

1750

Finlays
Since 1750



BRAVE NEW WORLD

What next for beverages?



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IT'S A BRAVE NEW WORLD



WELCOME TO THIS EDITION
OF 1750, FINLAYS' ANNUAL
MAGAZINE.

The aim of 1750 Magazine is two-fold: to offer a macro long-term view on the major issues in the world of natural beverages and to provide a perspective on what we are doing here at Finlays.

Since the publication of last year's edition of 1750, we have continued to see the development of coronavirus and its impact around the world. More recently, we have seen the

effect of the Russian invasion of Ukraine – and pray that conflict can be replaced by peace as soon as possible.

We live in a world of constant turmoil and change. Whether it's pandemics, conflict, inflation or technology – rapid and transformational change has become part of our daily lives. It is easy to get swept away in the complexity of the world we live in.

Our focus is on natural beverages. And our industry offers a perspective on many global issues – be it food price inflation, social issues or global trade. By looking at these major issues through a tea and coffee lens, we can try and develop a unique and meaningful perspective.

In this edition of 1750, we take look at the issues that are front of mind for the beverage industry, and offer a long-term view on what they might mean. Inside you'll find articles on everything from the supply chain

crisis to gender empowerment, from historically high coffee prices to Generation Z, and from sustainably-sourced botanicals to health and wellbeing.

As ever, you'll hear from a wide range of experts who'll offer a truly global view on the issues that matter most: whether that's the future of tea in America, beverage innovation in China or sustainable packaging in the UK.

You'll also hear expert insights from Finlays' customers Twinings on botanical supply chains, Change Please about its innovative social mission and from Firmenich about consumer-led diet transformation.

Turning to Finlays, the last twelve months have seen a number of significant changes. In December 2021, we sold our Sri Lanka Tea Estates (Hapugastenne Plantations PLC and Udupussellawa Plantations PLC) to Browns PLC, a large

local conglomerate. This was a difficult decision, especially given the long history of ownership by Finlays. But ultimately we recognised that the business needed to diversify away from tea in order to have a stronger future and this meant that a new owner was likely to be better-placed to lead the next stage of its journey rather than Finlays. We remain very well represented in Sri Lanka by Finlays Colombo, which sources tea from the Colombo auction and packs for export to brand-owners around the world.

We also completed the sale of Finlay Flowers with the sale of Lemotit Farm to Black Tulip. This concludes our involvement in the business of growing and exporting cut flowers. But our capabilities in horticulture are now being applied to the nascent 'botanicals' business that produces a range of products (including peppermint, lemongrass and camomile) for beverage brand-owners. Out of the flower business, a new botanicals business is growing.

At the same time as making adjustments to our portfolio of legacy businesses, we have also made significant progress in developing new business. We announced the formation of a strategic partnership in Europe with Firmenich, one of the world's leading flavour and fragrance manufacturers. We also have made significant gains in building our 'direct from farm' botanicals business in Kenya.

Our overall financial results for 2021 were solid. Partly as a result of a recovery from Covid impact in 2020, our 2021 revenue and profits were above preceding year and our target. Finlays is well positioned to take advantage of opportunities for further growth in 2022 and beyond. With our resilience and agility, I am confident that we will continue to shape ourselves to embrace the changes necessary to grow as a profitable and sustainable business. On a sad note, we lost a dear colleague in December 2021.

Gideon Mugo (Managing Director of James Finlay Mombasa and Commercial Director for the MEAC region) sadly passed away on the 15th December after his morning jog. This was a sudden and tragic event. He is sorely missed by many as both a colleague and friend.

Lastly, I would like to express my thanks to all our customers, business partners and to all of our Finlays team members. Our continued success is thanks to you!

I hope you enjoy this edition of 1750 – and as ever we look forward to hearing your feedback.

Kind regards,

Guy Chambers
Group Managing Director

THE WORLD OF NATURAL BEVERAGES IN NUMBERS

EUROPE

40%

In Europe, consumption of cold brew has increased by 40% over the last five years⁴, and is the fastest growing segment in RTD/Iced Coffee⁵.

98 MIL

In the UK, we now drink approximately 98 million cups of coffee per day.

6.5%

The European functional beverage market is projected to record a CAGR of 6.5% between 2020-2025⁷.

AMERICAS

11.3 BIL

Last year, the US tea market was worth an estimated \$11.3 billion³.

1.7 TRIL

Americans consume, on average, 1.7 trillion cups of coffee annually. This amount of coffee could fill the Roman Colosseum 39 times!

24 MIL

Finlays' San Antonio plant diverted over 24 million pounds of spent coffee grinds from landfill to compost.

ASIA



7,000

The number of coffee shops in Shanghai has increased to approximately 7,000, one of the highest numbers in the world, and far more than are currently found in coffee-loving cities such as Tokyo, London and New York.

10,000

Boasting over 10,000 milk tea stores, which offer an increasingly diverse range of flavours and ingredients, the southern Guangdong city of Shenzhen is China's milk tea capital.



7 CUPS

The amount of coffee drunk each year per capita in China.

MEAC (Middle East, Africa and CIS)

1 IN 5

Africa is home to one fifth of the world's millennial population, making it a key region for trends and innovation⁸.

3KG

Turkey has the world's highest per capita consumption of tea, estimated to be ~3kg per person per year⁹.

184 MIL

Dubai is responsible for more than 60% of global tea re-exports worth an estimated \$184 million – a remarkable achievement given the entire global re-export market was worth just \$99 million in 2011.

GLOBAL



100%

Between Dec 2018 and Dec 2020, global Google searches for 'coffee subscription' increased by 100%, as consumers looked for convenient ways to trade-up their coffee choices and experiment with new products.

55%

In 2020, 55% of soft beverage launches carried a natural/non-synthetic claim, compared to just 24% in 2010.

63%

63% of global consumers believe green tea/matcha has a positive impact on their health¹.

178%

Since 2016, the number of energy drink launches with an 'all natural' claim has increased 178%².

40%

Companies will face supply chain disruptions lasting at least a month every 3.7 years – and can expect to lose more than 40% of a year's EBITDA every decade – as a result of supply chain shocks.

¹ GlobalData PLC; survey of 22,338 consumers in 40+ countries worldwide; Q2 2021
² Mintel GNPD 2021, global energy drink launches 2016-2019
³ GlobalData, PLC
⁴ Re:co Symposium 2016
⁵ Total RTD/Iced Coffee Market, Global Beverages Databook 2021
⁶ Kantar, Who Dares Cares Report (September 2021)

⁷ Europe Functional Beverage market | Growth | Trends | Forecasts (2020-2025) (mordorintelligence.com)
⁸ World Economic Forum, 2021
⁹ Globaldata plc, 2021

Z - A

After millennials, what can we expect from Gen Z and Gen Alpha?

Words: Thom Walton & Siân Edwards
Illustrations: Sofia Burlak

Question: What do beer, napkins, the institution of marriage, cereal, golf, home ownership and diamonds all have in common?
Answer: They're all being killed off by millennials (allegedly).

Over the last decade, no demographic group has attracted as much interest as the 'millennial'. Whether being praised for their social consciences, criticised for being snowflakes, admired for their open-minded approach to trends, or criticised for their steadfast refusal to maintain the status quo, when it comes to millennials, everyone's got an opinion.

As a result, it's probably fair to say that the term millennial has become fatigued and genericised. Today, the term millennial is mostly used as a shorthand for 'all young people', even though the oldest millennials are now 41 and the youngest are approaching 30. I don't know about you (and I say this as a millennial myself) but perhaps it's time to focus on the new generations coming through. Let's talk about 'Gen Z', and while we're at it, 'Gen Alpha'.

Z to A
While millennials were born between 1981 and 1996, Gen Zs were born between 1997 and 2012, making them aged between 10 and 25. The oldest Generation Alphas meanwhile are only 10 years old – just starting out on their journey as consumers. This makes them harder to pin down,

but no less interesting from a beverages point of view.
Our aim is to try and get into the minds of these two generations. To understand what makes them tick and what this might mean for these generations as consumers of beverages.
We can't promise our insights won't be somewhat general – it's impossible not to be when you're talking about hundreds of millions of people from around the world. But hopefully you will find some useful insights about their shared characteristics.

Join us then, as we go into the mind of Gen Z and Gen Alpha and ask: what will it mean for beverages?



INSIDE THE MIND OF GEN Z

THE KEY TRAITS OF GEN Z AND WHAT THEY MEAN FOR BEVERAGES

Connection

Unmitigated access to networks and services has enabled Gen Z to become highly connected global consumers, driving major changes in shopping and consumption behaviour.

What it means for beverages: Demand for hot and soft beverages suitable for delivery and Q-commerce is growing, changing packaging and formulation requirements. We're also seeing changes to the way trends develop, with platforms such as TikTok driving the rapid emergence of trends and ingredients on a multinational level, such as Dalgona coffee.

Responsibility

Gen Z are highly ethical consumers, preferring to buy from ethical brands and pay more for sustainable products with a deep sense of personal responsibility to the planet¹.

What it means for beverages: This is driving development of beverages in refillable or reusable packaging formats, such as aluminium cans or reusable bottles. It's also placing

pressure on ingredient sourcing for beverages with ethical and transparent credentials which are becoming a "must have" rather than a "nice to have".

Individualism

Consumption is an expression of individual identity for Gen Z² - what they eat and drink is part of how they want to be seen.

What it means for beverages: Beverage brand owners will need to provide multiple options for personalisation and customisation. This is easily delivered in foodservice by varying flavours, sugar levels, additions (e.g. boba) but will need significant innovation in retail. Also, Gen Z won't just want beverages which taste great, but which also share their values.

Truth

McKinsey describes Gen Z as "hypercognitive... very comfortable with collecting and cross-referencing many sources of information". They are a generation of savvy shoppers with the capacity to research companies, check product reviews and compare prices. *What it means for beverages:* Companies making product claims or positioning themselves as sustainable will have to provide clear and compelling

evidence. Truth, transparency and going above and beyond are key.

Wellness

Gen Z are even more in tune with their wellbeing than previous generations, with concepts of holistic health colliding with advancements in wearable tech.

What it means for beverages: Gen Z seeks beverages that provide science-based functional benefits for a growing range of health concerns, from mental wellbeing to physical performance. Evidence also suggests that consumption of no/low alcoholic beverages will continue to grow, as Gen Z prioritise their health and drink less than previous generations.

Experience

Highly experience-driven, Gen Z are a diverse group of consumers looking for products that create new experiences and open them to different cultures.

What it means for beverages: Demand for high levels of innovation will place pressure on beverage brand owners to continually develop new products. Unusual flavour combinations, new ingredients and textures are ways to help create the sense of excitement and adventure.



¹FirstInsight
²McKinsey

WHAT ON EARTH IS SCOPE 3?

...and 6 other burning questions about sustainability in beverages

Words: Ben Woolf & Suzannah Gore
Illustrations: Rosie Davenport



After hard-won progress over many years, the topic of sustainability is now (finally) taking centre stage in the minds of governments, businesses, the media and consumers alike.

For the beverage industry, this newfound attention has thrown the issue of sustainability into sharp relief. The threats we are facing are shifting from being conceptual and remote, to real and tangible – even existential – in nature.

At Finlays, we certainly don't have all the answers, but we do believe collaboration is critical. That's why we're highlighting seven of the biggest questions we have about sustainability in the beverage industry, along with our initial thoughts on the strategic approach needed to resolve them.



For those in beverages, preserving biodiversity is essential to the future of our industry

01. What on earth is Scope 3?

Scope 3 is one of the most pressing topics at the moment. The definition is easy – Scope 3 is about carbon emissions from outside a company's direct operations, i.e. from its whole supply chain. This can cover everything from upstream and downstream logistics to emissions from composting and recycling of a product at end-of-life. Scope 3 emissions generally account for over 80% of an organisation's carbon footprint.

The challenge companies are facing today is around obtaining robust supply chain data. This is contingent on a high degree of collaboration between all players. Expect this topic to dominate sustainability in beverages over the coming years, as companies seek stronger engagement with suppliers to influence a reduction in carbon emissions across the entire value chain. This will be driven by more advanced software solutions, clearer legislation and standardisation around carbon disclosure, as well as closer ties with suppliers who have strong and transparent supply chains.

02. What's the difference between 'carbon neutral' and 'net zero'?

Both aim to balance the carbon emissions produced by an organisation with an equivalent

amount of carbon removed from the atmosphere. The carbon neutral approach relies on the use of carbon offsets, which essentially permits the release of carbon emissions in exchange for offsetting the effects of those emissions by supporting carbon reduction initiatives, such as renewable energy projects. A Net Zero Carbon approach focuses on actual reduction of carbon emissions before offsetting remaining difficult-to-abate emissions.

Many companies in the beverage sector are setting net zero carbon targets through the adoption of a science based approach aligned with the Paris Agreement, which seeks to limit global warming to 2C above pre-industrial levels. There is global consensus that warming above this level will cause irreversible, catastrophic climate change.

03. What does climate change mean for tea and coffee?

Tea and coffee crops depend on stable temperatures and consistent rainfall, meaning a variation from this norm, such as longer monsoon seasons and extended droughts, negatively impact yields and quality. Increasing global temperatures could mean that by 2050 we will lose up to half of the land suitable to grow coffee, making climate change an existential threat to our industry.

Businesses in the food and beverage sector are now starting to invest in mitigation and adaptation strategies, for example by adopting



regenerative agricultural practices to combat climate change and rehabilitate and enhance ecosystem health. At Finlays, we're working with key coffee suppliers to embed a climate-smart approach to farming and, internally, we have been working to reduce agrochemical use on our tea farms.

04. Where next for third-party assurance?

Third party assurance schemes play a vital role for beverages in driving standards and being a trusted reference for consumers. But taking a long-term view, do they go far enough?

Certifications such as Fairtrade and Rainforest Alliance set a great baseline for environmental and social standards, but companies are increasingly looking for ways to go beyond relying purely on certifications and audits to manage their supply chain risks.

One example in the cocoa industry is Tony's Chocolonely. It has developed its own community-based Child Labour Monitoring and Remediation System and is using this to externally report the number of child labour cases it successfully uncovers. Other companies have chosen to focus on undertaking Human Rights Impact Assessments for a deeper dive into certain supply chains.

Whatever direction it continues to take, the "beyond certification" discussion is proving an exciting area for how sectors can drive positive change.

05. Are consumers finally ready to pay for sustainability?

As the importance of sustainability has taken root in consumers' minds, their willingness to pay a premium for sustainability is following suit. Today around a third of global consumers are willing to pay more for products with sustainable claims. Sustainability is currently a differentiating factor that justifies the higher price, but what will happen



¹McKinsey Global Institute, Risk, resilience, and rebalancing in global value chains (August 2020)



Collaboration will result in greater progress towards sustainable development than one organisation can achieve on its own

in the future when a high level of sustainability becomes standard?

While some companies see sustainability as a challenge in terms of incurred costs in the short to medium term, the flipside is that becoming a true leader in sustainability is a huge opportunity for building trust and admiration from consumers. As sustainable products become more common place, the challenge is to stay ahead of the pack.

06. How do we avoid the greenwashing trap?

Consumers are increasingly switched on to the concept of "greenwashing" and all too happy to call out companies whose words don't match their actions. This has caused some firms to be increasingly wary of communicating positive messages, unless they have strong evidence of effectiveness of their efforts. The answer, in our minds, is to focus on measuring impact and establishing clear sustainability goals which align with the mission and vision of your organisation.

07. Who "owns" sustainability?

The obvious answer is, "we all do", but the more nuanced way of thinking looks at the roles that all actors have to play, from governments, to industry, to NGOs to consumers and is realistic about what each group

can achieve. Governments have a role to play but are often trapped in short-term thinking. Consumers are increasingly willing to make sacrifices, but their impact is limited. It is industry that has both the responsibility and the capability to effect change the fastest.

Collaboration will result in greater progress towards sustainable development than one organisation can achieve on its own. We're seeing collaboration manifest in the form of alliances, coalitions, MSPs and much more. The Ethical Trading Initiative, Alliance to End Plastic Waste and the Ellen MacArthur Foundation are all examples of collaborative partnerships bringing stakeholders in the beverage industry, and across all industries, together to tackle global sustainability issues.

Ben Woolf is Finlays' Group Director of Corporate Affairs and Suzannah Gore is Finlays' Group Sustainability Manager



Coffee prices are at an all-time high, putting strain on everyone in the value chain. Finlays' global head of coffee, Tom Blackwall, explains what's driving up prices – and how brand owners can ease the pressure on their businesses and customers

THE BIG COFFEE PRICE RESET

*Words: Tom Blackwall
Illustration: Rosie Davenport*

Have we not been paying enough for our coffee? As Arabica futures hit 10-year highs and coffee prices are expected to remain firm, it's a question many brand owners are asking.

The answer is clear: no, we haven't been paying enough. For years, coffee producers in Latin America have been selling below their cost of production. Add to this a global pandemic and soaring input costs, and you have a recipe for a major reset on coffee prices.

As we ended 2021, the New York Arabica market was trading at \$2.52/lb or \$5.56/kg. That's the highest coffee price in more than a decade and equivalent to a 110% increase on the previous 12 months.

Crucially, this is not a temporary correction. As we look ahead to the coming months, we expect coffee markets to remain volatile and, importantly, stay above the cost of production. Everyone in the supply chain needs to be ready to re-evaluate the way they operate, adopting key strategic initiatives in order to mitigate price and supply chain volatility.

So, what is driving up coffee prices? And what can brand owners do to protect themselves?

Why prices are soaring
Coffee is traded on a futures exchange, which means it can be beholden to the whims of speculators. But speculators aren't to blame for the current price highs. When you're dealing with longer-term price action, as is the case with coffee, it comes down to one simple factor: supply and demand.

Global coffee supply has shrunk following extreme weather



events in Brazil, the world's biggest producer. The country was hit by both drought and frost in the last two years, cutting its output by 10 million 60kg bags over the past two years.

At the same time, global demand has remained firm, even during the pandemic, leading to a global coffee deficit for two consecutive years. This means we are relying on stocks in destination countries to cover this supply and demand imbalance, and they are dwindling fast.

All this is happening against a backdrop of chronic low prices for producers. A 2019 study by Caravela, detailing the cost of production for washed Arabica in Latin America, paints a telling picture. Across seven countries, cost of production ranged from \$1.32/lb (Mexico) to \$2.22/lb (Ecuador). The average futures price over the last six years is \$1.30/lb.

In other words, even the most efficient farmers in Latin America have been selling coffee below their cost of production for years.

It's a situation that was already unsustainable before the pandemic and has become even more so in its wake. Pickers remain in short supply, so farmers face significant increases in the cost of labour. In Mexico, for example, harvesting costs since 2019 have risen 60%. Meanwhile, the price of fertiliser soared from \$370 to \$760 per metric tonne in 2021, according

to Green Markets data cited by Bloomberg. Together, labour and fertiliser account for roughly 65% of farmers' total costs, so cost of production is bound to run much higher in 2022.

And that's not all. Every element along the supply chain is experiencing significant inflationary pressures right now. Not only have we seen a 110% rise in the base price for Arabica coffee, but we are also seeing huge increases in the cost of shipping, transportation, manufacturing and packaging.

As a result, the price of a cup of coffee is likely to rise well above any inflation measures and stay high for some time.

Of course, nobody enjoys hearing about higher prices, especially when consumers are already having to adjust to high levels of inflation in many parts of their lives. But farmer profitability is critical for the long-term sustainability of the coffee industry. If prices trade below the cost of production for prolonged periods of time, we won't have a product that's viable long term. It's simple economics.

The benefits of going direct

The good news is there is fairly high price elasticity in Europe and North America. And brand owners have plenty of options for mitigating the impact of higher prices and supply chain volatility. Chief among these is investing in long-term contracts and moving to direct sourcing.

Relationship-led sourcing creates strong bonds between buyer and producer. By buying direct from the farmer or their cooperative and leveraging 'buyer of choice' initiatives, brand owners enjoy guaranteed supply and are better protected against price volatility and crop disruptions.

Long-term contracts are also critical. They give security to everyone in the supply chain and empower producers to invest in farm improvement and regeneration activities. This has obvious benefits from a CSR perspective but also allows for long-term planning to improve quality and performance and create contingencies.

Finally, innovation is key. Those who innovate succeed in times of volatility, so now is the time for brand owners to invest in innovation throughout the supply chain. The goal should be to create differentiated products but also to challenge business-as-usual and find efficiencies.

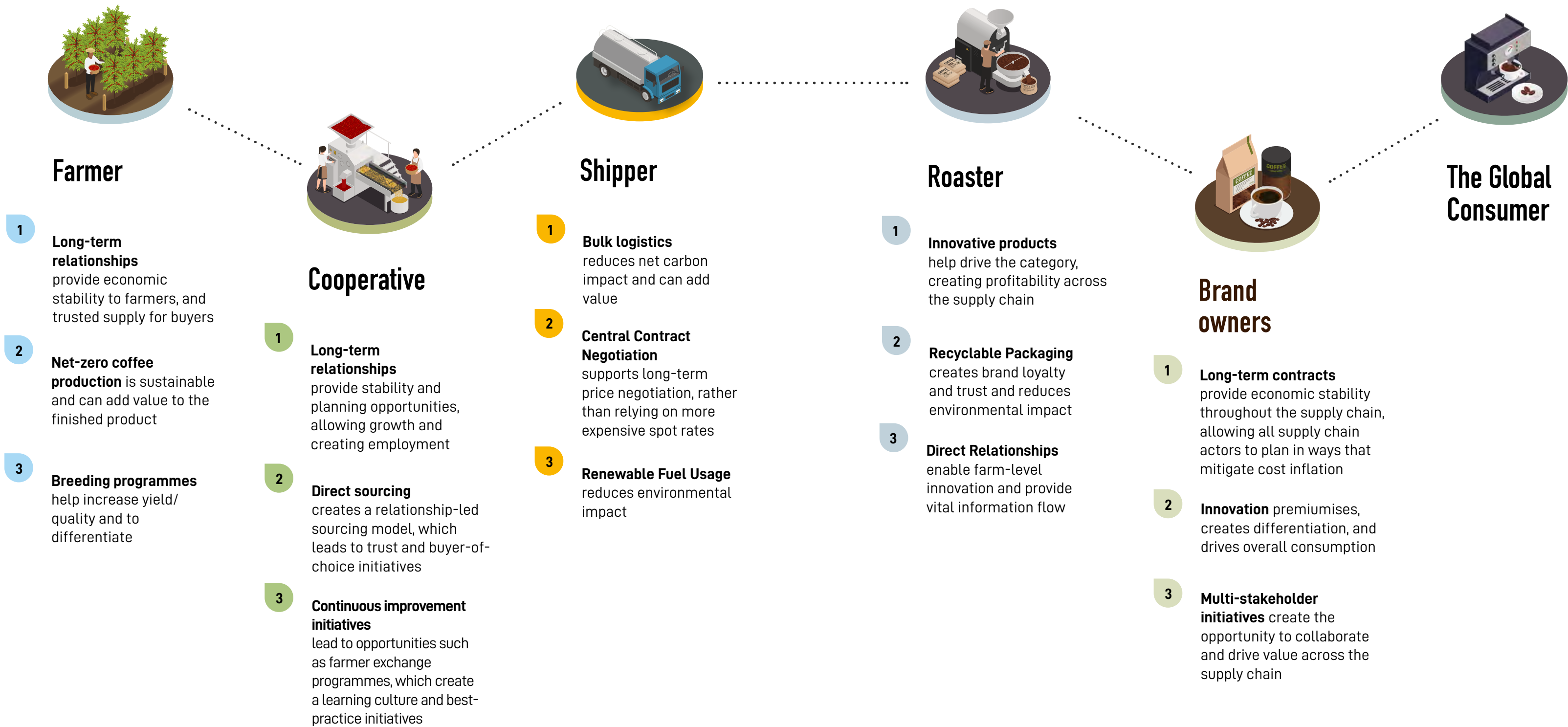
Coffee is a large and integral part of the world economy and loved by billions of consumers. High prices pose a considerable challenge to our sector, but a commitment to long-term, equitable relationships and profitability for all will help us weather the storm.

Tom Blackwall is Finlays Global Head of Coffee



THREE WAYS TO ADD VALUE AT EVERY STAGE OF THE COFFEE SUPPLY CHAIN

With coffee prices at an all time high, Tom Blackwall shares an insight into how value can be added at each stage of the supply chain.



MAN ON A MISSION

Thom Walton meets Cemal Ezel, Founder of Finlays customer *Change Please* to discover how it is using coffee to change the world



When it comes to walking the walk on sustainability, the coffee industry has a huge amount to be proud of.

Few industries are as focused on sustainable development, or display such genuine commitment to “doing well by doing good”.

So, it takes a lot for a coffee business to truly stand out in this area. But that’s exactly what UK-based Change Please has achieved since launching in 2015.

And that’s because, at its heart, Change Please isn’t a coffee company. It’s an impact-focused social enterprise that just so happens to sell (award-winning) coffee as a conduit for achieving its goal of ending homelessness.

Ambitious impact
Within moments of meeting Change Please’s founder Cemal Ezel, it’s clear he’s a man on a mission, passion resonating from his every word.

“We’re not a coffee company that’s trying to do good on the side. We’re a company that’s set up to tackle homelessness through coffee,” Ezel explains.

Change Please’s dedication to impact is ambitious. 100% of its profits go into supporting people experiencing homelessness by training them to become baristas, as well as offering a wide range of other services.

Ezel explains, “We train them to be baristas via an initial training programme that lasts one to three months. We pay them a living wage. We provide them with housing in 10 days, so within

10 days they’re not homeless anymore.”

But that’s not all. “We provide a bank account and therapy support,” he says. “The therapy support is the most important part of what we offer – it really unlocks the trauma that makes the other things not work. And when we started providing that therapy, it made everything flow.”

Ezel estimates Change Please is currently supporting 5% of the rough sleeping population in the UK. Over the last seven years, Change Please has supported over 500 individuals and over 85% of full Trainees have found onward employment.

The rocking chair test
The origins of Change Please are every bit as interesting as the business model. On holiday in Vietnam in his late 20s, a chance encounter with a stranger on a long bus ride sparked a radical change in Ezel’s worldview.

Ezel explains, “We were chatting, and I said I’m not happy with my job and my life. And he said you should do the rocking chair test. Imagine you’re sitting in your rocking chair at the age of 90, looking back on your life asking what’s your legacy to the world? Have you left the world in a better place? It really got me thinking.”

Later in the trip, after visiting a silent tea house run by deaf and mute ladies, the idea of setting up a social enterprise took root. “I thought, wow, you can do business and good at the same time. Social enterprise has come a long way since then, but in 2013, to me it was really alien. I was really taken back by this by this concept.”

A means to an end
While he knew he wanted to start a social enterprise, Ezel’s initial thought was that he should focus on tea. But the more he thought about it, the more coffee made sense to him. “Coffee is such an opportunity for growth. It’s a fast-track, low-skill-barrier way for people to get into employment.”

Coffee also makes sense from the point of view of the people Change Please is seeking to help.

“A lot of people we support are military veterans, or they’ve gone through domestic abuse, sexual abuse, divorce, or bereavement. Because they’re standing behind the counter and serving a customer, it’s a safe space. And knowing you’ve made someone else’s day a bit better boosts confidence.”

These days, Change Please’s model also helps alleviate the chronic labour shortages facing hospitality.

Doing good is good for business
While ending homelessness is the goal, it’s clear that doing good is also good for business. Change Please’s coffee is now sold in 250 stores across the UK, has expanded into retail with listings in major UK supermarkets, and also expanded globally.

“We’re now in eight countries and we’ve got a healthy turnover,” Ezel says. “We would never ever have that level of growth if we didn’t have the social element and people just look at the social partners.”

The Importance of Great Taste
But that’s not to say product quality isn’t an equally important ingredient to Change Please’s success.





"When we first launched," he explains, "we thought that we would have endless queues of people because of the social mission. And actually it just didn't work. Only 5% of people will go out of their way to buy a more expensive product if it doesn't taste as good. And we realised that you're not going to change the world with 5% of people."

The five Great Taste Awards that Change Please has been awarded over the years is testament to its commitment to fantastic tasting coffee, a critical part of the blend.

A Match Made in Coffee Heaven
Change Please has been a customer of Finlays since February 2020 and Ezel believes working with Finlays is a "match made in coffee heaven".

He says, "Our relationship with Finlays is crucial to allowing us to do the parts that we are good at. Supporting people who are homeless and changing people's lives. Finlays do the parts that they are experts in: the coffee, production and distribution. This partnership has an ability as we grow to really change lives. It's so exciting."

Through partnership with Finlays, Ezel's immediate focus is expanding distribution of Change Please to an ever-wider audience. "The biggest growth area for us to be able to help more people is in retail and direct to consumer is the area that Finlays excels in. The trust which retailers have in Finlays is second to none."

Beyond Coffee
One of the achievements Ezel is most proud of is how Change Please has attracted the attention of a wide range of high-profile organisations who are keen to learn from his model. "Government bodies, charities, leading businesses that have been going for years in different countries, are all coming to us for advice. Disruptivity is a very personal proud moment. Seeing the people that we help. Serving other people and it actually working is incredible."

Because of Change Please's focus on impact, Ezel sees huge potential in applying his model to other industries.

"People think every business has already been thought of, but they

haven't thought about it from a social perspective. There's so many other categories out there outside of food and beverage. It's really exciting to see what we can disrupt."

Endless Possibilities
Ezel believes we're at an inflection point. "If you're a social business now, that's a competitive commercial advantage," he says. "But if you're not one in five years, you're going to be at a disadvantage. Organisations with impact at their hearts will attract the best talent, retain employees, and also absolutely win more business."

Reflecting on a whirlwind hour with Cemal Ezel, I leave with a strong sense that Change Please's considerable achievements so far are just the beginning. That the possibilities for how his model could make a positive impact on the world, are endless.

And with his unique blend of infectious zeal and disruptive, impact-focussed thinking...he might just be right.

To find out more about Change Please visit www.changeplease.org

IN FOCUS: CEMAL EZEL

The best advice I've received is...
Richard Branson saying if somebody offers you an opportunity, and you don't know how to do it, just say yes and learn how to do it later.

I wish I'd known that...
It's all about your team. It's all about culture.

In my free time...
I've got a three-year-old which is all my free time so going to a lot of parks. And going to Arsenal games.

When it comes to how I have my coffee...
My head says a black Americano for taste, my heart says a creamy latte.

FINDING TRUE RESILIENCE

BRAVE NEW WORLD

In the wake of the pandemic, beverage businesses are doubling down on efforts to build more resilient supply chains. As a result, direct sourcing is rising up the agenda, writes Jenny Yao Harrison



Companies will face supply chain disruptions lasting at least a month every 3.7 years, and can expect to lose more than 40% of a year's EBITDA every decade, as a result of supply chain shocks.

These are the sobering findings of a recent report by The McKinsey Global Institute, which analysed 325 companies across 13 industries.

It's a timely warning. As the world slowly recovers from the pandemic, it's all too tempting to rationalise Covid and the global supply chain crisis that followed as once-in-a-lifetime events.

But supply chain disruption is here to stay and it can come at an extremely high cost. It's why forward-thinking food and beverage brands and retailers are doubling down on supply chain resilience to anticipate potential disruptions early enough and to respond quickly. For many, this starts with getting closer to source and simplifying supply chains. Tea and coffee are a global endeavour, and their supply chains are inherently complex with delivery from origin to shelf or cup. I know this first-hand: in our extracts business alone, the supply chain covers eight countries over five continents. Without an efficient sourcing model which can clearly account for every node from bush to customer,

this level of complexity quickly becomes overwhelming if not unmanageable.

Forecasting and demand management have become critical signals into the supply chain. Sales and Operations Planning (S&OP) proved to be an early warning system during the pandemic, and beverage businesses are looking to bolster their capabilities to better manage future risk. More visible and in-control supply chains make it easier for relevant market intelligence to be shared along the value chain. This in turn enables faster response and service times from order to delivery.

Businesses can develop and anticipate multiple 'what if' scenarios and prepare contingencies through disciplines such as S&OP. They can further reduce risk by rooting out operational silos within their own organisations. To act decisively on new information and deliver through volatility, customer service, planning and logistics departments must be fully aligned and work closely together. Upskilling teams is also key. Digital competence used to be seen as an enabler for supply chain teams, but it's now a necessity.

What's more, supplier relationship management is a growing focus as part of the value chain. How often have you

asked a supplier whether you are their customer of choice? How much do you know about how well their supply chains are equipped to plan for and manage risk? It's important to ask these questions - not just of strategic suppliers, but also those with whom you have a more transactional relationship. Supply chains are only as strong as their weakest link, so businesses must have full visibility of their suppliers' vulnerabilities and understand what (if any) contingency plans are in place.

These questions factor into raw materials and ingredients sourcing, but also into packaging and, increasingly, contract manufacturing and logistics. At a time of record shipping costs and global capacity constraints, for example, beverage businesses need to nurture local and global carrier relationships to mitigate against price volatility and supply impacts.

Supply chain disruption is here to stay, but beverage businesses that remove complexity and build strong, end-to-end relationships are in a good position to withstand future shocks.

Jenny Yao Harrison is Group Supply Chain Director at Finlays



¹ McKinsey Global Institute, Risk, resilience, and rebalancing in global value chains (August 2020)

With the world undergoing dramatic change,
Guy Chambers explains Finlays' approach

EYE OF THE STORM



Global supply chains have been a dominant but largely invisible feature of almost everyone's life over the last two decades.

We use phones that were designed in California with chips produced in Taiwan and assembled in China before being airfreighted to our local stores. We wear clothes with raw materials often from one country, converted into textiles in a second country and assembled in a third before being shipped to our high streets. We consume fruit and vegetables that are often grown in other parts of the world and transported to local supermarkets. Or maybe these items are all delivered to our doorstep.

This world looks like it is about to change dramatically.

Covid has shown us the fragility of our supply chains. Russia's invasion of Ukraine triggered another round of seismic waves. The price of oil and gas is increasing fast. Fertiliser prices likewise. So too interest rates. This will mean one thing: inflation. Food prices are likely to increase significantly. This will cause hardship for many families and may even trigger societal tensions in developing

markets. Some of the world's supply chains may be reset back to 2000 or maybe even 1990. But there is a big difference between today and 1990: consumer expectations. Today, the majority of consumers in developed markets care more. They care where their food is produced, how it is produced, what impact its production has on the environment and what it contains.

Is this a universal expectation? Bluntly put, no. On average, consumers in more developed markets (such as UK, Europe and North America) seem to care more about 'ethical sourcing' than consumers in developing markets, whose primary concerns are still price and quality.

This creates a tension in any business model. If a supply chain is 'fit for purpose' to meet the expectations of consumers in developed markets – such as compliance with the 'living wage' or environmental impact – then this comes at a cost. This means that there is also a risk that these products become too costly for developed markets. In an industry such as tea, where margins for producers are razor thin, this can mean the difference between profit and loss. This is one of the major challenges for a global company like Finlays that has a supply chain criss-crossing multiple regions.

The majority of consumers in developed markets care more. They care where their food is produced, how it is produced, what impact its production has on the environment

The view within Finlays

Charles Darwin is often quoted as saying "in the struggle for survival, the fittest win out at the expense of their rivals because they succeed in adapting themselves best to their environment."

Over the last six or seven years, Finlays has been doing a lot of “adapting”. Starting from late 2015, we have sold all the non-beverage businesses – including Finlays Horticulture, Finlays Pakistan, all the non-beverage parts of Finlay Colombo (insurance, pest control, timber and cold stores) and Finlay Flowers.

At the same time, we have also significantly increased our investment in extraction – with a major acquisition in the US, an increase of our equity shareholding in Damin and expansion of extraction capacity in several locations. We have also invested in building capability in many areas – including quality, supply chain, manufacturing and IT. And we have formed a strategic partnership with Firmenich in Europe.

Most recently (in December 2021), we also sold our Sri Lankan tea estates (HPL and UPL). This came as a surprise to some people who questioned how we could offer a tea ‘bush to cup’ model without ownership of our Sri Lankan tea estates. The simple answer to this

question was our ownership of Finlays Colombo – which sources tea from the Colombo auction, blends, packs and ships for global customers. Our capability to supply Sri Lankan tea to customers remains unchanged. Our emotional ties to Sri Lankan tea estates were strong, but the need to continue to adapt our business model was stronger.

What happens next?

As our businesses continue to grow, I see two big opportunities. In extracts, we are well-positioned to accelerate our growth – especially in North America. We are also comfortable with the idea of acquisitions as a means to accelerate growth. This is a path that we have demonstrated successfully over the last few years with the acquisition of Autocrat (in 2014) and Aspen Beverages (in 2017). We have an appetite to grow in this market and a solid team who know how to execute.

In our non-extracts businesses (tea estates, sourcing and packing), I also see opportunities for growth. We know customers value our supply chain model. We have a trusted position with many of the world’s leading brand owners and we seek to continue to grow with them – as well as with many regional and medium-sized players in key markets, some of whom have been our customers for many decades.

I am very confident that there will be opportunities to grow both segments (extracts and non-extracts) over the next few years. But I also suspect that as both become larger, each will need to learn how to adapt to their new environment.

Being large can sometimes bring disadvantages. This can be especially true if the operating units lack uniformity – either of products, processes or customers. How to keep focused? How to remain agile? What is the right balance of integration between our business units? These are the kind of questions that we are already discussing as a management team. This may be the next area in which we need to learn how to adapt.

Few companies operating today have the history or diversity of Finlays. Yet, what is even more important is that we are not stuck in the past. We are proud of our history, but are equally keen to reinvigorate how we operate so that we can remain in a leadership position in the future.

Guy Chambers is Finlays Group Managing Director



PEOPLE POWER

Helen Hume gains a global perspective on Gender Empowerment in natural beverages

Words: Helen Hume
Illustration: Giulio Mazzarini

Does the natural beverages industry have a gender empowerment issue? The statistics certainly suggest so.

Women might make up 50% of the global workforce in tea, but just 16% of management roles are occupied by women. In coffee, 70% of labour is provided by women, but nearly all of these are in plant-care, harvest and processing. In general, it is men who are the decision makers and business owners. Women, on the other hand, have systemically lower access to resources (such as land, credit and information) than men and therefore have

poorer economic outcomes. Countless studies demonstrate that empowering women is an effective strategy for poverty alleviation and is strongly connected with economic productivity. So what are we waiting for?

At its heart, Gender Empowerment is about opportunities and equal control. On an individual level, it is about creating self-awareness and enabling women to take control of their life (resources, voice and decision making) through education and training. On an environmental level, it's about building structures and setting policies so women can succeed equally.

At least, that's my point of view. The issue of gender empowerment is messy. It cannot be compacted into one elegant-but-reductive perspective. It only achieves resonance through a variety of perspectives and lived experience.

As a geographically dispersed, culturally diverse business with a vertically integrated supply chain, Finlays is uniquely placed to offer a nuanced view of gender empowerment in tea and coffee. Here are some of the key lessons and insights we have gleaned from our gender empowerment journey so far.





'IT'S AN ENVIRONMENT THAT PROVIDES EQUITABLE GENDER OPPORTUNITIES'

Jean Koffinke,
 Chair of the Americas Finlays
 Women in Business Network

In the US, we saw a clear need to empower women to be leaders at Finlays and to drive equity for women in the business. To do so, we created spaces for Finlays women to lean on each other for support, guidance and encouragement, and formed the Women in Leadership Committee to give every women the opportunity to learn, lead and grow.

have encouraged a camaraderie between the women in the organisation by providing low-pressure opportunities to get to know one another on a more intimate level. One key take-away is that gender empowerment is more than figures and statistics. It's about creating an environment that provides equitable gender opportunities.

Launched in 2021, we established monthly virtual "ladies who lunch sessions". These events

'THE TIME IS NOW'

Janet Ruto,
 Gender Empowerment Manager,
 James Finlay Kenya

Gender inequality driven by economic inequality and the risk of gender-based violence are serious challenges in the Kenyan agricultural industry. So five years ago, we pioneered a new approach to gender empowerment, including everything from entrepreneurship training, management and leadership, to women in technology apprenticeships. Gender inclusivity – offering programmes equally to women and men – was key. Over the years, we've had 48 women and 20 men

complete the management and leadership programme, resulting in promotions and role expansion for many. Meanwhile, over 60 people have completed entrepreneurship training resulting in increased incomes reported for the majority.

The one piece of advice I would give is that the time is now. True change is possible when you remain focused, measure the progress and proactively engage wider stakeholder groups to bring them with you.





'IT'S MORE
THAN JUST A
FEMALE ISSUE'

Siân Edwards,
Chair of the UK Finlays Women
in Business Network

In the UK, the issue of gender empowerment is front of mind, from gender-based violence, to the gender pay gap, to share of voice. That's why we set up the UK Finlays Women in Business Network, to create a truly equitable workplace in which women are empowered to fulfil their own potential.

Since we launched the network, which has over 60 members across our UK locations in 2021, we've learnt two vital lessons.

Firstly, that everyone should take responsibility for empowering others and driving change. Women can't 'solve' this problem without the support of allies, and it's so important for everyone to get involved in the conversation. This is something we have

achieved through employee engagement events which have led to frank discussions of the challenges that both the men and women in our business.

Secondly, while our group focuses on gender, it's important to recognise the other identifies and characteristics that impact the human experience. There are so many ways in which someone can feel disempowered or constrained, so we can all look for opportunities to accept and support each other and challenge a system that doesn't work for everyone.

We're proud to be able to share these achievements and lessons, but we called this a journey for a reason; we still have a long way to go.

'GENDER EMPOWERMENT
IS GOOD FOR BUSINESS'

Alfredo Betzel,
HR Manager Casa Fuentes
Finlays Argentina

In Argentina there is a nationwide cultural issue of women not working on manufacturing lines or in the fields. It's an issue we are actively trying to solve so that women can work in all parts of our business. This includes even taking simple steps like improving our factory bathrooms and cloakrooms, which weren't fit for purpose previously.

We're early in our journey, but we're proud to say we are the first Tea business in Argentina

to have women working on our factory lines and with our harvesting tractors in the field.

Crucially, we've already seen the positive impact a more balanced workforce has had on our business, in terms of the improvements in our manufacturing processes and the quality of our tea.

Ultimately, empowering and supporting women is just good for business.



THE GLOBAL DIET-TRANSFORMATION

Leading taste and perfume company Firmenich shares an insight into changing tastes and attitudes to food and beverages

Words: Greg Peel

In the years leading up to the pandemic, we saw a clear consumer shift toward wellbeing and sustainability within the food and beverage landscape.

Increasingly, people were making intentional choices around their food and beverage selections, with a preference for products they considered better for their own health – as well as the health of the planet. During Covid, this shift accelerated as people began to place even more emphasis on their health and wellbeing as a means to boost immunity.

Firmenich views this consumer-led seismic shift as a Global Diet Transformation. Within the food and beverages category, it has manifested itself into three key areas:

1. A Transformation into Natural, characterised by a demand for more natural, less transformed products with cleaner labels boasting simpler ingredients with more traceability and transparency across the value chain.

2. Better Nutrition, including everything from less sugar and salt to functional ingredients to support gut health and enhance immunity.
3. What we call the Plant-based Revolution, referring to the huge number of people choosing plant-based options. Importantly, this isn't simply an increase in the number of people becoming vegans and vegetarians, but instead people adopting a Flexitarian mindset: not eliminating meat or dairy entirely from their diets, but intentionally replacing more animal products with plant-based alternatives.

Diet Transformation and the Beverage Landscape

This wellbeing push has translated into the Beverage category as well. Firmenich recently undertook proprietary research mapping of the Beverage Demand Landscape across five countries and more than 5,000 consumers across product types ranging from Alcoholic Drinks and Hot Drinks to Dairy Drinks and Alternative Protein Beverages.

This study, entitled “Beverage Secrets™”, examines how emotions and need states influence a consumer's beverage selection to suit





a particular occasion or mood. The study found that Beverages which address the emotions and need states of Well Being, Feeling Comforted, and Relaxed were most sought after globally.

Moderation in all things

Moderation is another watch word. For example, in our recent Change Lenz™ study of 17,000 consumers across 22 countries, we found that, globally, the number one change people wanted to make to their food and beverage choices was to reduce their sugar intake. In Alcoholic Drinks as well, there has been a trend toward moderation vs. abstinence. This includes selecting, on occasion, low and no alcohol options, or lower sugar and carbohydrate selections, which underpin the proliferation of Hard Seltzers and no/low alcohol beer offerings.

Botanical boom

This can also be seen in the uptick of botanical ingredients. Long associated with immunity-

boosting benefits, products with "botanical" on front of pack have grown 29% YoY since 2017. This growth is particularly notable when considering the wide array of categories encompassed in these launches within Beverages – from the more traditional hot drinks to more innovative applications like dairy, alcoholic drinks and nutritional beverages.

The Elevated Consumer

However, despite these new expectations, consumers will not sacrifice taste in pursuit of healthier options. In fact, they are expecting more authentic, interesting and complex flavors. Another finding of our recent survey showed the top behaviour change noted by consumers during the past year was that they "became more passionate about food and beverages overall." This surge in confidence and passion has created what we deem the Elevated Consumer.

Brands must embrace this shift, strive to meet and exceed

the needs of the elevated consumer and innovate to create enjoyable eating and drinking experiences that support the Diet Transformation. They can do this through more natural and traceable products, more nutritionally-balanced foods and beverages that taste great, next level plant-based alternatives that satisfy 'flexitarians' by mimicking the creamy texture of dairy and offer functional benefits, as well as Low and No alcohol options that delight beer and spirits enthusiasts with the same great taste.

Creating these enjoyable eating and drinking experiences serves as a powerful catalyst to drive the consumer preference that will deliver real impact on improved health, wellbeing and sustainability within the value chain.

Greg Peel is Vice President, Global Beverage SBU at Firmenich

About Firmenich:

Firmenich is the world's largest privately-owned perfume and taste company, founded in Geneva, Switzerland, in 1895 and has been family-owned for 126 years. A leading B-to-B company operating primarily in the fragrance and taste market, specialized in the research, creation, manufacture and sale of perfumes, flavors and ingredients. Taste and Beyond is one of the three key business units in Firmenich. We work closely with brands to co-create great-tasting, food & beverages.

In 2022, Firmenich and Finlays entered an agreement giving Firmenich full sales rights to Finlays' European tea and coffee extracts portfolio in Europe, effective immediately. Firmenich will focus on commercialising two core parts of Finlays' extracts business in Europe: its world-leading Cold Brew Coffee portfolio and its Tea Extract portfolio.

THE Finlays Since 1750 HOT LIST

Group Insights
Manager Siân Edwards
takes a look at the
trends heating up in
the world of beverages

BUBBLE/ BOBA TEA (AND COFFEE)

Driven by innovations in the Asian market, boba/bubble tea (and coffee) is seeing major growth, with younger consumers seeking exciting and novel experiences. Products range from the indulgent (mudslide milk tea) to the refreshing (passionfruit green tea) with highly customisable options.

STRESS AND RECOVERY

Beverages promoting sleep and recovery, with ingredients such as l-theanine, are emerging to address consumer concerns around stress and fatigue in a post-pandemic world.

TEA & COFFEE SUBSCRIPTIONS

Between Dec 2018 and Dec 2020, global Google searches for 'coffee subscription' increased by 100%, as consumers looked for convenient ways to trade-up their coffee choices and experiment with new products. An emerging trend!

NATURAL ENERGY

Faced with increasingly busy lifestyles, health-conscious consumers are seeking natural alternatives to popular energy drink brands to provide a clean energy boost. This is driving demand for natural sources of caffeine, such as tea and coffee.

'INSPERIENCES'

COVID-19 has accelerated the trend for 'insperiences' with consumers recreating foodservice-style beverages in their own homes. This ranges from premium quality coffee drinks to loose leaf tea blends.

BOILING HOT



NO/LOW ALCOHOL

No/low-alcohol alternatives are addressing indulgent/social occasions without the health impact. And Gen Z are drinking even less than Millennials...



MULTI-SERVE

While the format of multi-packs and multi-serve products isn't new, COVID-19 has really accelerated demand for these formats, with consumers looking to stock up for at-home consumption. Products such as cold brew coffee concentrate offer customisable, high-quality experiences for consumers working from home.

NO-PACK PACKAGING

From 'just add water' sachets to micro-drinks to seaweed capsules, products with no and low packaging are taking over from those bearing recycling claims as consumers look to eliminate packaging altogether.



HOT STUFF



TRUE BLUE HUES

Following the FDA's recent approval of butterfly pea flower as a colour additive, expect a surge in natural blue beverages – previously a challenge to achieve without use of synthetic colourants.



GETTING WARMER

THE AMERICAS VIEW



Charley Snell
CEO Finlays Americas

WITH CONTINUED UNCERTAINTY AROUND THE PANDEMIC, THE AMERICAN BEVERAGE MARKET SAW A SPLIT BETWEEN CONSUMERS WHO ARE SEEKING HEALTH AND WELLNESS ATTRIBUTES AND THOSE WHO ARE LOOKING FOR FAMILIAR COMFORT AND INDULGENCE.

Last year, consumers continued to prioritise their health by actively purchasing products with clearly labelled claims that align with their wellness goals. On the other side of the spectrum consumers are seeking comforting beverages to treat themselves following a difficult few years.

Ultimately American consumers desire a beverage that they feel good about drinking and/or emotes an indulgent flavor profile.

WHAT 2021 TAUGHT US

Resiliency and adaptability were the difference between the companies that floated amongst the challenges, and those that sunk. As the pandemic raged on, with skyrocketing costs and supply chain challenges, it gave companies with the ability to be nimble a distinct competitive advantage.

24 MIL

DID YOU KNOW?

Finlay's San Antonio plant diverted over 24 million pounds of spent coffee grinds from landfill to compost.

1.7 TRIL

DID YOU KNOW?

Americans consume, on average, 1.7 trillion cups of coffee annually. This amount of coffee could fill the Roman Colosseum 39 times!

Image: Whole Foods Market

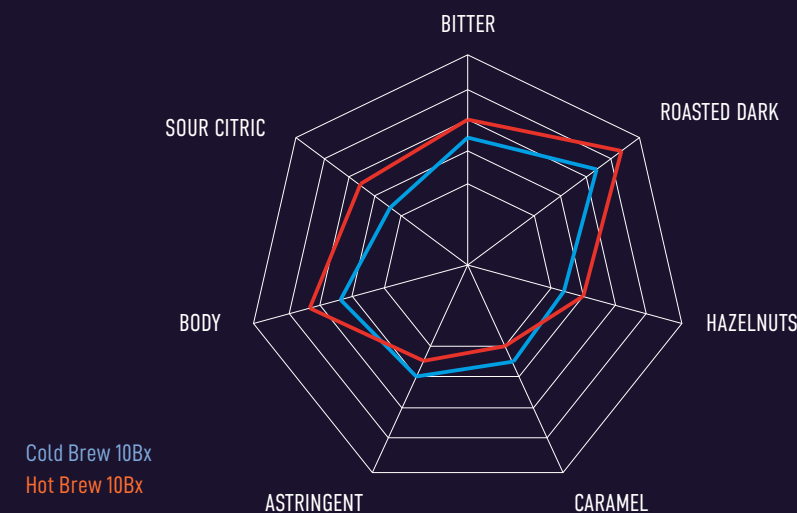


A LAUNCH WE LOVED

Flash Brew Coffee. Flash brewing is a method of coffee brewing where coffee is brewed hot and then intentionally rapidly chilled to create a unique iced coffee drink. It is exciting to see new brewing techniques introduced in the Americas as more consumers become interested in expanding coffee culture.

OFF THE CHARTS

Comparing the flavour profiles of hot and cold brew coffee



THE BIG TALKING POINT

What do consumers really desire?

Do we need all the bells and whistles or should we just get back to the basics of producing classically great-tasting beverages?

WHAT'S HOT

1

PRIVATE LABEL IS BOOMING



Supply chain issues, inflation and changing millennial preferences suggest that store brands will continue to rapidly gain consumer acceptance.

2

THIRST FOR EXPERIENCES



As people start venturing out again, consumers will crave unique experiences to accompany food and beverages, such as chefs' tables and tea ceremonies.

3

LESS IS MORE LESS IS BEST



As sustainable practices become mainstream, consumers will be eager to experiment with low waste packaging, hybrid milks, and meat-free food and beverages.

THE EUROPE VIEW



Andy Bulman
Managing Director Finlay Beverages

COVID, SUPPLY CHAIN CRISES, INCREASING GREEN COFFEE PRICES. 2021 WAS AN UNUSUAL YEAR FOR ALL THE OBVIOUS REASONS, WITH MAJOR GLOBAL EVENTS HAVING AN INTERESTING – AND SOMETIMES SURPRISING – IMPACT ON CONSUMER TRENDS.

As consumers' lives have changed, so have their consumption habits, creating both challenges and opportunities for brand owners and operators. Demand for healthy, natural and functional products goes from strength to strength, while cold brew coffee's rise to the mainstream has continued apace.

Despite all the uncertainty, tea and coffee remain fertile areas for innovation and value addition. The key is cutting through the noise to focus on what the consumer really wants.

WHAT 2021 TAUGHT US

Beverages that offer compelling functional benefits, coupled with strong sustainability credentials, present a huge opportunity for brand owners. The European functional beverage market is projected to record a CAGR of 6.5% between 2020 and 2025¹.

98 MIL

DID YOU KNOW?

In the UK, we now drink approximately 98 million cups of coffee per day.

THE BIG TALKING POINT

Brands should ask: 'Is my offering adapted to meet the functional needs and sensorial cues that trigger different beverages for different occasions?'

LAUNCHES WE LOVED...

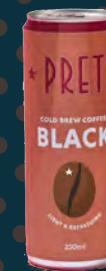
ALDI FUNCTIONAL TEA

Range of herbal and green teas with vitamins and zinc.



PRET COLD BREW

Black, Mocha and Latte in 250ml cans.



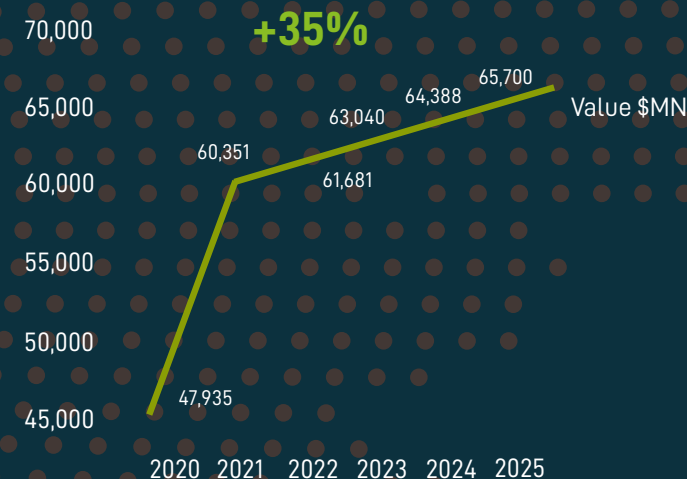
WATERDROP'S RANGE OF MICRODRINKS

Containing fruits, vitamins and superfoods.



OFF THE CHARTS

Value growth of whole bean coffee - Europe - 2020-25

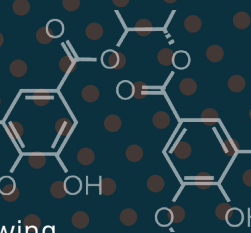


WHAT'S HOT

1

SMARTER TEA

Fortified teas are a growing opportunity (+26% YOY volume sales)².



2

COLD BREW COFFEE

Offers clean-energy, smooth flavour and natural sweetness.



3

DECAF COFFEE

Enables regular consumption throughout the day.



4

ENHANCED WATER

Enhanced Water boosted with additional vitamins and minerals.



5

SUSTAINABLE PACKAGING

100% recyclable packaging.



¹ Europe Functional Beverage market | Growth | Trends | Forecasts (2020-2025) (mordorintelligence.com)

² IRI Scantrack: Total Market; 52 w/e 1st January, 2022

THE ASIA VIEW



Mote Pooley
COO Damin and Commercial
Director, Finlays Asia

AGAINST THE BACKDROP OF THE COVID-19 PANDEMIC, WE'VE CONTINUED TO SEE GROWING DEMAND FOR PRODUCTS WITH FUNCTIONAL AND NUTRITIONAL BENEFITS, AS CONSUMERS PLACE EVER MORE FOCUS ON HEALTHIER LIFESTYLES AND QUALITY OF LIFE.

This is driving increased levels of innovation, as brands compete to develop compelling new offerings across a wider range of categories and formats.

Meanwhile, with people spending more time at home and online, e-commerce platforms have continued to thrive: as of 2021, more than half of China's total retail sales now come from e-commerce, and this is expected to continue to rise. Online platforms clearly represent a hugely important channel through which brands can expand sales and engage with consumers.

WHAT 2021 TAUGHT US

As we are unfortunately all too aware, Covid has continued to bring many challenges, change and disruption all across the world. At the same time, there are also new opportunities and trends taking shape amidst the rapidly occurring changes in the market and across society. By working closely to support our customers and through the great efforts of all our team, we can mitigate the impact of the pandemic and emerge stronger once the recovery is complete.

10,000

DID YOU KNOW?

Boasting over 10,000 milk tea stores that offer an increasingly diverse range of flavours and ingredients, the southern Guangdong city of Shenzhen is China's milk tea capital.

7,000

DID YOU KNOW?

The number of coffee shops in Shanghai has increased to approximately 7,000, one of the highest numbers in the world, and far more than are currently found in other coffee-loving cities such as Tokyo, London and New York.

LAUNCHES WE LOVED...

LUCKIN COFFEE

'Moment of Inspiration' Freeze-Dried Coffee Powder series.



UNILEVER (LIPTON)

Instant Bubble Tea kit series (four flavours).



NESTLE/STARBUCKS

Star Cup Super Premium Instant Coffee Powder.



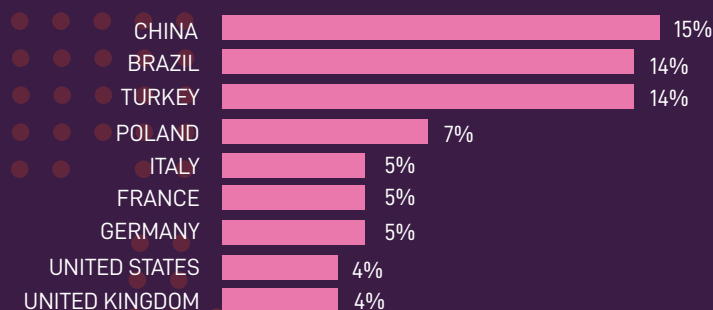
TASOGARE

Coffee jelly powder/ Green Tea (Matcha & Genmai) Tea Bags.



OFF THE CHARTS

China's 'Generation Z' (defined as those born between 1996 and 2010) spend a higher proportion of their income than in any other country. Chinese 'Gen Z' consumers as a whole are more impulsive, optimistic and digitally savvy than previous generations, and this important new consumer segment typically likes to seek out unique, differentiated products and experiences.



Gen Z share of household spending

WHAT'S HOT

FUNCTIONAL FAVOURITES

The growing demand for functional and health benefits is driving more innovation with a wider range of ingredients, such as exploring applications for alternative proteins, for example.

Of course, it's not enough just to offer a health benefit; in order to keep those consumers coming back, brands need to develop a winning proposition that also provides a great taste and consumer experience in a convenient format.

THE BIG TALKING POINT

How will you capture new opportunities and keep up with the pace of innovation currently taking place in Asia?



THE MEAC VIEW



Protas Wekesa
Acting Managing Director Finlays MEAC

WHETHER YOU'RE IN THE MIDDLE EAST, RUSSIA OR AFRICA, IT'S ALL ABOUT VALUE ADDITION AT THE MOMENT IN THE MEAC REGION.

Health and wellbeing, functionality, innovative fruit and herbal pairings, ready to drink (RTD) options and premium quality teas are all on the rise.

As the region continues to recover from COVID, we expect out-of-home tea consumption to get a welcome boost as people return in droves to cafes and restaurants, led in part by an anticipated renaissance in the tourism sector.

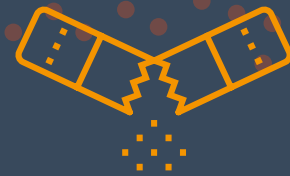
Offices are also gradually filling up again as lockdown restrictions ease throughout the region. Coupled with increased outdoor activities like shopping, we are likely to see an uptake in tea consumption outside the confines of the home.

The pandemic has also brought a nutrition-focused shift. Consumers are looking to try more immune-boosting food and beverages, with various tea and infusions likely beneficiaries of this trend.

WHAT 2021 TAUGHT US

After the pandemic, as people moved away from dine-in to drinking more tea at-home, people are seeking more speciality hot beverage options at home, such as chai lattes, versus simply black tea. Meanwhile, coffee brand owners have also diversified their portfolio to include at-home consumption formats, as more people stayed home during the pandemic.

1/5



DID YOU KNOW?

Africa is home to one fifth of the world's millennial population, making it a key region for trends and innovation¹.

~3KG

DID YOU KNOW?

Turkey has the world's highest per capita consumption of tea, estimated to be ~3kg per person per year².

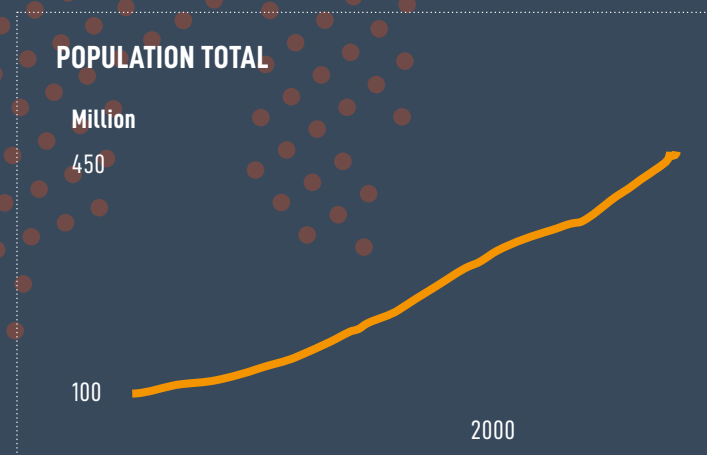
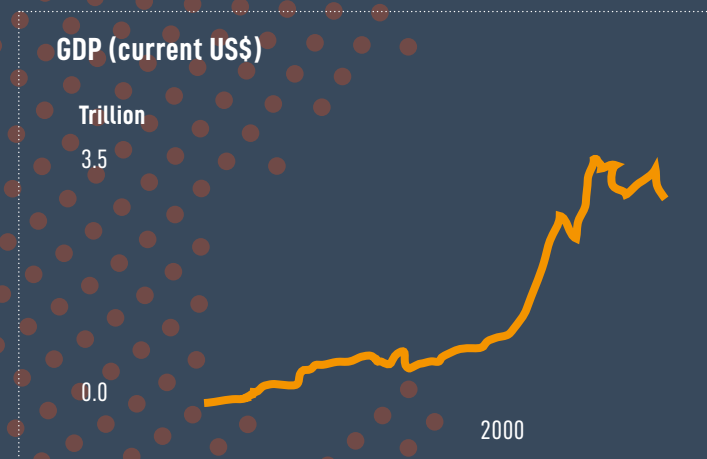


A LAUNCH WE LOVED

Cold brew tea infusions from May Company under its Curtis brand – fantastic innovation showing the health and wellness trend in action.

OFF THE CHARTS

Both GDP and population of Middle East and North Africa are rising sharply.



¹ World Economic Forum, 2021
² Globaldata plc, 2021

WHAT'S HOT

1

PREMIUMISATION

Many brands in the region are launching premium product variants in innovative, well-designed packaging and generally premiumising their brand.



2

READY TO DRINK

We're seeing increased demand for 3in1 premix hot drinks and flavoured iced tea.



3

WELLNESS

Beverages with health and functionality claims are on the rise as a healthy alternative to traditional categories, e.g. Carbonated Soft Drinks.



THE BIG TALKING POINT

Just how much more are consumers willing to pay for innovative and distinctive products?

GRABBING A CUPPA WITH... MOTE POOLEY

When it comes to tea and coffee, Asia is a dynamic hotbed of innovation and growth. To find out more, 1750 sat down with Mote Pooley, the newly installed Commercial Director for Finlays Asia and Chief Operating Officer of Damin, a joint venture between Finlays and Damin's Founder and Chairman Mr. Jiang Aiqing





1750: THANK YOU FOR JOINING US, MOTE. TELL THE READERS OF 1750 A BIT MORE ABOUT YOU.

MOTE: I come from a mixed English and Thai family background, and during my childhood I was fortunate to be able to spend time in both the West as well as the East (where my family was based, firstly in Singapore, followed by Hong Kong).

I have been based in the Greater China region since graduating. After joining John Swire & Sons in 2006, I have worked in Swire Pacific's Beverages division with Swire Coca-Cola as well as in the Aviation division with the HAECO Group. In October 2021, I was honoured to have the opportunity to take up my current roles with Damin and the Finlays Group.

For readers who aren't aware, can you briefly introduce Damin as a business?

Damin is one of the world's leading suppliers of tea, coffee and botanicals extracts. It offers a wide and growing range of product categories, and our products are supplied from three manufacturing sites, with two plants located at our Zhangzhou headquarters (Fujian province), and one other plant located in Nanjing (Jiangsu province).

Finlays' strategic partnership with Damin dates back to 2011, when Finlays first took a minority shareholding. Since then, the partnership has steadily strengthened and flourished through close collaboration across the group to develop a unique portfolio of products to serve our customers around the world.

What are some of the most notable dynamics in natural beverages in Asia at the moment?

Accelerated by the Covid-19 pandemic, a key trend is the growing demand for functional and nutritional benefits, as consumers place greater priority on healthier lifestyles and quality of life. For example, beverages that boost the immune systems or aid digestive health. In general, the market is seeing a tremendous level of innovation activity across category, format, function and flavour, as brands seek to carve out winning

propositions to capture these emerging new opportunities. Here at Damin, our R&D teams are busy working on initiatives in these areas to help our customers develop the right products to meet these needs.

Are there any particular trends in China you think will land in the West before too long?

Chinese consumers have been very quick to embrace and adopt digital platforms in recent years and e-commerce has revolutionised the retail landscape, with new formats such as livestreaming, in particular, accelerating the online shopping trend. China now accounts for more than half of the world's total e-commerce sales. It's inevitable we will see similar trends take further hold in the West, as digital platforms, tools and technologies continue to evolve, and companies seek out new avenues for creating value and engaging with consumers.

Tell us about what's happening in tea in China at the moment.

As the world's largest producer and consumer of tea, China is obviously a vast and mature tea market comprising many segments. Key trends include health and wellbeing, no/low sugar RTDs with fruit flavours, and specialty fresh tea shops such as a milk tea/bubble tea are surging in popularity driven by younger consumers seeking innovative flavours and novelty or fusion concepts.

And what about coffee?

With Chinese coffee consumption continuing its sharp growth of recent years, it's a very exciting time to be involved in this segment. As just one illustration of this, the number of coffee shops in Shanghai has increased to approximately 7,000, one of the highest numbers in the world, and far more than are currently found in other coffee-loving cities such as Tokyo, London or New York.

Key factors behind the coffee boom in China include the tastes of the younger millennial/

Gen Z generations, as well as the fast-growing middle-class consumer segment with higher levels of disposable income. These consumer segments also have increased appetite for 'trading up' to more premium offerings, with higher-grade ingredients or innovative flavour combinations.

As coffee consumption is still relatively new and yet to penetrate beyond urban areas and younger generations into the wider population (at only around seven cups per year currently, China's per capita consumption is much lower than in Europe, North America or Japan), there is considerable scope for the coffee market in China to grow significantly for many years to come.

Damin is achieving strong growth through a focus on “Original Equipment Manufacturing” (OEM) and “Original Design Manufacturing” (ODM). What do these mean for Damin?

At Damin we define OEM and ODM as being a one-stop-shop solution provider. Having built our OEM/ODM capability over recent years, this means we can now offer our customers fully-finished consumer products. That's to say, in addition to our existing core business of ingredients supply to food and beverage industry players, Damin also supports customers with a range of services to supply final products for retail as well.

Depending on each customer's specific requirements, this may range from a straightforward contract pack manufacturing service to a wider suite of services leveraging more of Damin's capabilities, such as R&D and ingredients supply.

Underpinning our expansion into OEM/ODM services is the firm belief that, with the extensive range of capabilities and expertise that Damin continues to invest in and develop (from R&D through to manufacturing capabilities), we are ideally positioned to offer our customers greater value through a wider range of services that can help them more successfully realise their own strategies and objectives.

What does the future hold for Damin?

It's a tremendously exciting time in our industry, and the future holds many new opportunities as consumer trends, market dynamics and technologies continue to emerge and evolve. Here at Damin, we are keen to continue to develop our capabilities and explore new models of collaboration with customers and industry partners in order to best capture those opportunities and create more value together.

MORE ABOUT...MOTE

What inspires you?

How much can be achieved when people channel their passion and positive energy towards a task or initiative.

What's the best piece of advice you've ever been given?

Take every opportunity to listen; after all, it's only when we are listening that we have the chance to learn something new.

What do you do in your spare time?

I like to take any opportunity to exercise and stay fit; I'm a great believer in exercise as a counterbalance to the demands of our working lives.

There is considerable scope for the coffee market in China to grow significantly for many years to come





PURE DELIGHT

Cold brew in Europe is about to boom, but which brew is right for you, asks Bethany Ruane?

Cold brew coffee is leading the next global wave of coffee culture. In Europe, consumption of cold brew has increased by 40% over the last five years¹, and is the fastest growing segment in RTD/Iced Coffee².

But as brands race to capitalise on this opportunity, there's an important question to answer: what is the right type of cold brew for you?

Cold Brew 101

For the uninitiated, cold brew coffee is extracted slowly and gently using ambient or cool water, instead of rapidly in hot water. This helps to extract the finest flavours from the bean, resulting in less acidity, a rich flavour, natural sweetness and the smooth taste that epitomises its premium appeal.

This premium, sensorial experience is at the heart of cold brew's appeal to European consumers and the key selling point versus existing iced coffee products.

When is cold brew not cold brew?

As consumer demand for cold brew heats up in Europe, we're seeing cold brew products of differing quality and provenance enter the market. Smoothness, natural sweetness and lower acidity are key attributes synonymous with cold brew. However, not all cold brew products seen on the market today benefit from these critical attributes. That's because, like any craft, the magic is in the process.

When it comes to cold brew, keeping temperatures cool or ambient during the extraction and concentration processes is critical to quality. During

At Finlays, unless it's been extracted using ambient temperature water using a slow and gentle extraction process, we don't call it cold brew

¹ Re:co Symposium 2016

² Total RTD/Iced Coffee Market, Global Beverages Databook 2021

the concentration step, many producers remove excess water by boiling the liquid and while this is an easy process to operate, it also results in less smoothness and increased acidity in the final coffee extract. This deprives it of its core appeal to consumers, leading to a product that over-promises and under-delivers.

That's why at Finlays' UK production facility, we have installed a non-thermal concentration process that works at ambient temperatures to deliver a distinctly smooth, deliciously rich, pure cold brew concentrate.

Categories of cold brew

Within cold brew, there are two main varieties of product available. At Finlays, we refer to those types as 'pure cold brew' and 'made with cold brew'. And which one of these is right for each brand owner will depend on the application in question.

Finlays defines "pure cold brew" as being cold brew with nothing else added to it. It is smooth, less acidic and delivers a roasted coffee flavour that is ideal for premium beverage applications. Its complex flavour profile and natural sweetness also means it offers a rich sensory experience without the need for additional ingredients. And if ingredients like milk, sugar or flavours are added, a little goes a long way without deterring 'clean' label claims.

"Made with cold brew", on the other hand, does include cold brew as an ingredient, but also includes added soluble coffee or bulking agents. This technique makes it easier to achieve higher concentration levels and can be cost-effective. The method can also be beneficial in heavy dairy applications, such as ice cream, to ensure the coffee flavour cuts through.

Why it matters

Europe is now at the start of its cold brew journey, and the road ahead is very exciting indeed. But at this early stage, it's critical for brand owners to understand cold brew as a product, and what makes it such an exciting, long-term proposition. Choosing the right cold brew is therefore critical.

The proof will be in the pudding. Consumers don't just want cold brew because it's the next big thing. They want it because it offers a premium, sensorial experience unlike other products on the market.

Bethany Ruane is Marketing Manager at Finlays Europe

QUESTIONS TO ASK WHEN TAPPING INTO COLD BREW IN EUROPE

Q1.

Is it true cold brew?

Q2.

Is it 'PURE' cold brew or 'made with' cold brew?

Q3.

Is it traceable and sustainably sourced?



REVOLUTION BREWING

Ever since the Boston Tea Party, America has had a complicated relationship with tea. Art Lopez seeks the future of tea in the US through its storied past.



If you want to understand today, you have to search yesterday." Wise words from famed American author Pearl S. Buck. So, if we want to understand tea trends in the US today, we must travel back to a winter's day in 1773...

The Boston Tea Party, which preceded the American Revolutionary War, saw American colonists demonstrate their opposition to the Townshend & Tea Acts by throwing 342 chests of tea into Boston Harbour. A profound moment in the origin story of our nation – one that has defined America's relationship with tea ever since.

In the ensuing century, consumption of coffee far outpaced tea. Viewed as a pro-British good, tea became seen as unpatriotic. Coffee's dominance in the Americas was solidified when President Andrew Jackson abolished the import tax on coffee in 1829. And Americans have preferred coffee ever since.

Later, tea started to reposition itself. The 1893 Columbian Exposition and the 1904 World's Fair took place during summer, with crowds seeking cold, refreshing beverages. Quick-thinking

entrepreneurs cooled hot tea through an iced pipe, creating iced tea. Iced tea would quickly come to dominate US tea consumption, bringing us to today.

Slow growth

Last year, the US tea market was worth an estimated \$11.3 billion¹. A large market, but one that is growing at just 1%. When Americans think of tea today, they think of the same inexpensive-but-refreshing iced tea that was introduced a century ago. The market has ridden the iced tea wave to full maturity and is now being supplanted by newer, more exciting beverages in adjacent categories.

For me, it's clear that tea hasn't reached anywhere near its full potential in the US, at least partly because of its complex place in our cultural and political history. Tea conquered the world but skipped America because of a protest about taxation 250 years ago.

Winning hearts and minds

So how can tea overcome its past? Much as it did with the innovation of iced tea 100 years ago, tea needs to reposition itself once again in the minds and hearts of Americans. This means the proper creation, naming, displaying, and advertising of tea beverages must be done with the American consumer in mind. It will take time, but this patience will pay off when tea begins to realise its full potential in the US market.

Driven by food service

This repositioning will likely begin in food service and hospitality, where most beverage innovation and consumer education takes place. Imagine the excitement that would be generated from menu boards filled with items such as cold brewed tea, indulgent tea lattes, single-origin options, and special brewing methods. This would be a major departure from current offerings.

Tea might even take a page from coffee growth over the past thirty years, which shows us that US consumers gravitate to indulgent, dairy, and sugar-based beverages like lattes, frappes, and other indulgent crafted beverages.

Primed for Innovation

After all, tea and dairy already have a rich global history. Chai, Thai, and London Fog are menu mainstays and examples of great-tasting indulgent, dairy-based tea beverages. The next wave of growth for tea in the US could well come from repositioning these indulgent combinations to resonate with American consumers.

At Finlays, we believe the tea category, which is primed for innovation. Tea has its own revolution brewing, which will see Americans create, own, and influence their own relationship with tea as never before.

Art Lopez is Senior Director, Marketing, Finlays Americas

TIPS FOR TAPPING INTO THE US TEA INDUSTRY

01

Experiment with your favourite teas, ingredients, textures, and flavours. The number one driver of a repeat purchase is great taste.

02

Get creative with product names and highlight attributes that will connect with your followers.

03

Display your product so it pops off the menu board or shelf. Sight and smell are usually the first two senses that are engaged in a food service environment. Make that impression count.

¹GlobalData, PLC

MULTISERVE'S RISE TO MAINSTREAM

Stacy DeMars explores the growth trajectory of multi-serve coffee and tea in the US

Driven by changes to consumer behaviour brought on by the pandemic, the multi-serve beverage market in America is enjoying a renaissance, particularly in the ready-to-drink (RTD) coffee and tea segments.

The sudden surge of interest in larger pack sizes was initially driven by consumers visiting grocery stores less and seeking cost efficiencies, catapulting the multi-serve beverage segment into double-digit sales growth¹.

And while it appears the age of all-out lockdowns is (hopefully) behind us, consumers are still thirsting for the multi-serve format. Let's take a closer look at this trend in tea and coffee.

Multi-serve in tea

Americans love iced tea. Over 80% of us drink our tea iced and we do so on multiple occasions throughout the day. Iced tea has therefore been available in

multi-serve format for decades, but growth had slowed in recent years. Then, during the pandemic, the multi-serve RTD tea market recorded monthly sales growth upwards of 18% versus a year prior², which is huge growth for a mature category.

As we emerge from the pandemic, it's clear this disruption has breathed new life into the category. At Finlays, we're seeing a rise in demand for multi-serve RTD tea beverages, and expect the category to retain a good portion of converted sales, even though shoppers are also returning to spending in foodservice.

Multi-serve in Coffee

Multi-serve RTD cold brew coffee has been available since 2012. As sales have grown over the last decade, it revealed a major white space opportunity within the overall RTD coffee market.

But as with tea, we saw a huge boom in 2020 when the pandemic hit. Unable to visit coffee shops and being stuck at home drove

rapid consumer interest in multi-serve RTD coffee. Brands seized the opportunity to capitalise on this increased demand for coffee in larger pack sizes, and sales skyrocketed. In fact, over the last year, monthly sales consistently grew at 40% versus the same period in the previous year³. While this segment has started to slow slightly, growth rates remain above 20% versus the same period a year ago for the end of 2021⁴.

What's next for multi-serve?

So what's next? One major trend across all beverages is format innovation and that includes the multi-serve space. Fridge cubes are emerging in the RTD coffee market, and it's likely RTD tea is not far behind. Given the shift in consumer behaviours toward less shopping frequency, bulk buying and preference for larger pack sizes, the future looks bright for the multi-serve market to continue growing over the next few years.

Stacy DeMars is Marketing Manager, Brand at Finlays Americas



STACY'S TOP TIPS TO TAP INTO MULTI-SERVE

01

FIND YOUR CUSTOMERS

A good start is to establish a loyal customer base for smaller or single-serve pack sizes. Once brand loyalty is built among return customers, it will be easier to upsell them on the larger pack sizes.

02

USE SUSTAINABLE POSITIONING

Consumers are increasingly interested in sustainable products. Highlighting the sustainable practice of less packaging waste will draw eco-conscious consumers to multi-serve products as a low-waste solution.

03

PRICE INCENTIVE

Multi-serve products are often more cost effective than single serve, offering a lower selling price per fluid ounce. Success is found once a customer realises they can enjoy the great tasting product they love at a more cost-effective price point.

¹ Nielsen Liquid Tea & Coffee Scandata; Dairy Foods Magazine On-trend RTD beverages keep 'em thirsting for more; Beverage Industry; State of the Industry Reports

² Nielsen Liquid Tea Scandata 2020 - 2021

³ Nielsen Liquid Coffee Scandata 2020-2021

⁴ Nielsen Liquid Coffee Scandata 2021-2022

ORIGIN STORY

Twinnings' Andrew Whittingham explains the importance of traceability in the botanical supply chain



Today's botanical supply chains are varied and complex. They range from controlled cultivation in established agricultural settings, to smallholder and wild harvested material collected by small groups across the globe.

This complexity presents some unique challenges, especially when having to source numerous species of plants from multiple origins. Having clarity on where raw materials originate is essential to any business and having insight into the entire supply chain - from cup to field - is critical in understanding risk as a business and being able to affect positive change.

Long gone are the days where taking just one step back in the supply chain was acceptable. Food safety, food fraud, social and environment issues all drive the need to have greater understanding and control over traceability. This means drilling down into the supply chain, understanding where exactly the material originates from, controlling batch sizes and ensuring transparency of the end-to-end supply chain.

Traceability for Twinings is two-fold: fundamentally we must ensure transparency back to

the grower for food safety and legal compliance and equally we want to understand our social and environmental impact with the aim of having a positive influence. We look for smart ways to incorporate traceability and transparency into our quality systems. Our *Sourced with Care* programme drills down into living standards, life opportunities, land and livelihoods.

Our work with Finlays Botanicals in Kenya is a great example of a partnership with a strategic supplier bringing real benefits. Through Finlays, we can have direct links back to the fields in which material is grown, ensuring good agricultural practices are in place. We can understand the communities and the conditions under which it has been produced and, in partnership with the Finlays team, we can influence what is cultivated.

This type of partnership, in which we are collaborating and having open dialogue on where and how products are grown, aligns to our core values of responsibility, excellence and innovation, making it a great fit with our sourcing objectives.

The wider opportunities are vast. With such complex supply chains and a huge portfolio of botanical materials across multiple sectors (herb, fruit and spice), having traceable and transparent sources is a major advantage for producers

of botanicals, as it is essential for brands to understand their supply chains.

The technical challenge going forward is understanding how we most efficiently and effectively collect and analyse the large data sets from our key supply chains whilst ensuring data integrity and confidentiality. The use of barcoding, supplier portals and electronic data interchange and, further into the future, blockchain, will be critical to make the process as efficient as possible. These technologies will allow quick data interrogation and analysis in the event of a supply chain issue and to help measure progress against strategic social impact and environmental goals.

Having robust data, traceability and transparency will ultimately allow us to bring our supply chains to life for our consumers, telling our stories and sharing our passion for the botanical industry and the wonderful aromas and tastes from around the world.

Andrew Whittingham is International Herbs Manager at Twinings

Through Finlays, we can have direct links back to the fields in which material is grown, ensuring good agricultural practices are in place



THE QUALITY ADVANTAGE

Frieda Dehrmann explores why Quality isn't just a must have - it's a competitive advantage



Can something as 'mundane' as quality really be a competitive advantage? Dr Frieda Dehrmann, believes so. She provides a behind-the-scenes glimpse of how Finlays is building a culture that's laser-focused on quality.

Yes, I know. Every customer and competitor in the world likes to talk about the importance of quality. But delivering on that promise is easier said than done.

To achieve our vision of profitable growth by supplying tea, coffee and botanicals to the world's beverage producers, we know we need to be, or become, the preferred suppliers to our customers. This means meeting and exceeding their expectations in everything we do, from products to service and supply. And this, in turn, requires building a culture committed to quality.

So how have we worked towards achieving that?

The answer lies in four key focus areas:

1. Prioritising product quality

At Finlays, every batch must be true to its promise, and consistently so. To ensure this, we have deployed an extensive quality and food safety management programme across our business. Each of our manufacturing sites has a Global Food Safety Institute (GFSI) certification and runs food safety protocols such as HACCP (Hazard Analysis and Critical Control Point).

We are constantly looking for ways to move these systems and processes to the next level. Recently, we renovated and aligned our HACCP programme across our group. Our Quality Control teams have also initiated process control monitoring for laboratory analyses, raising awareness of the magic of SPC (Statistical Process Control) charts as a tool to monitor process control. We have shared best practice and aligned the rigour across our processes, making our food safety process more robust, in the interests of our customers.

2. A perpetual drive for analytical confidence

Achieving confidence in the accuracy of our certificates of analysis is also key. That's why we've overhauled our laboratory and analytical programme, and upgraded our interlaboratory ring testing programme to include coffee and to use the Youden Two-Sample Method for determining systemic or random errors.

Water is another focus for us in this area. Water quality can have a surprisingly big impact on measurement and sensory analysis, so we've invested more than \$50,000 in water purification systems.

3. Investing in our people

We are also investing heavily in our people and teams, rolling out a new Quality Competency Acquisition (QCAP) process this year and conducting gap analyses on key positions so we have the skills and capabilities we need. This is an 18-24 month programme aimed at developing

our teams to achieve our vision of engaged, competent and effective Quality practitioners.

4. A constant focus on you, the customer

Service quality is just as important. In every interaction with the customer, we encourage our teams to reflect and ask: Do we do what we say we are going to do? Do we delight customers with our turnaround and response times? Do we add value with our technical knowledge and understanding?

These values are embedded in our Voice of the Customer standard and 1Finlays approach, and we regularly communicate the importance of quality to all of our employees. We'd love to hear from you, our customers, on what you think we can do even better, so our commitment to quality delivers the right competitive advantage for you. All of these activities are the foundational building blocks to a great quality culture that assures our customer of consistently good quality and food safe products, making us your supplier of choice.

So to return to my original question, can something as mundane as quality be a competitive advantage? For me the answer is a resounding "yes". We are immensely proud of the quality culture we are building Finlays and invite you to join us on the journey.

Dr Frieda Dehrmann is Group Quality and Analytical Science Director at Finlays

NO PLASTIC? FANTASTIC!

Sarah Martin unveils Finlay Beverages' sustainable packaging initiative and highlights five key packaging trends retailers should be aware of

Four years since David Attenborough's Blue Planet II ignited the "War on Plastic", consumers are more aware than ever of their plastic and packaging footprint.

A recent Kantar study found that, globally, the top two actions people plan to do more to be more sustainable are using refillables/reusables and buying sustainable packaging.

This is driving manufacturers in all categories to find more sustainable packaging solutions. But sustainable packaging is far from easy to design. Some products require lots of protection and sustainable packaging can also mean compromising on shelf life. Significant development work is required to maintain manufacturing speed and efficiency to ensure the formats are as sustainable to the business as they are to the planet.

Having launched our UK sustainable packaging plan two years ago, we've learnt a lot about overcoming these complexities.

So, what does all this mean for tea and coffee? Here are five key retail packaging trends to have on your radar.

1. Plastic wrap-free boxes

Removing single-use plastic outer wraps is a priority for the tea sector and more solutions will be coming to market this year. For us at Finlays, this involved a complex redesign of the cardboard tea caddy, but the effort was worth it. By removing outer wraps, Finlays alone was able to cut out 16 million pieces of single-use plastic a year.

2. Compostable teabag paper

Despite some controversy, compostable and biodegradable packaging continues to resonate strongly with consumers. Keep your eyes peeled for suppliers combining compostable paper with redesigned, plastic-free caddies to offer fully sustainable tea packs.

3. Recyclable film for coffee

Efforts are focused on finding a recyclable film solution for freshly roasted ground and bean coffee packs. This is a challenge, as any new materials need to keep the coffee fresh and work well with packing machines, but progress is promising. At Finlays, we expect to have a solution ready later this year.

4. Packaging-free emerges

Looking to the future, given strong consumer interest in reuse and refill, we expect to see retailers trialling packaging-free options.

5. Carbon labels

Only a minority of consumers currently look for carbon labels on food and beverage products, according to Kantar, but awareness is increasing. As the net-zero agenda continues to gain traction, we expect to see growing demand for low-carbon and carbon-neutral claims.

Sarah Martin is Packaging Manager for Finlay Beverages in the UK



CENTRE STAGE

In a matter of years, Dubai has risen to become the largest tea re-export hub in the world. Caroline Migiro explains how brand owners can capitalise.

Close geographical proximity to the world's largest tea producers, modern and efficient transport links, market-leading R&D hubs and a business-friendly environment are just some of the reasons Dubai has emerged as an international powerhouse of the tea trade.

Today, Dubai is responsible for more than 60% of global tea re-exports. The city on the Arabian Peninsula exports roughly 48,000 tonnes of tea a year, worth an estimated \$184 million – a remarkable achievement given the entire global re-export market was worth just \$99 million in 2011.

Its success is no accident. Dubai has worked hard to position itself as a major global hub for commodity trading, establishing

the Dubai Multi Commodities Centre (DMCC) Tea Centre in 2005 with the sole purpose of providing the perfect business environment for tea companies.

A one-stop-shop solution

High-quality, multi-origin blends are one of Dubai's biggest strengths. Creating such blends requires significant expertise and robust supply chains, imposing high costs on tea-producing countries.

Dubai has invested heavily to plug the gap. Leveraging its proximity to Sri Lanka, Kenya and India as well as its state-of-the-art infrastructure, it has enabled businesses like Finlays and ekaterra to establish one-stop-shop solutions for sourcing, blending, storing, packing and distributing tea.

This makes Dubai the perfect place for brand owners to develop new products for the post-pandemic consumer.

Interest in functional beverages, including those with calming and immunity support benefits, has soared, while ready-to-drink cold and iced teas are increasingly popular with younger demographics.

Tea variety is central to these trends, and Dubai is well placed to meet the demand. The DMCC Tea Centre alone is home to a tea quality laboratory that tests 4,000 flavours of tea. At the same time, Dubai's favourable tax laws and sound financial infrastructure allow companies to focus on creating the best teas without worrying about high operational costs.

For brand owners looking to innovate in a way that's sustainable, efficient and cost-effective, Dubai may just offer the perfect blend.

Caroline Migiro is Business Development Manager for Middle East, Africa & CIS at Finlays



DMCC FAST FACTS

23,731 M²
total space

40-50 MIL
kilos of tea
handled annually

8,500 MT
maximum annual
packaging capacity

Source: DMCC

BACK ON TRACK

Rebekah Kettrick shares five ways to drive value into the UK Out of Home coffee market



There's no two ways about it, Covid marked the start of the most challenging time on record for the branded out-of-home coffee industry.

Over the course of 2020, some £2.1 billion was wiped from the value of the sector and the number of London-based coffee shops fell for the first time in 20 years¹.

Luckily, café culture is now firmly embedded in British life, and the sector rebounded strongly in 2021 recovering to 87% of its pre-pandemic value at year end, with the total number of outlets exceeding 2019 numbers².

Even so, there are a number of critical challenges on the horizon, not least inflation, volatile coffee prices, supply chain disruption, and changing consumer priorities.

As the industry looks to tighten its belt, here are five ways to add value by capitalising on consumer trends:

1. Focus on quality and provenance

Coffee consumers are increasingly discerning and look for premium options. Developing a house espresso blend which delivers on the taste and consistency consumers expect, while exploring less traditional coffee origins such as Zambia and Laos, offers both value and a point of difference. Meanwhile, single origin espresso or filter coffee at a premium price point provides the opportunity to showcase expertise and develop trust and loyalty with your consumers.

2. Use ethical credentials to signify quality

Traditional certification schemes like Fairtrade and Rainforest Alliance carry brand recognition, but

you can combine these with direct trade sourcing to demonstrate a greater commitment to origin relationships. This boosts credibility and offers a point of difference. Consumers are increasingly seeking environmentally friendly options, so recyclable packaging and spent grounds schemes, such as Biobean, are growing in popularity.

3. Diversify your channels

Consumption is diversifying away from traditional high street locations. In 2021, Delonghi reported over 300% half-year revenue growth, showing coffee drinkers' commitment to café quality coffee at home. This has caused lines to blur between retail and out-of-home brands, creating opportunities for out-of-home brands in the retail space. And indeed, in larger pack sizes.

4. Tap into health and wellbeing

A greater focus on clean label, natural drinks and reduced consumption of carbonated soft drinks means both traditional hot coffee and also cold brew coffee are well positioned alternative offerings. Don't overlook decaffeinated coffee, which is outperforming the growth of caffeinated coffee.

5. Entice younger coffee drinkers with innovative formats

YouGov research shows that Gen Z is doing without 'standard' coffee in their daily routine. But there are ways to bring them back into the fold - products like cold brew coffee give access to new formats and occasions ranging from indulgent flavoured drinks, to healthy functional alternatives. Cold brew is also a great way of helping consumers drink coffee throughout the day, not just in the morning.

Rebekah Kettrick is Coffee Buyer and Innovation Manager at Finlay Beverages

QUESTIONS TO ASK WHEN CHOOSING A COFFEE SUPPLIER

01

Do they have the expertise and operational excellence to tailor a blend that's bespoke for me based on a desired flavour profile?

02

How flexible is their portfolio of coffee solutions?

03

Can they advise me on consumer trends before they become mainstream?

04

What is their approach to ethical sourcing and how can it benefit me?

¹ Allegra

² Allegra



CLEAN ENERGY

Is 2022 the year natural energy drinks go mainstream?

Words: Siân Edwards
Image: Antonella Gabriele

The rejection of 'unnatural' synthetic ingredients in favour of clean label products with natural ingredients is a major, long-term dynamic in the beverage industry.

Health-conscious consumers are seeking products with recognisable and unprocessed ingredients to support an increasingly holistic view of wellbeing.

In 2020, 55% of soft beverage launches carried a natural/non-synthetic claim, compared to just 24% in 2010¹.

Energy drinks seemed immune to this trend, with high historic growth. Consumers were enticed with the promise of an energy boost, often in the form of synthetic caffeine paired with high sugar levels and sweet flavour profiles. These products are effectively targeted toward busy consumers, typically "young urban men with an interest in extreme sports and recreational activities"² through marketing efforts focused on engaging athletes and gamers.

Yet this proposition falls short for most consumers, such as the 66% of female consumers who believe that energy drinks feel 'unnatural and unhealthy'³ and the 55% of global consumers who find natural claims 'very appealing'⁴.

This could contribute to growth rates for energy drinks halving from historic rates of +9.4% between 2016-19, to just +4.7% CAGR between 2021-25⁵.

A natural opportunity

Beverage brand owners are starting to recognise the huge opportunities of attracting a new consumer base by offering a natural, 'clean' alternative. Innovation is now energising the category by helping to blur the boundary between energy drinks and other, 'healthier' categories such as sparkling water and RTD/iced tea, while offering the same energy boost.

Since 2016, the number of energy drink launches with an 'all natural' claim has increased 178%⁶. Brands such as Purdey's, RUNA and Tenzing are seeking to overhaul the category image with 'naturally energising' ingredients and clean label claims.

Formulating with plant-based ingredients such as green tea, ginseng and guarana is a critical way of appealing to this health-conscious audience. After all, 63% of global consumers believe green tea/matcha has a positive impact on their health⁷.

Growth and investment in 'clean energy' has never been higher, with major players such as Molson Coors and TATA introducing products to their range⁸, and many brands achieving triple digit sales growth in this area.

With clear consumer need, a proposition with broad appeal and the entry of major players, 2022 must surely be the year that 'natural energy' drinks are truly established in the mainstream.

*Siân Edwards is Finlays Group
Insights Manager*

¹ Mintel GNPD 2022

² Better Marketing

³ Mintel 2019

⁴ GlobalData Plc; survey of 22499 consumers in 40+ countries worldwide; Q3 2021

⁵ GlobalData Plc, 2021

⁶ Mintel GNPD 2021, global energy drink launches 2016-2019

⁷ GlobalData Plc; survey of 22,338 consumers in 40+ countries worldwide; Q2 2021

⁸ <https://www.bevindustry.com/articles/93777-multi-faceted-team-of-innovators-announce-launch-new-energy-drink> / <https://www.tataconsumer.com/news/good-earth-uk-launches-its-natural-feel-good-energy-drink>

FINLAYS NEWSROUND



FINLAYS JOINS FORCES WITH FIRMENICH IN EUROPE

In January 2022, Finlays announced it was joining forces with Firmenich, the world's largest privately-owned fragrance and taste company.

This gave Firmenich full sales rights to Finlays' European tea and coffee extracts portfolio in Europe, effective immediately.

Under this new agreement, Firmenich will focus on commercialising two core parts of Finlays' extracts business in Europe: its world-leading Cold Brew Coffee portfolio and its Tea Extract portfolio.

"Firmenich and Finlays are joining forces at a time when consumer demand for healthier, natural ingredients has never been higher," said Rachel Jones, Finlays Group Head of Business Development.

"Firmenich's strong market coverage, deep understanding of taste and application know-how will enable Finlays products to reach a broader audience in Europe, helping the food and beverage industry develop innovative recipes featuring tea and coffee ingredients to meet evolving customer expectations."

"We are very excited about this partnership," said Karel Stoschek, VP, Europe of Firmenich's Taste & Beyond division. "Our customers will benefit from Firmenich and Finlays' combined expertise in product development, streamlining their own innovation and new product development process and helping to create even better products that tap into the natural, wellbeing and sustainability consumer megatrends."



JAMES FINLAY GUIZHOU HOSTS TEA TASTING COMPETITION

In December 2021, employees at James Finlay Guizhou pitted their tea tasting skills against one another as part of a tea tasting competition.

Fourteen competitors took part, with Wei Liu winning first place, Renjun Liu taking second place and Zhonghui Zuo taking third place.

Irene Yuan, the General Manager of James Finlay Guizhou said: "We learnt a lot from this competition. We learnt the technical capability of tea evaluation, and created an atmosphere of tea capability learning. We aim to constantly improve our capability."

FINLAYS NEWSROUND

JAMES FINLAY KENYA LAUNCHES FINLAYS COMMUNITY TRUST

James Finlay Kenya, Finlays' Kenyan tea growing operation, is pleased to announce the launch of the Finlays Community Trust, a new independent charity that seeks to nurture sustainable growth and empower the local communities it serves.

To achieve this goal, James Finlay Kenya took an innovative, community-led approach to structuring the Trust, helping it deliver the best possible social, environmental and economic outcomes for Kericho and Bomet.

At the heart of this approach is the principle of giving the community representation on the board of the Trust. The Trust has three Trustees nominated from the local community by the communities themselves, and three Trustees nominated by Finlays, overseen by an independent Chair. This ensures that the community has an equal voice in the representation and administration of the Trust.

This means the local community now has a high level of responsibility for deciding how funding is allocated to different

projects, ensuring the greatest and most meaningful impact. Finlays is also pleased to be increasing the level of funding to the Trust.

The launch of the Trust took place in August 2021, with an event attended by media and local dignitaries including Simon Kiprono Chelugui E.G.H., the Kenyan Government's Cabinet Secretary for Labour and Social Protection, and the Governors of both Kericho and Bomet Counties.

Simeon Hutchinson, Managing Director of James Finlay Kenya said: "For decades, James Finlay Kenya has made significant efforts towards empowering the local communities of Kericho and Bomet Counties. It has invested significantly in welfare, infrastructure, conservation of the environment, sustainable energy, and education for these communities through a wide array of projects. This launch marks a new chapter in Finlays' social, environmental and economic commitment to Kericho and Bomet."





REMEMBERING **GIDEON MUGO**

In December 2021, we were deeply saddened to learn of the sudden passing of Gideon Mugo, Finlays' Commercial Director for MEAC and Managing Director for James Finlay Mombasa.

Gideon had been part of the Finlays family for many years, initially joining after graduating from Kenyatta University, and then re-joining in 2015 as Operations Director. He was appointed to the Commercial Director role in the summer of 2021 and had already been making a big impact on the business.

He is remembered here by his colleagues:

A friend, a mentor, a colleague

Every day for five years, I sat next to Gideon buying tea for Unilever at the Mombasa tea auction. We would drive to and from the auction centre quite frequently in Gideon's car. If you know anything about car conversations, you know they tend to be deep and raw. We talked about life, family, career, the future and the importance of being a decent human being. And we continued these conversations over the years as we both joined Finlays.

Gideon - I thank you for your friendship and mentorship. I salute you for your cheerful soul, your passion and commitment to your work and career, your moral leadership and your friendship.

Every single time anyone went to you with an issue, work or personal, 100% of the time you would leave with a solution and confidence that it was sorted.

On behalf of the MEAC team, I say a very reluctant goodbye. Thank you for all the barbecues and memorable nights out as well! You will be missed, Gideon. A superstar. A cheerful soul.

*Caroline Migiro,
Business Development Manager, MEAC*

Gideon, our friend and colleague

I have been able to think deeply about life generally and about Gideon since I learnt he had passed away. Towards the end of his life, I had become quite close to Gideon. He was my boss, but we talked about many things. I first met Gideon in 2001 and he was a likeable personality even at that young age.

Gideon strived to have a serene inner character and a solid sense of right and wrong. He was conscious about what history will say about him and was always talking about giving back to society.

Wherever he is, he is no doubt reminding us that, what we are today, he had been, until only last December. And what he is now, we soon shall be.

In other words, we are all fellow travellers in this journey of life.

Our community is better off today because Gideon lived amongst us. May his legacy live forever.

*David Kabachia,
Operations Director, James Finlay Mombasa LTD*

Gideon – our friend and team member

I promoted Gideon to our Global Exec team in July last year. This was the culmination of a carefully-designed period of succession planning that was supported by Nick Munyi (our previous MD in Mombasa) and our HR teams. Gideon very quickly demonstrated a strong grasp of his larger new leadership role. He was knowledgeable, perceptive, warm and engaging. The light that you left us will everglow.

*Guy Chambers,
Group Managing Director, James Finlay Ltd*

BEING EXTRA ORDINARY

Tamie Hutchins introduces the winners of the
Finlays United Global Awards 2021

Finlays might be a geographically diverse organisation,
but one thing that ties us together is our tendency to
make the extraordinary, well...ordinary.

Each year, we celebrate the very best of Finlays through
the Finlays United Recognition Awards and are thrilled
to share with you the winners from 2021.



LIVING OUR TRUSTED VALUE

James Penrose-Bottom

*IT Support Engineer, James Finlay Limited
in the UK*

Our value of Trusted means taking ownership
and being accountable for what we do and
how we do it. These are behaviours James
exemplifies with his exceptionally patient
approach to understanding each person's need
and quickly finding the appropriate solution.

James is always on hand to support his
colleagues and is known as a friendly face who
his colleagues are able to reach out to and
depend upon, demystifying the often complex
world of IT.

Julian Rutherford, Group Finance Director said:
*"James embodies IT acting as a trusted partner.
His impact is far reaching – fundamentally he
ensures people are up and running quickly and
in a way that makes them happier and more
productive in their use of technology, which
directly translates to business outcomes."*

RUNNERS UP

2nd Place – Judith Jason, Executive Secretary,
Finlays Colombo Limited, Sri Lanka

3rd Place – Gayanthika Pathirannehe, Head of
Human Resources, Finlays Colombo Limited,
Sri Lanka



LIVING OUR SUSTAINABLE VALUE

The Effluent Plant Team, Saosa Tea Extractions Facility

Chepkonga Margaret, Kanishka Tennakoon, Makunzo Dorcas Bochareri, Langat Paul, Simon Langat, Margaret Chemutai, David Nyaoma, Isaac Nyamiembe, Patrick Miruka, Hazariah Rono, Charles Ngeno, Julius Owino, Kennedy Osore and Odhiambo Asango at James Finlay Kenya.

In a crowded field, this outstanding group of individuals stood apart for delivering a project with sustainable outcomes which have an impact at Finlays and beyond. The Group are responsible for making the Effluent Treatment Plant (ETP) at the Saosa tea extraction facility not only the best in Kenya, but the best known ETP for tea extraction facilities globally. They have drastically improved plant performance to operate consistently below NEMA limits,

while reducing the use of chemicals and waste. As a result of this group's work, the plant now supports healthy aquatic life, a bird sanctuary and is a thriving environment for flora such as arrowroots and bananas.

Brendon Mariah, General Manager Saosa said, *"Finlays' standards for effluent treatment of tea extracts are only possible because of this team's work. This represents best practice of operation of an ETP."*

RUNNERS UP

2nd Place – Mary Thompson, Food Safety & Quality Assurance Supply Chain Supervisor for Finlays Americas

3rd Place – Diana Cherop, General Worker for Kericho Tea Estates in Kenya



SAFETY CHAMPION AWARD

Kipngetich Langat

Field Assistant at Simotwet Tea Estate, James Finlay Kenya

Health and Safety is central to all we do at Finlays, and this award recognises someone who has made a truly extraordinary contribution. Langat is a true health and safety champion who has proactively implemented and developed a safety culture at his tea estate through training, regular sensitisation of workers and contractors, workplace inspections, hazard spotting and closing of non-conformities. His approach inspires his colleagues to place 'Always Safe' at the core of everything they do, helping Simotwet to become the leading estate for safety performance at James Finlay Kenya in 2021.

Simeon Hutchinson, Managing Director, James Finlay Kenya said, *"Langat inspires those around him, demonstrating a genuine commitment to our Zero Harm strategy. Through his leadership, his team have achieved 1,300 days without a Lost Time Injury incident."*

RUNNERS UP

2nd Place – Bernadeth Perera, Nursing Officer, Finlays Colombo in Sri Lanka

3rd Place – Simon Kipkirui, Quality Management System Assistant, Saosa Factory in Kenya



LIVING OUR INNOVATIVE VALUE AWARD

It really was impossible to choose just one winner in this category, so we have joint winners.

Rebecca West, Claire Hardy, Rebecca Coath, Dixie Fallows, Olivia Holmes, Kelly Simms, Cathy Bell and Daniel Moore

Cross functional team, Finlay Beverages UK

The team at Beverages worked together to develop and deliver a new innovative vitamin and mineral enhanced infusion tea product for retail customers in the UK. After phenomenal consumer feedback, this product attracted impressive media attention which in turn drove demand. This team was then responsible for delivering extended supply to meet

this new demand, leading to a happy customer. Andy Bulman, Managing Director at Finlay Beverages says: *"Delivering high-profile products that meet consumer demand in high growth areas of the beverage market is a key part of our mission at Finlay Beverages."*

RUNNERS UP

2nd Place – Judith Jason, Executive Secretary, Finlays Colombo Limited, Sri Lanka

3rd Place – Gayanthika Pathirannehe, Head of Human Resources, Finlays Colombo Limited, Sri Lanka



LIVING OUR INNOVATIVE VALUE AWARD

Chunhe Song

R&D Manager, James Finlay Guizhou, China

Chunhe is being recognised for leading trials to purchase and produce Guizhou white tea and red tea during a time of significant supply chain challenges in China. This approach has become the foundation for subsequent production and procurement. Chunhe combines market expertise with a rich experience to develop new methods of practical production which have greatly improved the quality and efficiency of new product development.

Andy Huang, Executive Chairman Finlays Greater China says: *"As a tea expert in JFG, Song's spirit of continuous exploration and innovation is worthy of affirmation and promotion."*

RUNNERS UP

2nd Place – Mike Dascoli, Interim Plant Manager for Finlays Americas

OUTSTANDING PERFORMANCE AWARD

Ross Levesley, Lorraine Male, Pete Lee, Sue Johnson and the Blending, Warehouse and Customer Service Teams *Finlay Beverages in the UK*

This cross-departmental team stood out from the crowd for its outstanding performance in turning a pressing challenge into an opportunity. Amid a national supply chain crisis, this team was charged with managing the impact of a change of haulier partner after a longstanding relationship came to an end. The team did an amazing job to transition from one single haulage supplier relationship, to a multiple haulier set-up that has driven efficiency, making a real difference to customers.

Andy Bulman, Managing Director Finlay Beverages said, *"This is an exceptional example of delivering improved performance in the face of adversity. The team not only kept supply going, but provided a solution that has improved service performance and efficiency."*

RUNNERS UP

2nd Place – Siân Edwards, Group Insights Manager at James Finlay Limited in the UK
3rd Place – Bryant Li, Production Manager at James Finlay Guizhou in China





DELIVERING TOGETHER WINNER AWARD

The Direct from Origin Team

A cross-region and cross-function team consisting of Anyeli Beard, Caroline Chepkwony, Catherine Templeton, Chip Bakali, Chrishanth Ajitkumar, Dawn D'Arrigo, Diego Solleveld, Erika Bohaczenko, Florencia Sosa, Helen Hume, Jesica Margaretha, Jing Hu, Joy Hou, Juan Morgan, Lorraine Male, Mary Thompson, Maryliz Fisher, Nishan Wickramaratna, Patricia Koske, Robert Hobson, Roberto Sabater, Roselyn Kiburi, Sally Henderson, Sharon Liparini, Susantha Munasinghe, Titilayo Adekeye, Rick Keane and Geraldine Komjati

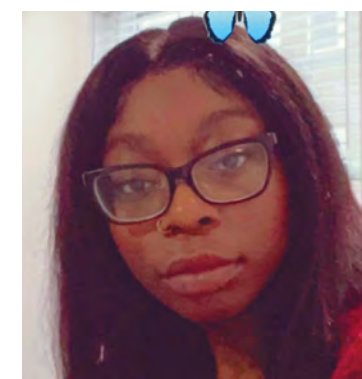
This global team was responsible for the smooth and efficient transition of Finlays to a 'Direct from Origin' leaf tea business model. Truly embodying the phrase 'delivering together' this team rose to the challenge, ensuring the transition was seamless and that we maintained a 'business as usual' experience for our customers. By applying ingenious problem-solving techniques and combining this with a true Finlays global approach, the team delivered a new way of working that is now leading the way for Leaf Tea Direct from Origin.

Charley Snell, CEO Finlays Americas and Jenny Harrison, Group Supply Chain Director said, *"The decision to change to a 'Direct from Origin' business model had an immediate impact, both on our people and the way we operate. As a team, they delivered in an exceptional way and supported each other amidst significant structural changes within parts of the business."*

RUNNERS UP

2nd Place – Mary Opisa, Aggrey Simiyu, Caroline Chepkwony, Leonard Sigei, Rachel Chalangat, Rose Kadenyi and Steve Scott, the Botanicals Team in Kenya

3rd Place – Raymond Wang, V. G. Jayathilake, Charith Wickramasinghe, A. P. Ranjith, Nishan Wickramaratna, a combined Finlays Colombo and Commercial Asia Team Assistant, Saosa Factory in Kenya





FINLAYS IN THE FRAME

We are delighted to announce the results of the third annual Finlays in the Frame photography competition.

Finlays operates in a diverse range of locations globally, from bush to cup and everywhere in between.

So our theme for 2022 was "The Wonderful World of Finlays". We simply asked our colleagues to share a photograph that represents their place in the journey from bush to cup.

Our judge, professional photographer and photography lecturer Giulio Mazzarini, has selected the best images amongst the many submitted.

Here are the best shots and winners of the 2022 Finlays in the Frame photography competition:

WINNER

'FATHER'

BY STEPHANIE THORNTON, FINLAYS AMERICA

After my father was diagnosed with cancer in 2017 and fully recovered, we made it a point once a year to meet across Texas and camp/hike in the beautiful Texas backcountry.

On this trip to Big Bend National Park, my father and I start our morning with a French pressed hot brewed coffee using Finlays roasted 100% Guatemalan beans, with fantastic chocolatey notes designed by senior applications specialist, Jacob Rios! Coffee is such a communal beverage and has brought my father and I together on numerous occasions. This picture really encapsulates coffee's power to bring both joy and sentimentality to every moment.

Judge's comment:

This wonderful full-length portrait has all the right ingredients for a great shot: excellent composition, perfect lighting, optimum sharpness and interesting subject. And the powerful story behind the image adds value to the work. Well done Stephanie!

FINLAYS IN THE FRAME



2ND PLACE

'TEA FIELDS'

ANA KLEIN, CASA FUENTES - FINLAYS ARGENTINA

A picture from a corner of Finlays network in Argentina.

The photo represents the first place on the journey from Bush to Cup. You can see a field with a tea plantation from Acaragua Plant, in Misiones – Argentina.

It was captured in September 2021, on a visit to this field during the closing balance sheet inventory.

Judge's comment:
This arresting landscape photograph communicates the emotions and happiness of a day outside in the luxuriant tea fields of Casa Fuentes. The large green tea leaves give depth to the photograph, while the red soil includes warm and vibrant tones. Finally, the cloudy grey sky adds drama to the shot. Overall, a very well designed image.



3RD PLACE

'TEA TIME'

MANDY LU, DAMIN

The photo was taken on 4th Dec 2021. It was winter already, the leaves were dying, but the shape of the leaves looked like a heart.

I think all of us would find out that love is everywhere if we are open to discovery.

Judge's comment:
We like the simplicity and elegance of this image. Less is more - it's the power of the ordinary that becomes extraordinary. The golden dry leaves look so precious. The blue sky is rich and austere. The yellow branches look for the sun. The composition is minimal, almost geometrical, yet very effective.

A WOMAN'S WORK

IN JANUARY 2021, ELIANA BELINDA FONSECA BECAME THE FIRST WOMAN TO WORK ON THE TEA PROCESSING LINE AT FINLAYS – CASA FUENTES' TEAS FACTORY IN ARGENTINA. THIS IS HER STORY.

I still remember what my father said when I got my job at Casa Fuentes: "You aren't going to last long, daughter. This is not a job for a woman!"

I wasn't surprised. In many ways, the world of my village in rural Argentina is still a man's world. The idea that a woman could hold her own in a factory just seemed crazy to people, my parents included.

But I was determined to prove them wrong.

From an early age, I've wanted to forge my own path. When I was a teenager, I became a volunteer firefighter (my father didn't love that idea either) and later managed to land a scholarship to study for a nursing degree.

University was a dream come true, but fate had other plans.

My family hit hard times and I had to move back to look after my siblings. I was devastated. What's more, I desperately needed a job.

The perfect opportunity

That's when my friend told me about an opportunity at Casa Fuentes.

I couldn't wait to apply and was delighted when I got the job. I was to become the first woman working at Casa Fuentes and, in fact, the first woman to work on a tea processing line in all of Argentina!

I was put in charge of withering, which is the process of drying fresh leaves. There was a lot to get my head around, but I was determined to learn every day.

It wasn't always easy. The culture was very male-dominated at the time – the uniform only came in male sizes, so I looked like a scarecrow!

Things have moved on a lot since then and I couldn't be prouder to belong to Finlays. The company recognises how much women have to contribute to the workplace, and I feel completely at home here. There are now three women working in the factory, and one more on the farm. We are happy that we are part of this great team.

I tell every woman I know: Yes, this *is* a job for a woman. And I am living proof of it.

Eliana Belinda Fonseca works at Casa Fuentes - Finlays Argentina

The company recognises how much women have to contribute to the workplace, and I feel completely at home here



