

EMBEDDING HUMAN RIGHTS DUE DILIGENCE ACROSS FINLAYS

About this document

At Finlays we continue to develop our strategy to maintain an ethical and sustainable business. We are aligning our approach with the ETI base code and UN Guiding principles. Here we explain how we are integrating human rights risk and due diligence across our operations and supply chain.

Our operations

James Finlay Limited (Finlays), operates in diverse geographies across nine countries. We own a tea farm and black tea manufacturing facilities in Argentina and a tea extraction facility in Kericho, Kenya. We own and operate a number of tea and coffee manufacturing sites, where we turn the raw materials into finished products for customers.

Our commercial functions support customers by supplying tea, coffee and botanical products, either from our own or third-party facilities. A map of our global operations is available [here](#).

Our supply chain

As a supplier to brands, retailers and operators, we are one step closer than they are to the origin of the products we make. We have worked with many of our tea and coffee suppliers for a long time and look to build close relationships wherever possible.

Tea sourcing: we source green leaf from our own tea farm and local suppliers in Argentina, and from tea estates and farming cooperatives in Kenya and Sri Lanka. We source made tea from our own tea farm in Argentina, private contracts with third-party suppliers, and through auctions.

Coffee sourcing: We source our green bean coffee through private contracts with farmers, farming cooperatives, and traders. We buy soluble coffee direct from third-party manufacturers.

To date, our focus has been on the key raw materials that go into our tea and coffee products. This is because they are both high-risk commodities in terms of human rights, and because we purchase significant volumes globally and therefore have significant potential impact. However, we recognise there is risk in our other supply chains so in 2024, we widened the scope of our approach. We have begun mapping these supply chains at a Group level for Finlays goods and services. Further information on our supply chains for [tea](#), [coffee](#) and [soluble coffee](#) is available in our [Sustainability Report 2023](#).

Our approach to Human Rights Due Diligence

We are committed to human rights due diligence (HRDD) across our business and to respecting globally recognised human rights. In 2024, following an HRDD gap analysis, we developed an action plan covering the four areas of the HRDD cycle. As part of this, we have conducted a Human Rights Risk Assessment (HRRRA) of our business to understand and prioritise our salient risks.

With support from external human rights experts our human and labour rights risks have been identified, assessed systematically and prioritised according to their saliency.

Our approach to HRDD and our group level risk assessment are in line with best practice established in the *United Nations' Guiding Principles on Business & Human Rights (UNGPs)* and the *OECD Guidelines for Multinational Enterprises*.



Risk approach across tea, coffee and extracts

To understand the salient human rights risks across our business we used our experience of working across our global operations and supply chains. Our approach to the human rights risk assessment considered the relevant rights to assess, relevant populations and the geographical footprint of our operations and supply chain.

Risk assessment approach:

- Finlays worked with human rights consultancies Twentyfifty and Claire Lynch Consulting to design a methodology incorporating data analysis, risk tools and stakeholder interviews.
- Research focused on identifying relevant human rights risks and their likelihood across our business and supply chain.
- A step-by-step approach to determine saliency was then applied i.e. scale of risk, scope of risk and ability to remedy the risk.
- We then determined our business relationship with identified risks and how connected to the cause of the issue the business is.
- Stakeholder engagement: we engaged with internal stakeholders across our business throughout the process, including senior executive management. We will also consult other external stakeholders as we continue to develop our approach.

Our salient risks

In 2024, we identified and prioritised our salient human rights risks to support our approach to addressing human rights issues across our business. Salient human rights risks are risks that present the greatest likelihood of the most severe negative impacts on people, from our company's activities or business relationships.

Salient Human Rights Issues		Risk description / drivers	Products / commodities	High risk geographies	Mitigating actions
Human Rights Risks Tea, Coffee, botanicals, indirect materials	1. Gender inequality (with Sexual & Gender-Based Violence and Harassment (S&GBVH))	Issues of low wages for women in tea and coffee growing, gender pay gap and issues of discrimination and informal labour practices contribute to prevalence of this risk.	Tea Coffee	Kenya, Uganda, DRC, India, Burundi, PNG, Bolivia	Our ambition is to achieve 39% of women in management by 2027 within our business and provide more training opportunities. We are focussed on understanding and addressing structural issues of gender inequality within our supply chain, such as recruitment.
	2. Occupational health & safety	Labour intensive manual work, use of heavy machinery, exposure to pollution and climate, use of hazardous material, access to sanitary facilities and water. Informal working conditions.	Tea Coffee	DRC, Uganda, Ethiopia, Rwanda, Kenya, Burundi, PNG	Within our business, we are committed to our 'Always Safe' approach to health and safety to ensure that we keep our employees healthy and safe. We are identifying and collaborating with suppliers to introduce improved practices in the supply chain.
	3. Livelihoods: Wages, incomes & standard of living	Market uncertainty and low commodity prices in supply chains can lead to lack of job availability and short-term contracts, low wages and gender pay gap in agriculture sector, long	Tea Coffee	Rwanda, Uganda, Ethiopia, Kenya, DRC, DRC, Burundi, PNG	Our ambition is to become a living wage employer by 2030. We are engaging suppliers on income and standards of living issues through stakeholder engagement and responsible purchasing practices.

		hours, and a lack of embedded Human Resources standards			
	4. Child Labour	In our supply chain employment status and conditions within family unit, access of children to working areas, need for extra hands to support income, exposure to adult working conditions and hazardous materials	Tea Coffee	Tanzania, Vietnam, Kenya, Uganda, Rwanda, China, Burundi, Honduras	<p>This is included in our Sustainable Sourcing Policy, and we are exploring the developing development of a stand-alone child labour policy to establish and communicate business position.</p> <p>We are engaging with local stakeholders to better understand the level of risk.</p>
	5. Forced labour & human trafficking	Poverty, labour and living conditions, debts, seasonal work, migration, economic vulnerability and hierarchical systems, lack of diverse incomes, use of recruitment agencies	Tea Coffee	India, Uganda, Tanzania, DRC, Kenya, Brazil, Burundi, China	<p>We are engaging with Stronger Together training and resources and auditing labour agencies in our operations.</p> <p>We are engaging with suppliers on awareness of standards and working conditions requirements.</p> <p>We are establishing stronger sustainability requirements on human rights in supplier management, and auditing using a risk-based approach.</p> <p>We require strict compliance with our requirements for all suppliers of sub-contractors.</p>
	6. Excessive working hours	Labour intensive roles, and labour practices such as seasonal and temporary work during harvesting periods and piece rate pay create conditions which may	Tea Coffee	Kenya, India, Vietnam, China, Myanmar	<p>Our job descriptions must show the level of physical requirements to enable employees to be best allocated.</p> <p>We are focusing on understanding the needs for seasonal and temporary workers and working on the introduction</p>

		lead to excessive working hours			<p>of a policy/process to ensure correct usage and management.</p> <p>We are working towards the removal of piece rate work in our operations.</p>
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Table 1 Finlays salient human rights risks

We will continue developing our approach to identifying and addressing our salient human rights risks by working in partnership with experts, making sure people across the business are appropriately trained and aligning our business with human rights frameworks. We will continue to be aware of other human rights risks which may become more salient to Finlays in time.

These include:

Other Human Rights Issues	
Risk type	Risk
Emerging Issues	Deforestation & forest degradation
	Climate change
	Land rights
Other risks	Discrimination
	Precarious employment
	Freedom of association & collective bargaining
	Access to education
	Governance – corruption, conflict & legal rights

Table 2 Finlays emerging human rights issues