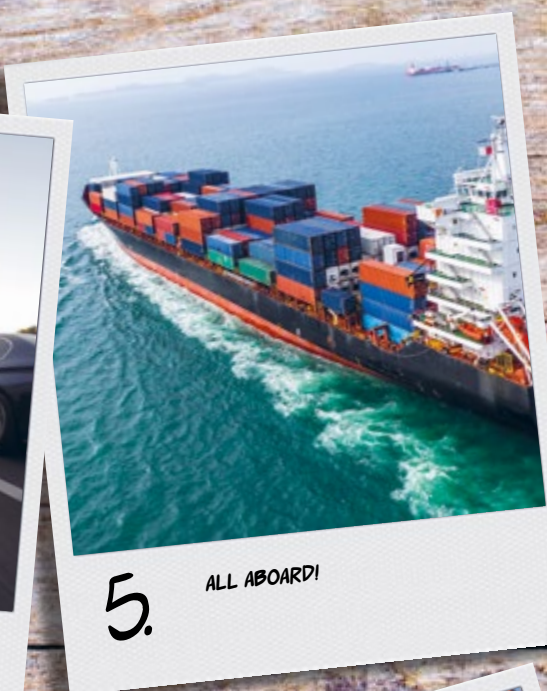
8. PACKING THE TEA INTO BLENDS TO OUR CUSTOMERS' SPECIFICATIONS. OUR MASTER BLENTERS HAVE PERFECTED IT INTO A FINE ART.



9. WE TASTE THE TEA NO FEWER THAN SEVEN TIMES THROUGHOUT ITS BUSH-TO-CUP JOURNEY.



6. THE FRESHLY-ARRIVED TEA TRAVELS TO OUR PACKING FACILITY BY ROAD AND RAIL.



5. ALL ABOARD!



4. PACKING THE TEA IN FOIL-LINED SACKS, MAINTAINING QUALITY DURING SHIPPING.



12. OUR TEA - NOW OUR CUSTOMER'S TEA - ARRIVES ON THE SHELVES OF RETAILERS ACROSS THE UK.



11. AT THE DISTRIBUTION CENTRE.



10. AFTER PASSING OUR STRINGENT QUALITY PROCESS, THE TEA IS PACKED ON ONE OF OUR MANY HIGH-SPEED PACKING LINES.



7. OUR STATE-OF-THE-ART PACKING FACILITY IN YORKSHIRE WHERE WE PACK OVER 12 MILLION KGS OF TEA ANNUALLY, EQUIVALENT TO ALMOST 40N. CUPS OF TEA.



13. THE TEA ARRIVES AT HOMES ACROSS THE UK. TIME TO PUT THE KETTLE ON.



14. THE PERFECT CUP OF TEA. MOST DRINKERS NEVER STOP TO THINK ABOUT WHERE THEIR TEA COMES FROM. IF ONLY THEY KNEW...



# In the turns

TRANSFORMING OUR SUPPLY CHAIN INTO AN ENABLER  
FOR GROWTH IN TIMES OF TURBULENCE

*Words: Jenny Yao Harrison*

THE SUPPLY CHAINS OF TODAY EXIST IN TURBULENT TIMES  
AMID FASTER CHANGE AND GREATER UNCERTAINTY.

Yet according to Gartner, a leading global research and advisory firm: “Top performers defy conventional thinking during disruptions. The most successful take risks in ‘the turns,’ which can be economic, geopolitical, environmental, social or competitive. Supply chain executives must prepare and lead by building agility into systems, processes and decision making.”

Similarly, “it is in the turns that the best athletes take risks and make moves. They brake late and then accelerate out of turns instead of simply pushing the brakes of risk aversion. They trust their abilities to take risks that lead to higher performance. They don’t take speculative risks but, rather, calculated ones by trusting in their core capabilities. They have practised. They are ready. They are uniquely prepared to

‘win in the turns.’” [Gartner, “Winning in the Turns: A Supply Chain Action Guide,” 3 Sept 2019].

In late 2018, we set out to evolve Finlays’ varied and dispersed supply chains to strengthen how we service and deliver to our customers.

Strengthening the basics, while building end-to-end supply chain capability, required strategic and operational thinking in areas such as customer service, planning and global logistics. Our strategy is now framed using annual customer surveys and Net Promoter Score (NPS) results. Projects now scoped to deliver value through cost management and optimization must also answer the question: “For what benefit to our customers?”

We began by exercising our Supply Chain Planning muscle for the marathon ahead. We implemented Sales & Operations Planning (S&OP) starting with our tea and coffee extracts

business, which spans eight countries and five continents, from tea and coffee fields, to production plants and warehouses.

Today, we have established Demand Planning capability to drive greater focus in understanding and working closer with our customers. Our S&OP monthly cadence captures customer insights to build the forecast, translate it into demand and supply plans, and inform our operations as far out as 18 months. S&OP has enabled disciplined and informed decision-making on what we will and won’t do, with greater visibility and alignment on the implications for our customers, operations, and overall business performance.

The result is decreased expedited shipments, improved inventory management, and consistent on-time, in-full delivery. We’ve since embarked on select projects that optimise cost while increasing value through improved

service delivery, starting with leveraging scale to tender our global ocean freight.

Our supply chain muscle continues to grow and strengthen. We’re investing in supply chain talent and working closer with our customers’ supply chain leaders to collaborate on S&OP information flows and business continuity challenges. Our global strategy development leverages external expertise from the industry, including Chris Tyas, Nestlé’s former Senior Vice President and Global Supply Chain Head.

In our marathon journey, we’re training through a series of sprints while building our endurance and maintaining line of sight to the finish line. We’re warmed up, focused on core disciplines, and will continue to stretch to keep constant attention on our customers’ needs.





*Finlays* IN THE FRAME

AT FINLAYS, OUR MISSION IS: “TO CONNECT HUMANITY THROUGH NATURAL BEVERAGES. COMBINING TRADITION AND INNOVATION TO CREATE A HEALTHIER, HAPPIER AND BETTER WORLD BY BRINGING THE BEST FROM BUSH TO CUP.”

To demonstrate how our mission comes to life across our organisation, we challenged our global team to capture and submit a photo on the theme of “Connecting Humanity”.

Judged by professional photographer Giulio Mazzarini, here are the best shots...and winners of the inaugural Finlays in the Frame photography competition.



**WINNER  
'DANCERS'**

PHILIP NYASINGA,  
WELFARE ASSISTANT, KERICHO, KENYA

Judge's comment: *This photograph is rich in human energy and emotions. Dancers engage with each other, creating shapes, and their bodies are framed mid-air. Also, their smiles, the natural surrounding, and the blue sky give a positive tone to this excellent lifestyle image.*



Finlays IN THE FRAME



RUNNER UP  
'THE GREAT OUTDOORS'

RICHARD CAVANAGH,  
TEAM LEADER AT FINLAYS HULL, UK

Judge's comment: *By including both people and nature and shooting with the sun in front of the camera, the photographer succeeds in answering the Connecting Humanity brief, and yet shows us his unique point of view. Let's notice the details: the off-centered sun, the shadow inside the right tent and the exceptionally warm light.*



RUNNER UP  
'WILDLIFE'

SAPUMAL DE ALWIS,  
FACTORY ENGINEER AT FINLAYS COLOMBO, SRI LANKA

Judge's comment: *This wildlife image is reminding us that in order to connect as humans, we need to connect with nature. Despite the speed needed in this kind of photography, the photographer has framed the horns of the deer in front of the branches, connecting fauna with flora. Finally, the shadow of the tree adds depth to the picture.*



## Villan - a Finlays hero

AFTER 10 YEARS WORKING IN THE FIELDS AT ARGENTE TEA FIELD, SEBASTIAN VILLAN SET OUT TO ACHIEVE HIS DREAM OF A DIFFERENT FUTURE FOR HIMSELF AND HIS FAMILY. HERE HE SHARES HIS STORY.

*Words: Sebastian Villan*

FOR THIRTEEN AND A HALF YEARS, I WAS A FARM WORKER AT ARGENTE TEA FIELD, PERFORMING TASKS SUCH AS PLANTING TEA, CLEANING, AND CARRYING HEAVY LEAF BAGS TO THE LORRY. BUT I HAD ALWAYS DREAMED OF DOING MORE. SO, IN 2016, I CHALLENGED MYSELF TO PURSUE THE DEGREE OF ADVANCED TECHNICIAN IN OCCUPATIONAL HEALTH AND SAFETY IN SAN IGNACIO, A SMALL TOWN IN THE PROVINCE OF MISIONES.

I sacrificed a lot to study over three years and I had to balance work, study, and spending time with my three year old daughter. The days were hard.

After leaving home at half five, I would travel to the farm, work hard all morning, study on my lunch break before going back to work. After work I'd get on the bus to attend class when all I wanted to do was spend time with my daughter. There were days where we had to do homework or prepare papers for the next class and I knew that I would have to make the most of the short time available during the week or work over the weekend.

During three years of study, I was helped enormously by “my angels” – my mother and daughter. As hard as it was, they were the reason why I kept on fighting for my dream. In 2019, I graduated and now work as a Health and Safety Analyst at Casa Fuentes. I couldn't be happier.

So was it all worth it? The answer is yes. Today I believe there are no obstacles if we are committed to a dream. No matter your age, you can change the course of your future. Thanks to all this effort, and the opportunity Finlays has given me, I am now able to say I had fulfilled my goal, my biggest dream. In 2020 I am going to continue my journey pursuing a bachelor's degree in Health and Safety. I don't believe in the popular quote “there is no time”. We just need to decide how to use it.

*Argente is one of the tea farms of Casa Fuentes, Argentina's largest tea producer and wholly-owned by Finlays.*







Finlays  
Since 1750

TRADITION MEETS INNOVATION