Introduction

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

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

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

James Finlay Limited is committed to fully complying with our obligations under the Modern Slavery Act and many of the group's initiatives, policies and procedures go beyond the minimum standards set out in legislation.
Finlays operates in many parts of the world, across a diverse spread of geographies, cultures and languages. Whilst respecting local cultures, we also seek to build a common operating culture within Finlays.

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

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

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

### Tea
- **46.3M kg** of tea produced from our own tea estates in Kenya, Sri Lanka and Argentina.
- **2.4M kg** of decaffeinated tea manufactured and traded.
- **18.2M kg** of tea traded from our global supply offices in UK, Kenya, Sri Lanka, UAE, Malawi, Vietnam, Indonesia, China and USA.

### Flowers
- **126m stems** produced in Kenya for the UK and Continental Europe.

### Rubber
- **1.2M kg** of rubber latex produced in Sri Lanka.

### Coconut
- **862,000 nuts** R&A certified coconuts produced and sold.

### Coffee
- **6.3M kg** of coffee blended and packed.
- **7.4M kg** of coffee extracts manufactured.
- **7.5M kg** of coffee extracts traded.
- **6.8M kg** of cold brew coffee manufactured and traded.

### Timber
- **207,000 kg** of sustainable timber produced in Kenya and Sri Lanka.

### Botanicals
- **19.7M kg** of herbal infusions and other extracts including fruit, vegetable and sweeteners manufactured in China.

### Ancillary crops
- **1.0M kg** of ancillary crops produced in Sri Lanka including cinnamon, pepper and cocoa.
Our focus areas
Supply chain

i. Tea Sourcing

We source our tea from our own estates, through private contracts with farmers, and through farming co-operatives among others. The majority of our suppliers are members of a quality assurance scheme (SEDEX, Rainforest Alliance, Fairtrade or ETP). The assurance schemes all set minimum standards on human rights (including modern slavery) and ensure that regular audits are carried out.

ii. Risk Assessment Tool

As part of our commitment to building a fully traceable and transparent supply chain, we have been working on a cross-departmental project to develop a supplier risk assessment tool. This tool aims to identify the inherent and site-level risks associated with each of our tea suppliers. This includes the ability to identify those that hold certificates to highly regarded sustainability assurance schemes such as Fairtrade, and those that do not. This assessment will then inform next steps in terms of auditing and ensuring these suppliers meet the principles and standards set out in our Sustainable Sourcing Policy, which includes no tolerance to modern slavery.

We are working on systems for review of the small number of tea suppliers who do not hold membership of an appropriate assurance scheme and are working towards having full assurance on modern slavery compliance by 2022.

iii. Coffee Sourcing

We source our coffee through private contracts with farmers, farming co-operatives and others. Many of our suppliers are members of the quality assurance schemes SEDEX, Rainforest Alliance, Fairtrade or ETP. Our efforts to establish a traceable and transparent supply chain is strengthened by our coffee suppliers Risk Assessment, which looks at the sustainability certifications associated with each supplier, the type of audits carried out, whether they comply with our Sustainable Sourcing Policy and the inherent risks, including labour and human rights risks, associated with coffee production in each country of origin. From this, we are able to identify any potentially high-risk suppliers which we would engage with to encourage implementation of measures to reduce those risks.

iv. Certifications

Finlays itself also holds a number of certificates from globally recognised sustainability assurance schemes: Rainforest Alliance, Fairtrade, UTZ, Organic, ISO14001, SMETA

In addition to ingredients for our products, our supply chain also provides services to cater for the operational needs of our manufacturing factories as well as other elements of our business.
Our focus areas
Supply chain

v. Where we operate

We employ over 19,000 employees globally (as of 31 December 2019)

v. Where source from

Findlay operates in many parts of the world, across a diverse spread of geographies, local cultures and languages.

Regional Tasting Characteristics
Our focus areas
Commitment to people

i. Overview

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

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

Our functional teams provide oversight, facilitation and guidance. Commitment is owned by each business head and subsequent senior managers across our regions of operation. Our strategic sustainable objectives are aligned with our core business strategy, values and vision.

ii. Policies

Our commitment to people is supported by our policies, memberships in multi-stakeholder initiatives and our governance. The policies that support our commitment to eradicating Modern Slavery are:

• Sustainable Sourcing Policy – ILO conventions and ETI base code, which includes prevention of child labour practices and Modern Slavery
• Group Code of Conduct, a new version of which was launched in January 2020
• Group Whistle Blower Policy delivered through an independently run call and web based reporting portal.

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

iii. ETI Base Code

The Ethical Trade Initiative is a leading alliance of companies, trade unions and non-governmental organisations that promotes respect for workers’ rights around the globe. Finlays has been a corporate member of ETI since 2009. As a member, Finlays has adopted the ETI Base Code of labour practice throughout our own operations and, where possible, our supply chains. The ETI Base Code is built on the conventions of the International Labour Organisation (ILO) and addresses issues such as wages, hours of work, health and safety and discrimination, which includes forced or bonded labour.
iv. Code of conduct

Finlays has also refreshed our Code of Conduct, emphasising in no uncertain terms that we are committed to doing business with no tolerance for unethical practices. We uphold high standards of responsible and ethical behaviour in our own operations and look for similar commitment in our business partners. Our Code of Conduct includes sections on human rights, environmental and social impact, and complaints mechanisms.

v. Whistleblower Policy – SeeHearSpeakUp

There are a variety of channels that Finlays employees can voice their concerns, including SeeHearSpeakUp. SeeHearSpeakUp is an external, independent, confidential and anonymous third party whistleblowing service in multiple languages that allows staff to anonymously voice any concerns they have, or issues that need addressing.

vi. Sustainable Sourcing Policy

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

vii. Recent Measure Implemented

Specific measures that have been implemented include:

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

We encourage an open culture within our organisation giving employees and third parties the opportunity to raise concerns in any area. As mentioned above, for colleagues who are not able to speak openly, we operate an external, independent, confidential and anonymous third-party reporting service (or ‘whistle-blower hotline’) for the reporting of issues or concerns regarding our Code of Conduct or any other matter. This is done through free phone numbers and by web based portal to the third party provider SeeHearSpeakUp. Use of this recently introduced line is currently open to all employees. We will continue to review the possibility of making the line available to contractors and suppliers. We promote this reporting system across the Group.

Effectiveness and Review

A traceability framework is being built and the sustainable sourcing policy is being rolled out throughout our supply chain. The key performance indicators for our supply chain are based on the data we collect from the SMETA audits and third-party certification audits. The Director of Corporate Affairs undertakes an annual process whereby management worldwide is required to positively affirm that it is aware of our Code of Conduct.

Initiatives for 2020

During 2020, we intend to:

• Further strengthen our supply chain practices and procedures where we engage third parties such as Sedex, from which we can draw on credible resources to identify potential supply chain risks as well as carry out audits.
• Refresh our Human Rights policy and increase training in this area.
• Develop a robust Supplier Risk Assessment Tool for our tea and coffee business to help us eradicate modern slavery and other social risks that might exist in our supply chain.
• Strengthen our Sustainable Sourcing Policy to facilitate a more detailed transfer of information from our suppliers relating to compliance to the ETI Base Code as set out in our policy, including principles relating to no tolerance of modern slavery.

This statement was approved by the group Managing Director on behalf of James Finlay Limited on 31 March 2020.

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