

# FINLAYS SUSTAINABILITY REPORT 2023

*Acting today for the beverages of tomorrow*







# SUSTAINABLE FUTURE 2030

## FOREWORD

From Group Managing Director  
James Woodrow





# Welcome to Finlays' Sustainability Report 2023!

As is becoming increasingly clear to us all, the natural beverages industry faces existential challenges. Climate change, supply chain complexity, and human rights issues have become urgent and defining global themes – both for our industry and for consumers. As these issues intensify, it is vital we take action today for the beverages of tomorrow.

With a history that spans nearly three centuries, Finlays understands the challenges of operating sustainably in a changing world. The threats facing our industry have never been greater, but Finlays is well placed to work in partnership with the wider industry to deliver

long-term, positive impact across the supply chain.

While the trading environment for the beverage industry remains challenging, I am pleased to report that Finlays has continued to make good progress against our sustainability plans. I am proud of the strides we have made in establishing our new sustainability strategy, Sustainable Future 2030, which puts our business on the right footing for the years to come. Our commitment to being a sustainable business is central to our future ambitions and growth. We know it is vitally important that we play our part in creating a sustainable beverage sector and act in the long-term interests of people and planet.

I also want to acknowledge the ongoing work in Kenya following a BBC documentary that aired allegations of sexual abuse at our

former business, James Finlay Kenya (JFK), now known as Browns Plantations Kenya (BPK). A thorough investigation was conducted by Partner Africa, the responsible business practices NGO, and concluded at the end of 2023. Partner Africa's investigation report set out a series of actions and recommendations for all stakeholders, and BPK has begun to implement a rightsholder informed action plan supported by experts and customers. One of Partner Africa's key recommendations for James Finlay Limited was to embed a strategic approach to human rights due diligence (HRDD) in our remaining businesses. We have made progress in several areas of HRDD, as outlined in this report.

Last year was a year of significant change for our business, following the sale of our tea farming business in Kenya and James Finlay Guizhou,

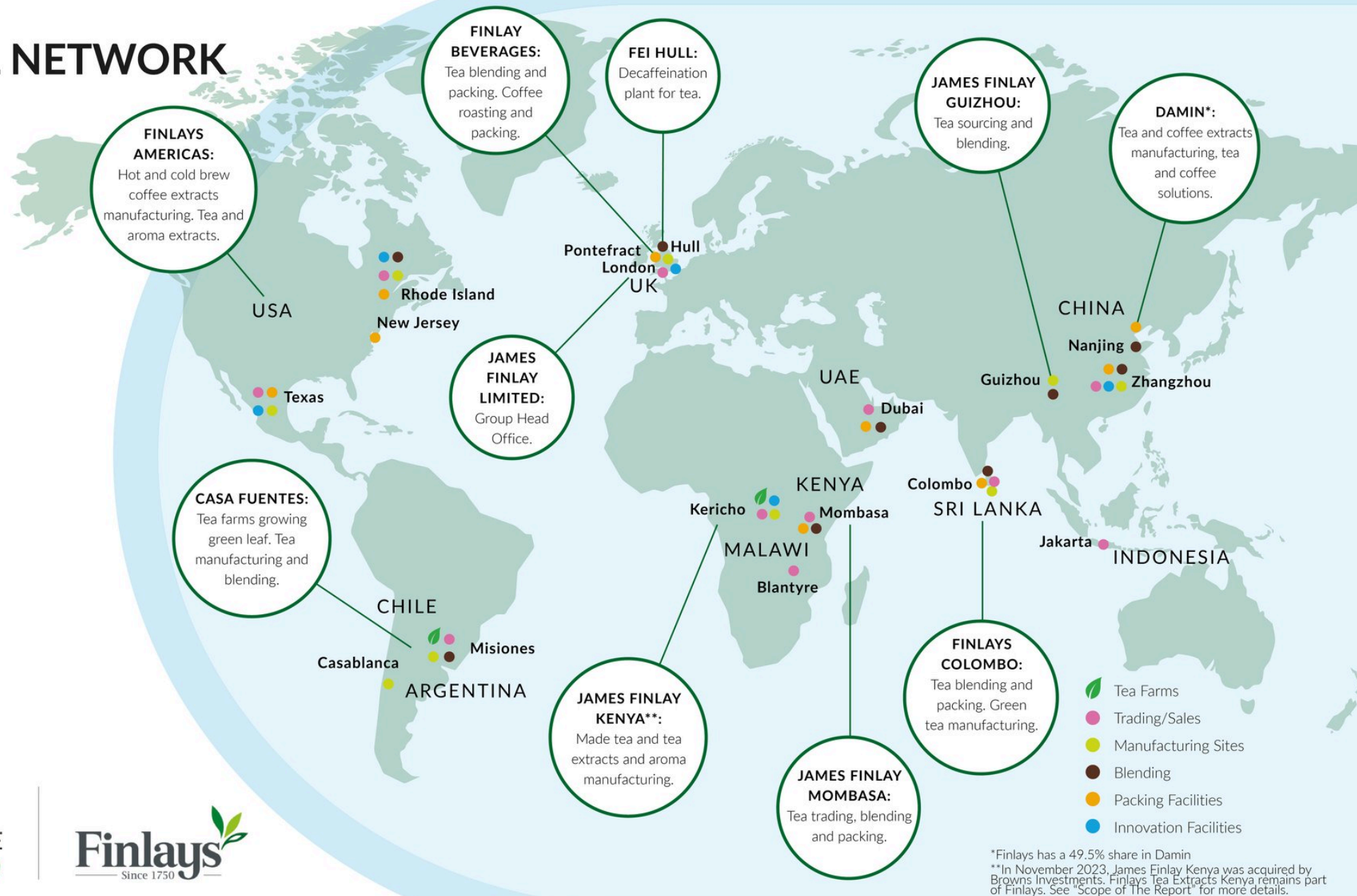
pending completion of transaction, and the increased focus we are placing on tea and coffee extracts. These shifts in our supply chain create an exciting opportunity to further embed sustainable growth across our operations and make sustainability business as usual. Through Sustainable Future 2030, we are confident we can make the most of this opportunity.



**James Woodrow**  
Group Managing Director  
James Finlay Limited



# Finlays GLOBAL NETWORK 2023







# FINLAYS' SUSTAINABILITY STRATEGY







# SUSTAINABLE FUTURE 2030

*Acting Today for the  
Beverages of Tomorrow*

## Introduction to Sustainable Future 2030

The natural beverages industry faces existential challenges. Climate change, supply chain complexity, and human rights issues have become urgent and defining global themes – both for our industry and for consumers.

While the threats facing our industry have never been greater, Finlays is well placed to work in partnership with the wider industry to deliver long-term, positive impact across the supply chain.

For Finlays, Sustainability isn't just about doing the right thing; it's about creating value for stakeholders right across the supply chain. By collaborating to address the issues of climate change, supply chain complexity, and human rights and empowerment, we can transform challenges into opportunities. We can improve lives. We can make better beverages. And we can protect the long-term prosperity of our industry.

This philosophy shapes our Sustainable Future 2030 strategy, in which we commit to ambitious and measurable targets across the three core areas of Climate Net Zero, Sustainable Supply and Our People.

Delivering on our commitments means taking action now and can only be achieved in partnership with colleagues, communities, customers, partners, suppliers, and the world at large.

**As we set our sights on 2030, we ask you to join us in delivering a Sustainable Future.**





SUSTAINABLE  
FUTURE **2030**

# PILLARS AND PRIORITIES



## CLIMATE NET ZERO

*Protecting the Planet to Safeguard  
Tea and Coffee*

**Achieve 50%  
reduction in Scope  
1 & 2 emissions by  
2030 and net-zero  
emissions by 2040**

### Focus Areas

- Scope 1, 2 and 3 emissions reduction roadmaps
- Supplier engagement programme
- Carbon mitigation approach
- Framework for protecting nature



## SUSTAINABLE SUPPLY

*Building Trusted Partnerships  
for Stronger Supply Chains*

**Sustainable and  
ethical sourcing  
across tea, coffee,  
and extracts  
by 2030**

### Focus Areas

- Improve traceability
- Enhanced supplier due diligence
- Manage performance and risk of key suppliers
- Partner with suppliers on continuous improvement



## OUR PEOPLE

*Advancing Human Rights  
to Empower All*

**A business where  
people are valued  
and treated fairly,  
encouraging growth  
and development**

### Focus Areas

- Human Rights Due Diligence approach
- Achieve 39% women in management by 2027
- Strengthen approach to being a diverse and inclusive business
- Become a Living Wage Employer

## VIDEO: Introducing Sustainable Future 2030



**James Woodrow**  
Group Managing Director





# SUSTAINABLE FUTURE **2030**

*Acting Today for the  
Beverages of Tomorrow*

**Delivering on our commitments can only be achieved in partnership with colleagues, communities, customers, partners, suppliers, and the world at large.**

**As we set our sights on 2030, we ask you to join us in delivering a Sustainable Future.**

START THE CONVERSATION  
[Click to email the Finlays  
Sustainability Team](#)



# SUSTAINABLE FUTURE 2030

## 2023 HIGHLIGHTS

A review of our impact in 2023







## OUR PROGRESS IN 2023

**This report marks the first time we are reporting against the targets set out in Sustainable Future 2030, our sustainability strategy which launched in January 2023.**

Sustainable Future 2030 – through its three pillars of Climate Net Zero, Sustainable Supply, and Our People – provides an ambitious, pragmatic, and collaborative response to key issues in the beverage industry over the medium to long term.

During 2023, our focus was on laying strong foundations for each pillar to set ourselves up for long-term success. Within our Climate pillar we established a robust data baseline for carbon emissions, submitted our net-

zero targets to the Science Based Targets initiative (SBTi) for validation, and are now applying best practice to build carbon reduction plans.

Work has also commenced on better understanding our water footprint and developing our approach to biodiversity and nature.

Under our Sustainable Supply pillar we have focused on embedding our Supplier Relationship Management (SRM) program across our business through training and the development of resources. This will support us in building stronger supplier relationships, improving our due diligence processes, and measuring progress.

Through Our People pillar, meanwhile, we are aligning with international standards and best practice to integrate a human rights due diligence (HRDD) led approach. As part of this, we undertook a gap analysis in 2023 reviewing our policies and processes to understand where improvements are needed, and built senior level capacity on the topic of human rights. We also continued to improve the representation of women in management positions and conducted a Living Wage baseline assessment.

As this report details, we have made good progress but recognize there is much more to do. Delivering consistent positive impact and ensuring our sustainability ambitions

also support sustainable commercial growth can only happen in partnership with our suppliers, customers, and society at large. We look forward to working even more closely with our partners in the years to come.





SUSTAINABLE  
FUTURE 2030

# HIGHLIGHTS 2023

Progress and achievements in 2023

**31%**

of management  
roles occupied  
by women

**8%**

decrease in energy  
use vs 2022

**82%**

of energy was  
from renewable  
sources

Joined  
**World Coffee**  
Research

**100%**

traceable tea

**31%**

reduction in carbon  
emissions on supplier  
coffee farms  
in Colombia

**94%**

traceable green  
bean coffee

**94%**

waste recycled,  
reused or  
reclaimed

Submitted  
net-zero  
targets to  
**SBTi**

**HRDD**

gap analysis  
and action plan  
developed

**Finlays**  
— Since 1750 —



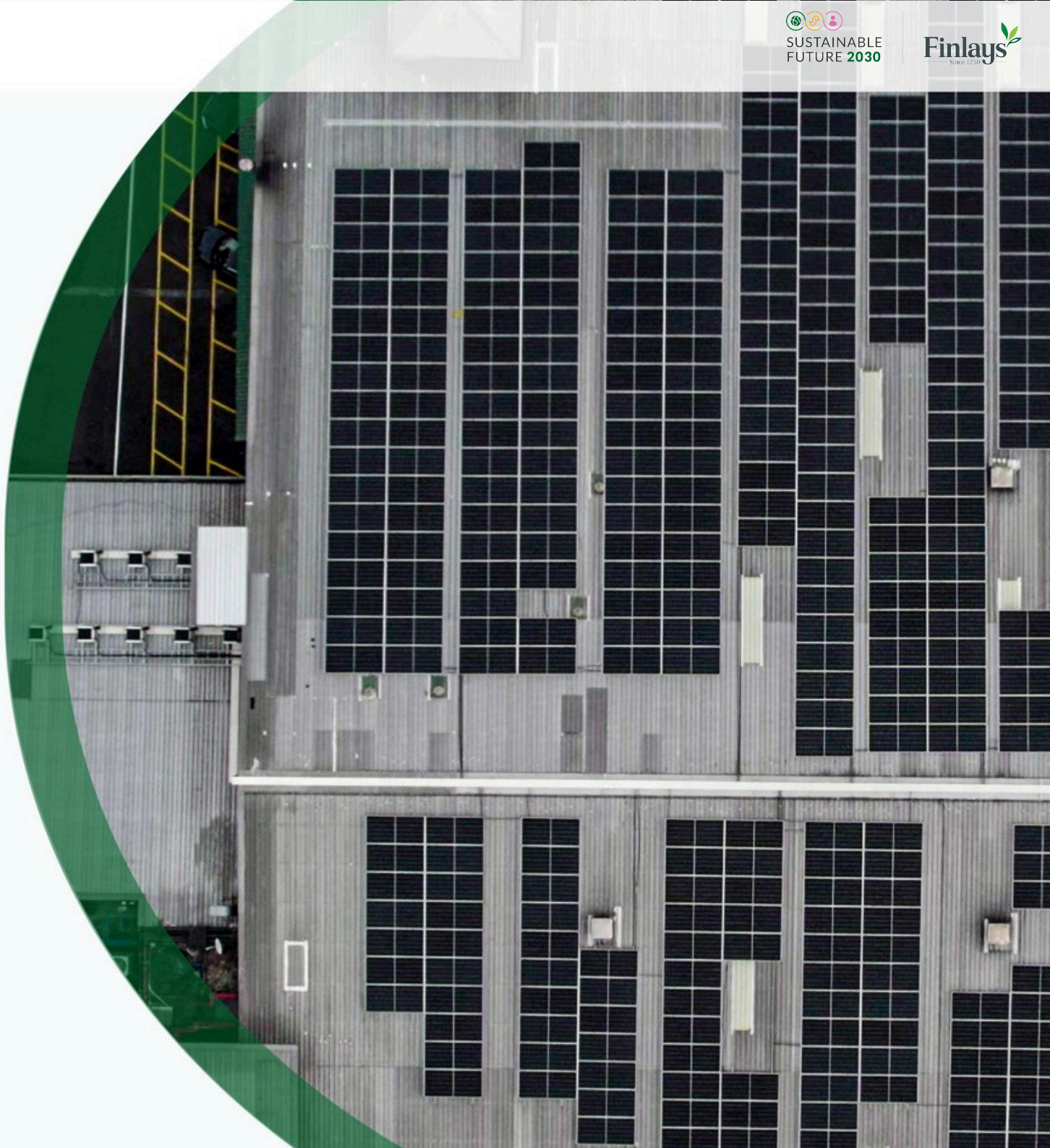


## CLIMATE NET ZERO

*Protecting the Planet to Safeguard  
Tea and Coffee*

# CLIMATE NET ZERO

*2023 PROGRESS*







# CLIMATE NET ZERO

Protecting the  
Planet to Safeguard  
Tea and Coffee

## OUR AMBITION:

Achieve net-zero emissions by 2040\*

### SCOPE 1 & 2

**50%**

reduction  
by 2030

### SCOPE 3

**42%**

reduction  
by 2030

### FLAG

**30%**

reduction  
by 2030\*\*

## WHAT WE'RE DOING

- Applying for SBTi approval of our net-zero targets in 2024.
- Aligning our policies and due diligence procedures to our net-zero ambition by 2025.
- Developing a no-deforestation approach by 2026.
- Increasing energy efficiency to reduce our overall energy consumption.
- Developing a Good Water Stewardship approach to improve our water footprint by 2028.
- Committing to 100% renewable electricity by 2030.
- Engaging with suppliers on reducing their carbon emissions.

\* These targets are currently under validation by the SBTi and may be revised

\*\* FLAG stands for Forestry, Land and Agriculture





**CLIMATE  
NET ZERO**

*Tea and coffee production depends on a healthy climate and environment. Climate change is an existential threat to our industry, which is why Finlays is committed to working toward having a positive impact on the world around us. From bush to beverage, we take a multistakeholder approach to mitigating the short and long-term effects of climate change on our operations and supply chains.*

## PROGRESS IN 2023

- Completed the 2022 baseline for Finlays' greenhouse gas (GHG) emissions
- Submitted targets to the Science Based Targets initiative (SBTi) for validation (January 2024)
- Energy usage decreased by 8% in 2023 versus 2022
- Rainwater and recycled water usage increased by 18% versus 2022
- Initiated our approach to good water stewardship by assessing our water data and risk profile
- Began working on our no-deforestation approach
- Conducted a climate risk assessment in line with the framework of the Task Force on Climate-Related Financial Disclosures (TCFD)
- Completed a life cycle analysis of tea production in Argentina
- Invested in a 470kWp rooftop solar system in Sri Lanka
- Successfully trialed an electric vehicle in Kenya






# ESTABLISHING A GREENHOUSE GAS (GHG) BASELINE

A key achievement for Finlays in 2023 was establishing a comprehensive baseline for our greenhouse gas (GHG) emissions. We chose 2022 as the base year for our calculations.

We quantify and report our organizational GHG emissions to the standards of the Greenhouse Gas Protocol and therefore report a location-based as well as a market-based figure for our Scope 2 emissions. In line with the GHG Protocol's latest guidance, our report also discloses Scope 3 emissions and FLAG (emissions from forestry, land, and agricultural activities across our operations and value chain).

GHG emissions from the supply chain (Scope 3) account for 99% of our total emissions. Similarly, our Scope 3 FLAG emissions represent 91% of our total FLAG emissions. Work has started on developing robust roadmaps for our three workstreams (Scope 1 & 2, Scope 3, and FLAG) with a view to reducing our emissions in line with science.

As a crucial first step, we needed to submit our targets for validation by the Science Based Targets initiative (SBTi). Working toward this was our priority in 2023, and we successfully submitted our targets in January 2024.



Finlays submitted its targets for validation to the Science Based Targets initiative in January 2024



## OUR GHG BASELINE

### *Scope 1, 2 and 3 emissions*

(tCO <sub>2</sub> e)	2022	2022 (rebased) <sup>1</sup>
Scope 1	14,758	9,248
Scope 2 - location-based	6,641	5,827
Scope 2 - market-based	5,370	4,556
Scope 3 <sup>2</sup>	1,888,572	988,231
<b>Scope 1 + 2 + 3 (location-based)</b>	<b>1,909,971</b>	<b>1,003,306</b>
<b>Scope 1 + 2 + 3 (market-based)</b>	<b>1,908,700</b>	<b>1,002,035</b>

[1] This scope reflects the boundaries of the group as of January 2024 and therefore includes emissions from Finlays Tea Extracts Kenya, but does not include emissions from James Finlay Kenya (sold at the end of 2023) and James Finlay Guizhou (held for sale, pending completion of the transaction). [2] Scope 3 emissions includes emissions from purchased goods and services, capital goods, fuel and electricity-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, processing of sold products, use of sold products, end of life of sold products, and investments.

# OUR GHG BASELINE

## *Forestry, Land and agriculture Emissions*

(tCO <sub>2</sub> e)	2022	2022 (rebased) <sup>1</sup>
<b>FLAG - Land use change - Total</b>	<b>93,702</b>	<b>70,148</b>
FLAG - Land use change – Scope 1	40,042	1,331
FLAG - Land use change – Scope 3	53,660	68,818
<b>FLAG - Land management – Total</b>	<b>647,344</b>	<b>619,696</b>
FLAG - Land management – Scope 1	27,4489	18,580
FLAG - Land management – Scope 3	619,855	601,516
<b>FLAG - Scope 3 - Unknown</b>	<b>47,983</b>	<b>47,983</b>
<b>FLAG – Total</b>	<b>789,030</b>	<b>737,827</b>

[1] This scope reflects the boundaries of the group as of January 2024 and therefore includes emissions from Finlays Tea Extracts Kenya, but does not include emissions from James Finlay Kenya (sold at the end of 2023) and James Finlay Guizhou (held for sale, pending completion of the transaction).



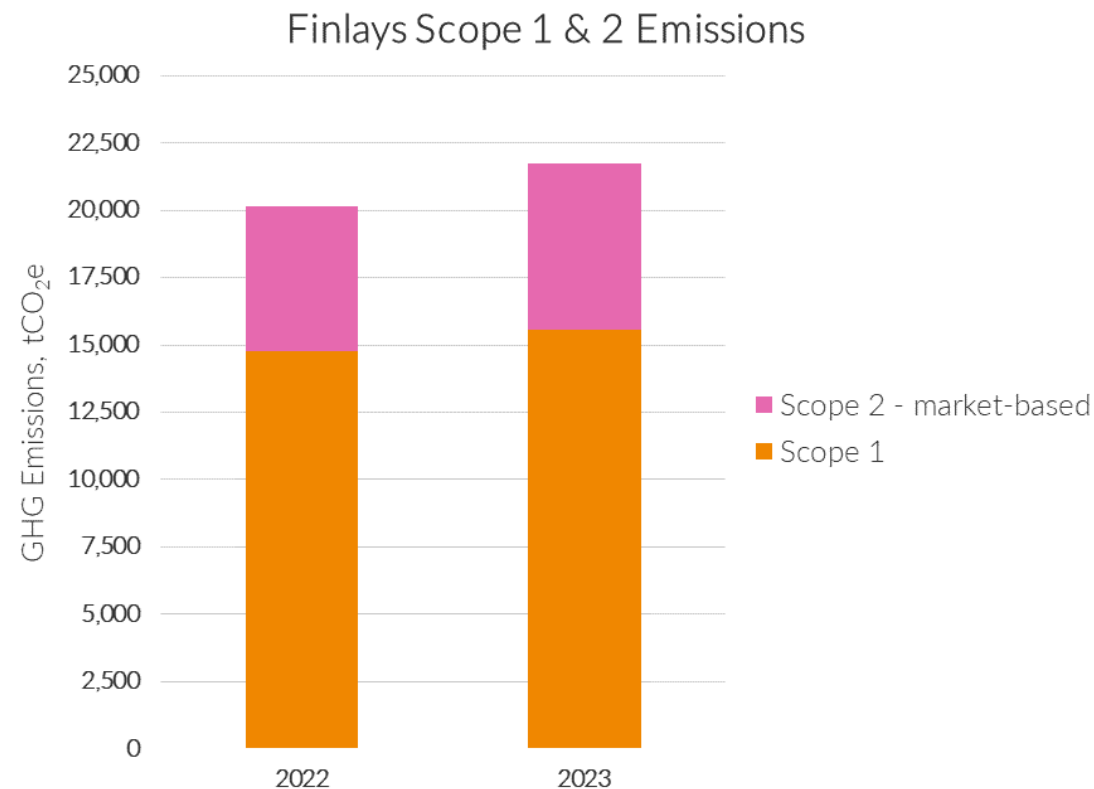
# OUR 2023 ENVIRONMENTAL DATA

## GHG emissions



Finlays understands the scale and urgency of climate change and the need to limit global warming to 1.5 °C, in line with the Paris Agreement. We are striving to increase both our energy efficiency and our use of renewable energy to drive down our GHG emissions. The table to the right shows greenhouse gas emissions in our operations in 2023. We are looking to expand our reporting and, from 2025, plan to also include our Scope 3 and FLAG emissions.

Scope 1 & 2 (market-based) emissions increased by 8% in 2023 compared with 2022. Scope 2 emissions rose at both Casa Fuentes and James Finlay Kenya due to an increase in the carbon intensity of the national grid in both countries (by 13% in Argentina and by 57% in Kenya). In 2023, we also improved the quality of our reporting, especially regarding electrical line losses, which further explains the increase in our Scope 2 emissions versus 2022. Our Scope 1 emissions are up due to more fuel being used in vehicles (following the acquisition of five new harvesters for our tea estate in Kenya) and improvements in the reporting of our refrigerant usage.



*We have included environmental data from James Finlay Kenya as it remained within Finlays operational control for 2023.*

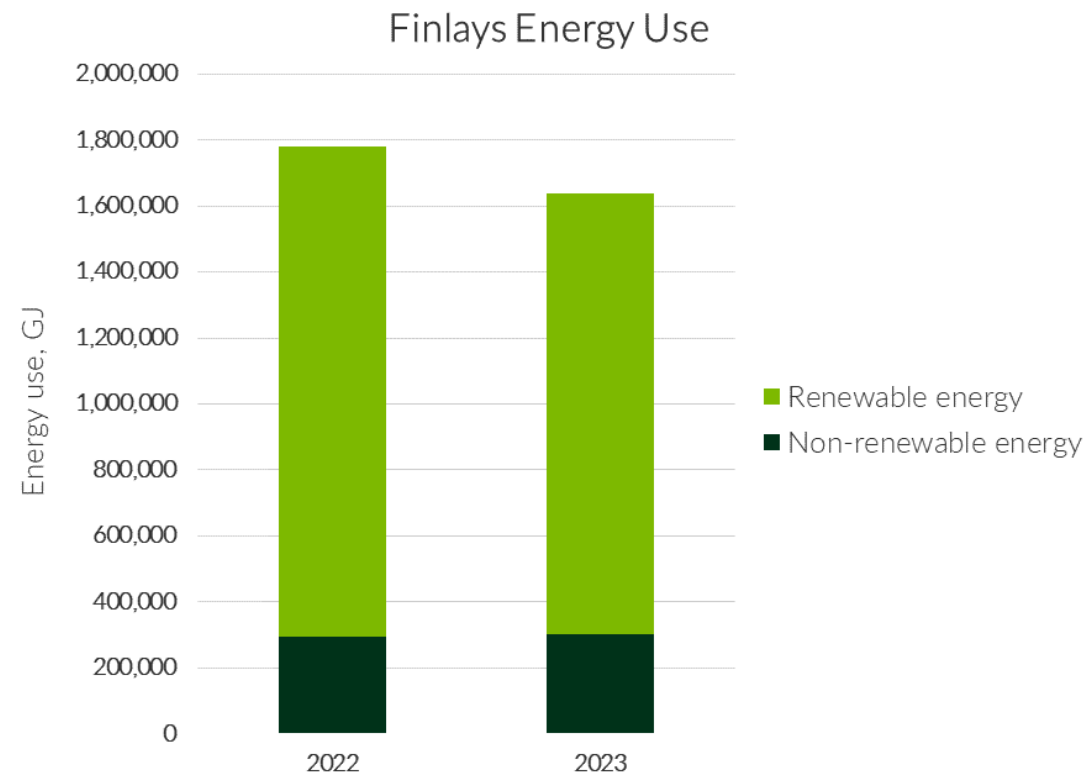
# OUR 2023 ENVIRONMENTAL DATA

## Energy



Our energy usage decreased by 8% in 2023 compared with 2022. This was driven by a fall in bioenergy use, specifically wood. In our operations, we commonly use two types of bioenergy: wood (or biomass) and biogas. In 2023, Finlays Tea Extracts Kenya saw a fall in production versus 2022 and as a result significantly reduced its consumption of wood.

During the same period, the share of wind and solar energy across Finlays increased from 2.6% in 2022 to 3.3% in 2023. This was primarily due to an increase in hydro energy consumption at James Finlay Kenya and a rise in solar energy consumption following the commissioning of solar panels at our Welisara packing facility in Sri Lanka.



*We have included environmental data from James Finlay Kenya as it remained within Finlays operational control for 2023.*



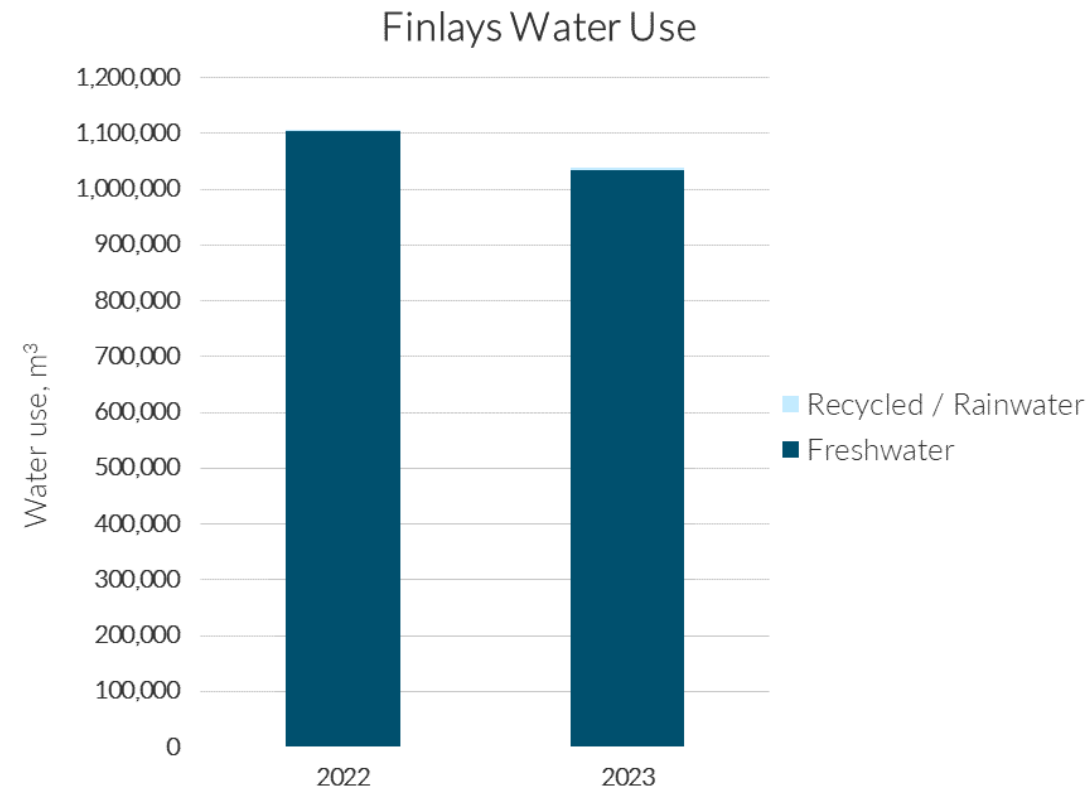
# OUR 2023 ENVIRONMENTAL DATA

## Water



The amount of rainwater and recycled water increased by 15% versus 2022, while our consumption of freshwater decreased by 6%. Several new water conservation projects were implemented in 2023, such as the installation of a new overflow control system at our facility in Kenya and a rainwater harvester at our factory in Haldummulla, Sri Lanka.

These projects aim to reduce water use and increase water recycling. More details about these projects can be found in the case studies section of this report.



*We have included environmental data from James Finlay Kenya as it remained within Finlays operational control for 2023.*

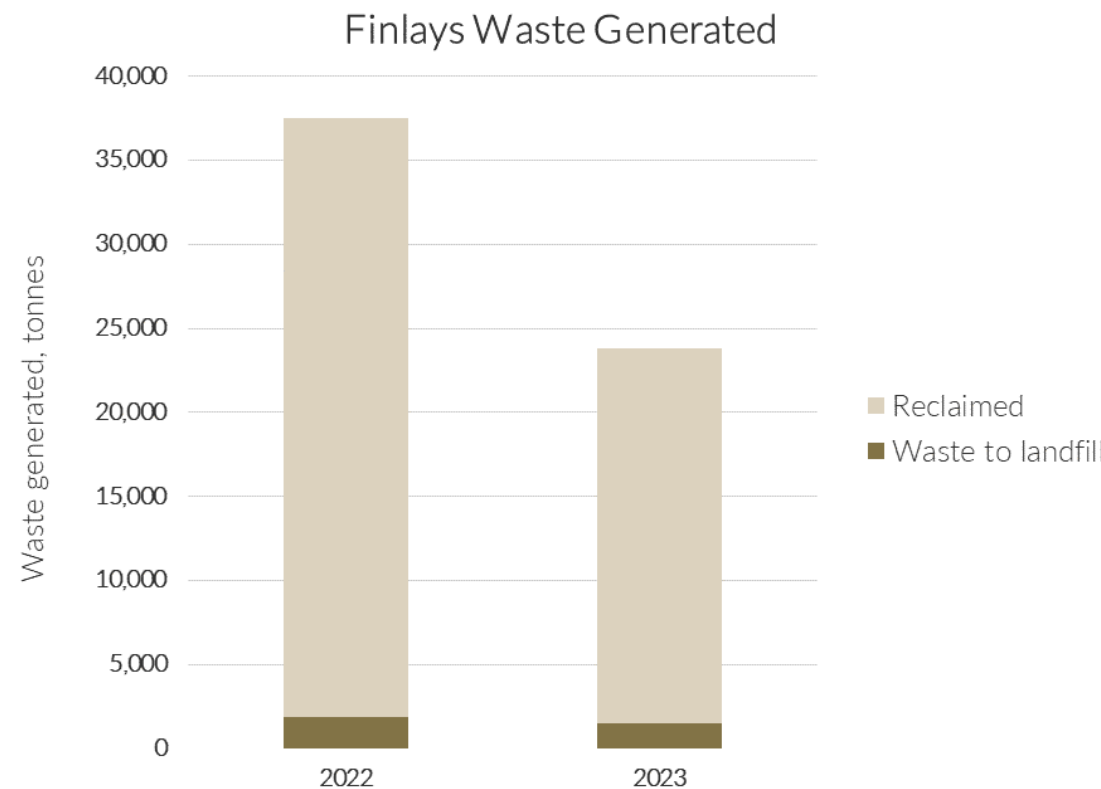
# OUR 2023 ENVIRONMENTAL DATA

## Waste



Our operations generated 37% less waste in 2023 compared with 2022. This was primarily driven by a reduction in green waste generated and reclaimed at our Finlays Tea Extracts Kenya and US sites, due to lower production.

The proportion of waste reclaimed across our operations stayed stable in 2023, at around 94%.



*We have included environmental data from James Finlay Kenya as it remained within Finlays operational control for 2023.*



## **CASE STUDY:** *Increasing the focus on sustainability in our US Extract business*

With the cost of natural gas significantly lower than electricity in the US, businesses face substantial financial barriers to making the necessary shifts to address climate change.

Despite this, our US extracts business intensified its efforts in 2023 by focusing on understanding our key environmental impacts. We collected carbon data to establish a baseline and identified our emissions hotspots.

The team has pinpointed several opportunities to reduce emissions, including a solar panel project, in-line water and gas usage metering, increasing packaging recyclability, and offering electric vehicle charging points.

Exciting next steps lie ahead to begin realizing these opportunities.



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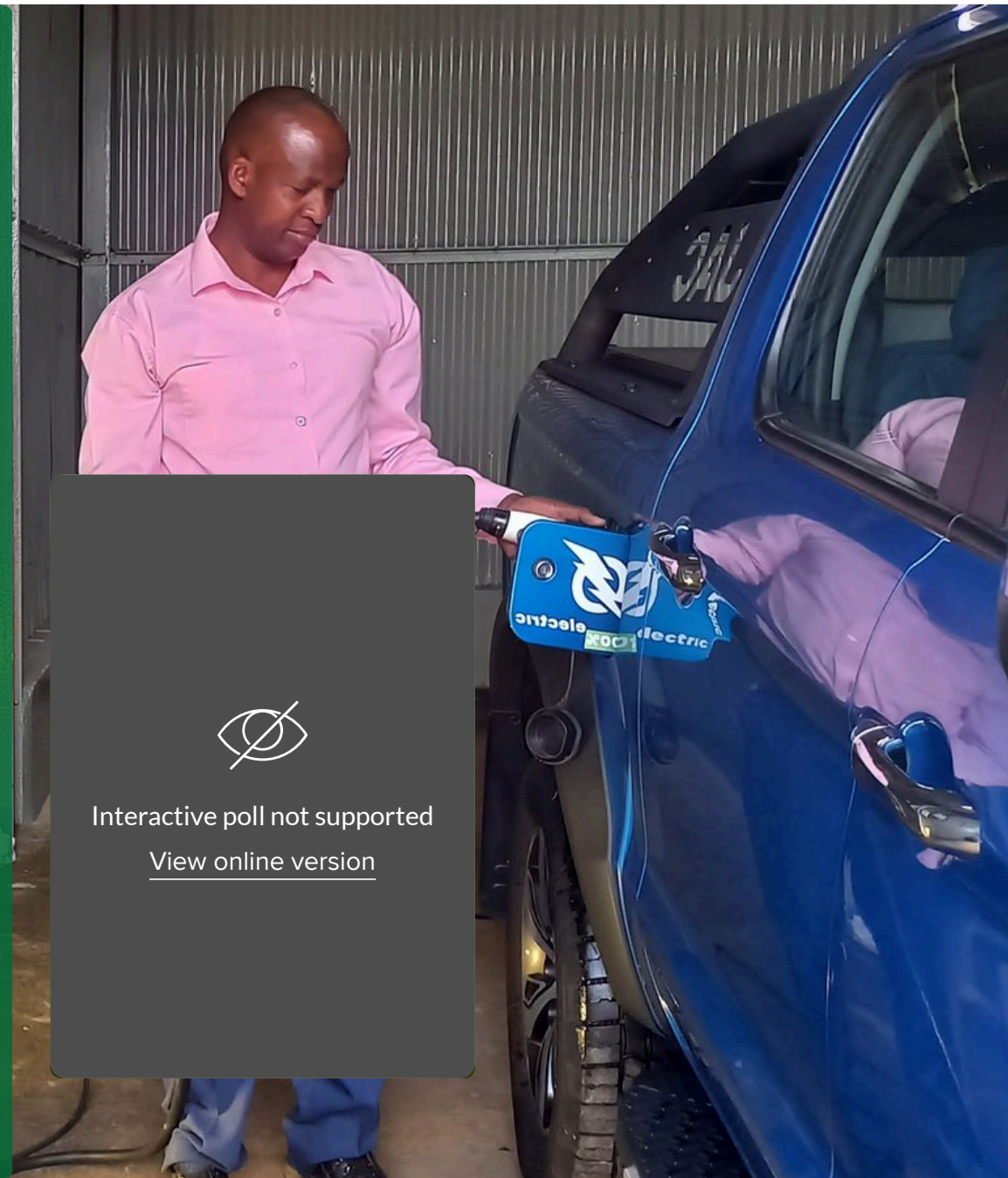
## CASE STUDY

### *Making the switch to electric vehicles, Finlays Tea Extracts Kenya*

Emissions from transport account for 35% of our Scope 1 emissions. Reducing our use of fossil fuel in vehicles is critical for achieving our emissions reduction targets. In 2023, Finlays Tea Extracts Kenya (FTEK) embarked on an exciting trial to establish the viability of moving its fleet to electric vehicles. As part of the trial FTEK acquired its first ever electric vehicle, a double cabin pickup truck.

This was found to have an immediate positive effect on our fuel consumption, maintenance costs, and carbon emissions, with the vehicle saving around 4 tCO<sub>2</sub>e to date. Given fluctuating gasoline prices in Kenya, making the switch to electric also had a positive financial impact.

Based on these results, FTEK is now looking to move more than half of its fleet to electric vehicles by 2026, the main challenge being the availability of electric vehicles in Kenya.



Interactive poll not supported

[View online version](#)





12% increase in  
energy efficiency

## **CASE STUDY:** ***Enhancing energy efficiency in our Extract business in Hull***

Natural gas is a carbon intensive fuel source, making its reduction crucial for meeting our emission reduction ambitions. In 2023, our extract business in Hull, replaced a 20-year-old boiler to improve energy efficiency and cut natural gas consumption.

The engineering team in Hull initiated the project with a comprehensive front-end study to identify the optimal technology. In November, with the expertise of McQuillan Boiler Services, a single dual-fuel wet back boiler was installed. The new boiler increased energy efficiency by 12%, from 83% to 95%. This enhancement has led to a substantial reduction in natural gas usage, saving £37,000 annually, equivalent to approximately 800,000 kWh. The new boiler is expected to consistently deliver these savings each year.





## **CASE STUDY:** *Conducting a life cycle assessment of tea, Casa Fuentes*

As well as reducing our greenhouse gas (GHG) emissions, Finlays is working on improving the accuracy of our GHG data. This requires collecting more accurate data and mapping it with more specific emission factors. Since 2020, our Casa Fuentes business has been collaborating with Argentina's National Institute of Industrial Technology (INTI) on a pioneering tea life cycle assessment (LCA). An LCA is a phased approach for evaluating the environmental effects of a product across all stages of its life cycle. LCAs are used by many industries to appraise environmental performance and identify improvement opportunities.

Our study with INTI assessed the environmental effects of tea produced in the Casa Fuentes area and more specifically at the Campo Grande and Acaragua plants of Finlays Casa Fuentes. The analysis was completed in 2023, based on 2021 data. It covered all stages of tea production, from pre-harvest to packaging for shipment to customers. Seven environmental effects were assessed, including global warming potential, acidification potential, eutrophication potential, photochemical oxidants formation potential, abiotic depletion potential, fossil fuels usage, and water shortage potential.

Thanks to this work, we now know the global warming potential (GWP) of tea produced at Casa Fuentes equates to 898.99 kg CO<sub>2</sub>e per ton of tea. The study also revealed that the main source of emissions is the use of non-renewable energy and nitrogen fertilizers. We are already using this insight to support our transition to renewable energy. The study only measured emissions, not CO<sub>2</sub> captured on our land through forest conservation and good land management practices. In the near future, Finlays will explore ways to develop a methodology that will enable us to accurately measure the CO<sub>2</sub> captured on land at Casa Fuentes.





## CASE STUDY

### *Boosting renewable energy through solar panels, Finlays Colombo*

In line with our Scope 1 & 2 emissions target, we wanted to increase use of renewable energy at our Welisara packing facility in Sri Lanka. As Sri Lanka does not have a renewable energy supplier, we took matters into our own hands and installed our own photovoltaic (PV) panels as part of a 470kWp rooftop solar system at the site. The system was completed in October 2023 and in the final two months of 2023 generated 85,099kWh of electricity, covering approximately 48% of the site's daytime demand.

Thanks to technical improvements this has since risen to 84-86% of daytime demand. We expect to reduce our emissions by 421 tCO<sub>2</sub>e a year as a result, equating to roughly 69% of the site's emissions from purchased electricity (i.e., Scope 2 emissions). This will not only help us achieve our emissions reduction targets but also support our customers in reaching their own net-zero ambitions. In the near future, we hope to expand the capacity of the system, thus reducing our Scope 2 emissions even further.

The solar panels can generate approximately 85% of daytime electricity demand of the site





Water abstracted by the factory on a daily basis has fallen by an average of 24%

## CASE STUDY

### *Taking action to reduce water wastage at Finlays Tea Extracts Kenya*

In recent years, Finlays Tea Extracts Kenya has experienced recurring issues with water loss due to the factory's main filtered water tank overflowing. This was caused largely by a lack of automatic controls, which meant the tank had to be managed through visual observation. In April 2023, we installed a wireless water control system to automatically monitor the tank's water level and prevent overflow.

Thanks to this new system, the amount of water abstracted by the factory on a daily basis has fallen by an average of 24%. We will build on this as part of our good stewardship approach and continue our efforts to reduce, reuse, and recycle water wherever possible.



## CASE STUDY: *Harvesting rainwater at Finlays Colombo*

Water is essential to the beverage industry, and conserving and protecting freshwater supply is of major importance to our business. For this reason, we are looking at new methods of supply and storage that can help us reduce the impact on local water reserves and promote responsible use. Harnessing and storing rainwater is one of the best ways to achieve this.

In late 2023 we partnered with Dr Tanuja Ariananda, head of Lanka Rain Water Harvesting Forum, to initiate a project to decrease our reliance on external water sources (e.g., the common fountain outside the factory) and use rainwater instead, thereby conserving local water resources and promoting sustainable use. As part of the project, we installed a rainwater harvesting system at our green tea factory in Haldummulla that has the potential to draw 1,905 cubic meters of rainwater per annum and a current storage capacity of 30,000 liters. Initially, 25% of the rainwater harvested has been utilized for domestic sanitation and grounds maintenance.

Over the next three years, with more data on water collection and water quality, we plan to expand our usage of the rainwater harvested to cover the steam boilers used in tea production. In a second phase, we intend to increase the storage capacity of this system to supply water to the fire hydrant tank. This will mean less stress on local water resources and more responsible usage. After the initial investment and in the long term, the new system will also lower the running costs for water at our facility.

This system has the potential to draw 1,905 cubic meters of rainwater per annum







# BEYOND CARBON REDUCTION

## Climate risks

In 2023 our parent company, John Swire & Sons Limited (Swire), started to undertake a climate risk assessment in line with the framework created by the Task Force on Climate-Related Financial Disclosures (TCFD). This task force was created to improve reporting of climate-related financial information. The assessment will enhance Swire's climate risk and opportunity assessment methodologies and give Finlays a better understanding of our own climate risks and opportunities. Following this work, our Corporate Risk Register (CRR) has been updated to include the most material climate-related risks to Finlays. The CRR will enable us to review our processes in line with best practice and inform our future disclosures. Further information on the CRR can be found in the risk management chapter of this report.

## Good water stewardship

Water is essential to life and a basic human right – and it is increasingly under stress. Competing demands from agriculture, business, and communities, along with the effects of climate change, are putting growing pressure on this precious resource, prompting widespread regional and global concern. Water is also essential to the beverage industry and Finlays, and we take our responsibility seriously to preserve its availability and quality. As part of Sustainable Future 2030, we have started shaping our approach to good water stewardship. In 2023, we worked with our business units to identify their water balance and build our water risk profile using the WWF Water Risk tool. Similar to our work on GHG emissions, our aim is to develop an ambitious plan for good water stewardship, with credible targets in place by 2025.

## Deforestation

Forests are one of our best allies in slowing down climate change, acting as a carbon sink by capturing CO<sub>2</sub> emissions. Deforestation is estimated to cause 10% of worldwide emissions.[1] With regulation advancing rapidly to tackle this issue, we are looking to partner with experts in this domain to help us structure our approach to no deforestation.

[1] Rainforest alliance - <https://www.rainforest-alliance.org/insights/what-is-the-relationship-between-deforestation-and-climate-change/>



# CLIMATE NET ZERO DATA TABLES

## Finlays GHG Emissions

(tCO <sub>2</sub> e)	2022	2023
Scope 1	14,758	15,549
Scope 2 - location-based	6,641	7,528
Scope 2 - market-based	5,370	6,178
Scope 1 + 2 (location-based)	21,399	23,077
Scope 1 + 2 (market-based)	20,128	21,727

## Finlays Energy Use

(GJ)	2022	2023
Renewable energy	1,485,372	1,339,004
Non-renewable energy	294,002	300,843
Total energy use	1,779,374	1,639,847

# CLIMATE NET ZERO DATA TABLES

## Finlays Water Use

(m <sup>3</sup> )	2022	2023
Recycled / Rainwater	3,068	3,528
Freshwater	1,103,817	1,035,126
Total water use	1,106,885	1,038,653

## Finlays Waste Generated

(tonnes)	2022	2023
Waste to landfill	1,911	1,510
Reclaimed	35,625	22,297
Total waste generated	37,536	23,807





## SUSTAINABLE SUPPLY

Building Trusted Partnerships  
for Stronger Supply Chains

# SUSTAINABLE SUPPLY

2023 PROGRESS







# SUSTAINABLE SUPPLY

Building Trusted  
Partnerships for  
Stronger Supply  
Chains

## OUR AMBITION:

Sustainable and  
ethical sourcing  
across tea, coffee and  
extracts by 2030

TEA AND  
COFFEE

**100%**

traceable  
by 2025

TEA AND COFFEE  
SUPPLIERS

**100%**

approved  
by 2025

STRATEGIC  
SUPPLIERS

**100%**

managed  
through  
SRM by  
2030

## WHAT WE'RE DOING

- Implementing a Supplier Relationship Management (SRM) program to provide a consistent and systematic approach to supplier engagement and management.
- Building stronger relationships to understand the challenges and risks, and support suppliers to address these through continuous improvement initiatives.
- Mapping our wider supply chain and potential risks from direct material suppliers by 2025.
- Mapping categories and spend across purchased goods and services by Business Unit by 2025.
- Measuring quantitative progress against our key objectives.





## SUSTAINABLE SUPPLY

*By building long-term, trusted relationships with our suppliers, we can help them grow their businesses and ensure traceable and resilient supply chains. This, in turn, means we can mitigate our social and environmental impacts and reduce supply chain risk for our customers.*

# PROGRESS IN 2023

- Launched a Supplier Relationship Management (SRM) program across all Finlays businesses
- 100% of our made leaf tea continues to be traceable to the tea factory or garden where it was produced
- 94% of our green bean coffee is traceable to the processing mill and/or producer group
- 72% of our soluble coffee is traceable to the green coffee supplier
- 59% of tea and coffee was sourced from fully approved suppliers under the SRM program
- 31% reduction in carbon emissions on supplier coffee farms in Colombia
- Supported female tea suppliers in Argentina
- Promoted regenerative agriculture in Brazil
- Onboarded suppliers onto a new data management platform





# OUR SUPPLY CHAIN

Due to Finlays' position within the value chain as a supplier to brands and retailers, we are one step closer to the origin of the products we make. We have worked with many of our tea and coffee suppliers for years and look to build close relationships wherever possible.

**TEA SOURCING:** We source green leaf from our own tea farm and local suppliers in Argentina, tea estates and farming cooperatives in Kenya, and through smallholders in 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 brokers. We buy soluble coffee direct from third-party manufacturers.

To date, our focus has been on the key raw materials that go into our products, i.e., tea and coffee. This is because they are both high-risk commodities in terms of human rights, and because we purchase significant volumes globally and therefore have a significant potential impact. However, we recognize there are risks in our other supply chains. In 2024, we are therefore widening the scope of our approach to map these out at a Group level for Finlays' wider goods and services.

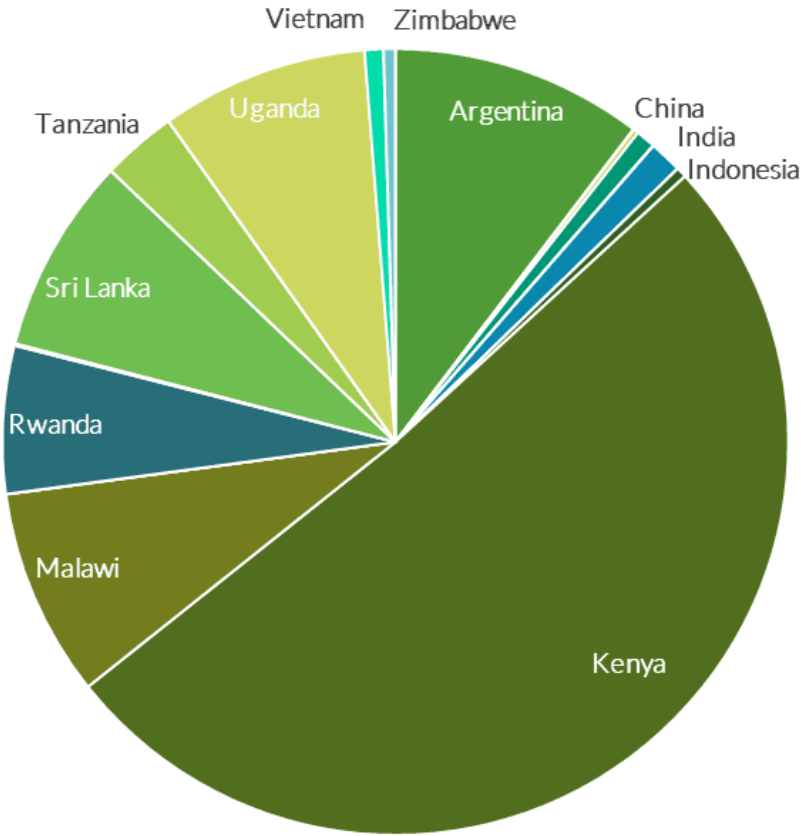




# OUR SUPPLY CHAIN

## Tea

% volumes of tea purchased in 2023 per origin



Country of origin	% volume	No. of factories
Argentina	10.36%	24
Brazil	0.03%	1
Burundi	0.19%	6
China	0.81%	22
Congo	0.01%	1
India	1.35%	81
Indonesia	0.43%	4
Kenya	51.11%	160

Malawi 0.03% 1

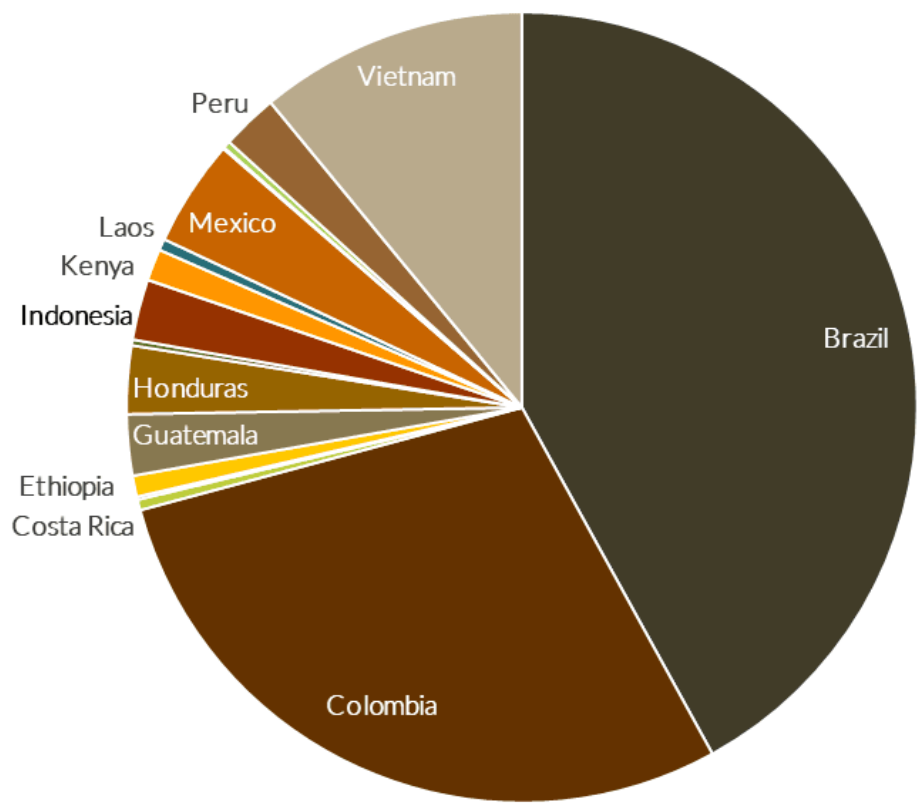
Mozambique 0.01% 1

<https://finlays.turtl.co/story/sustainability-report-2023/page/6/4>

# OUR SUPPLY CHAIN

## Green bean coffee

% volumes of green bean coffee purchased in 2023 per origin



Country of origin	% volume	No. of mills <sup>1</sup>
Brazil	42.00%	16
Colombia	28.82%	18
Costa Rica	0.43%	2
DRC	0.12%	1
Ethiopia	0.86%	3
Guatemala	2.50%	2
Honduras	2.79%	7
India	2.48%	1
Indonesia	2.48%	7

Open full table in browser:  
<https://finlays.turtl.co/story/sustainability-report-2023/page/6/5>

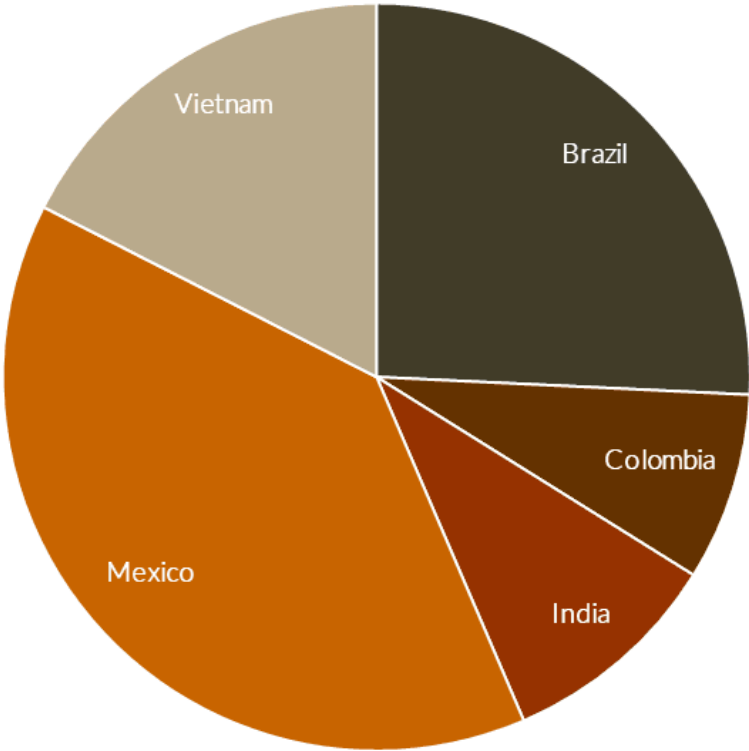
<sup>1</sup>Where traceable to mill



# OUR SUPPLY CHAIN

## Soluble Coffee

% volumes of soluble coffee purchased in 2023 per location of manufacturing site



Country	% volume	No. of manufacturers <sup>1</sup>
Brazil	26%	3
Colombia	8%	2
India	10%	1
Mexico	39%	2
Vietnam	17%	1
Total	100%	9

1 Due to challenges in traceability of the soluble supply chain, we trace back (at a minimum) to the green coffee supplier of the final manufacturer. We focus our due diligence efforts on the manufacturers, so we report number of manufacturers rather than coffee mills.



Interactive poll not supported

[View online version](#)



# ASSESSING RISK IN OUR SUPPLY CHAIN

Finlays has developed country-level risk ratings that cover both inherent risks and sector-specific risks in each sourcing country. These are reviewed and updated annually, using a number of sources including:

- Sedex radar tool
- Rainforest Alliance risk maps
- Modern Slavery Index
- International Trade Union Confederation (ITUC) global rights index
- Global Gender Gap report
- Yale Environmental Performance Index
- Climate change: Notre Dame Global Adaptation Initiative, Global Climate Risk Index
- Publicly available human rights impact assessments (HRIAs)
- Other relevant reports, publications, and media

The country-level risk is combined with further information about the supplier, such as whether they have third-party sustainability certifications and signed Finlays' Sustainable Sourcing Policy, to provide a risk rating per supplier.

In early 2024 we commenced a project to undertake a human rights risk assessment to further develop our work on identifying our most salient human rights risks. We plan to share more on our salient risks later in the year.



# SUPPLIER RELATIONSHIP MANAGEMENT (SRM)



In 2023, we launched a more formalized approach to Supplier Relationship Management (SRM) across Finlays Group. Our new SRM program covers all activities to qualify, audit, contract, prioritize, review, and manage the relationships and performance of Finlays' suppliers, with an initial focus on tea and coffee. The approach is cross-functional, covering Sourcing, Quality and Food Safety, and Sustainability, and we are continuing to embed it across the business and provide relevant training. The SRM program consists of four key steps that align with our Sustainable Supply objectives:

1. **Qualification:** Suppliers must be assessed and qualified to meet Finlays' requirements, either through a desktop or physical audit. An annual risk assessment is undertaken to determine the order in which supplier audits should be conducted.
2. **Segmentation:** On an annual basis, we categorize our suppliers into four tiers based on spend and criticality, and assign a risk priority. 'Tier 1' describes our most critical and strategic suppliers. This segmentation determines the governance framework applied to each supplier, thus ensuring we focus our efforts where they have the most impact and benefit.
3. **Performance management:** Initially focused on our 'Tier 1' (strategic) suppliers, this includes a number of tools such as a supplier scorecard, a supplier strategy, supplier reviews, management of risks, and a 'voice of the supplier' survey.
4. **Continuous improvement:** We help move suppliers up the Finlays maturity matrix by working collaboratively on continuous improvement initiatives and identifying synergies and opportunities for growth.





## **CASE STUDY:** ***Implementing our Supplier Relationship Management program in our Extracts business***

As part of our drive to embed our Supplier Relationship Management (SRM) program and build strong, trusted relationships with our strategic suppliers, Finlays' US business has identified our priority soluble coffee suppliers and started implementing quarterly review meetings with each of them.

This is an opportunity to look at day-to-day supplier management in areas such as product quality and service levels for the previous quarter, but also to align on a more strategic level. We get feedback on how Finlays performs as a customer and discuss opportunities to align on sustainability initiatives and focus areas.

Through this, we can understand challenges our suppliers face and identify areas to work together for mutual improvement and benefit. We are excited to see where this more systematised approach can take us in growing our partnerships with key suppliers.





## CASE STUDY

### ***Reducing the carbon footprint of coffee in Colombia***

Building on learnings from previous climate-smart coffee projects in Colombia, in 2022 we started supporting a new multistakeholder project which aims to produce coffee with a lower carbon footprint. The project focuses on 34 women-led coffee farms in the Risaralda region of Colombia and is spearheaded by ExpoCafe in collaboration with the coffee growers' cooperative of Risaralda (CoopcafeR) and supported by the University of the Andes in Colombia, Cardiff University in the UK, and Finlays.

Initially, the project helped establish a baseline carbon footprint at farm level. In 2023, the focus was on introducing and quantifying carbon mitigation measures. These included: reducing the application of fertilizers with high urea content and replacing them with an alternative source of nitrogen alongside a smart fertilization plan and training on soil analysis; installation of septic systems to treat water from wet coffee processing; providing filters for water purification; and reforestation activities. In total, six 50kg bags of fertilizer were provided to each farmer, 13 water treatment systems were installed to reduce water contamination, 36 water filters were provided to improve the quality of drinking water, and 1,000 native tree saplings have been delivered through the project so far.

Measurements have been taken initially from four pilot farms to prove the concept and test the calculations. This demonstrated that changing the fertilizer resulted in a 31% reduction in carbon emissions on these farms. Calculations will be completed for the larger group of farms following the next coffee harvest, at which point the emissions reductions will be audited and verified for low-carbon certification.

**31% reduction in  
carbon emissions on  
these farms**



## CASE STUDY

### ***Encouraging regenerative agriculture practices in Brazil***

Finlays has been working with our Brazilian coffee suppliers COOMAP and Café Responsável to encourage their small-scale farmers to introduce regenerative agriculture practices. In particular, farmers are encouraged to plant legumes, along with natural flowers and grasses, in between the coffee trees. The legumes provide nitrogen to the soil, which is crucial for plant growth; the flowers encourage pollinators and natural insect predators; and the grasses help to retain moisture in the soil. Farmers who adopt these practices can reduce their pesticide use by 20% and fertilizer use by 50%. Fertilizer is the largest contributor to carbon emissions of coffee at origin.

In 2023 our Head of Coffee visited farmers to share insights into the benefits of regenerative agriculture and raise awareness of the opportunity to achieve higher returns through better agricultural practices. The visit was supported by a specialist agronomist. We also worked with COOMAP to set up a pilot that uses some of the Fairtrade premium paid by Finlays to provide training and plants to a number of farms, enabling farmers to see the benefits of regenerative agriculture for themselves.

Ultimately, the aim is to help farmers increase their yields from 30 bags of coffee per hectare to 50 bags, while reducing input costs and fertilizer use.







Two meetings held in 2023, with 12 women participating out of a total of 21 producers' wives

## CASE STUDY

### *Empowering female tea suppliers in Argentina*

In 2022, our Casa Fuentes business in Argentina launched a project to support female workers at their tea farm suppliers, particularly the wives of local tea producers. The goal was to make women's work on the farm more visible and appreciated, and to create a support network and space for women to meet and share experiences. There were two meetings held in 2023, with 12 women participating out of a total of 21 producers' wives. Space was provided for children to play to ensure meetings were accessible for mothers. The sessions included workshops facilitated by a specialist in gender equality issues to encourage women to discuss their experiences on topics such as the role of women in society and how to achieve greater equality. Casa Fuentes plans to expand this initiative to reach more women, deliver more sessions, and build a thriving support network.





## OUR PEOPLE

Advancing Human Rights  
to Empower All

# OUR PEOPLE

2023 PROGRESS





## OUR PEOPLE

Advancing  
Human Rights  
to  
Empower All

### OUR AMBITION:

A business where people are valued and treated fairly, encouraging growth and development

#### HUMAN RIGHTS

**2030**

Implement a Due Diligence Framework (HRDD)

#### GENDER EQUALITY

**39%**

Management roles to be held by women by 2027

#### LIVELIHOODS

**2030**

Finlays to be a Living Wage Employer

### WHAT WE'RE DOING

- Conducting a Human Rights Risk Assessment to develop Salient Risks Action Plan by end 2024.
- Developing and implementing an improved Human Rights Policy.
- Joining the UN Global Compact.
- Collaborating with experts to enhance our working practices.
- Re-defining our approach to being a diverse and inclusive business.
- Implementing action plans for Women in Management and Living Wage





*People are central to everything we do. It is critical that we safeguard people against human rights risks, proactively support them, and help their communities to thrive. Protecting the human rights of everyone connected to our business, and ensuring they are valued and empowered, is critical to our long-term growth.*

## PROGRESS IN 2023

- Completed a human rights due diligence (HRDD) gap analysis
- Women occupied 31% of leadership and management roles, up from 29% in 2022
- Conducted a Living Wage baseline assessment
- Developed a robust remediation action plan with James Finlay Kenya (now Browns Plantations Kenya)
- Set up a women's committee in Casa Fuentes, Argentina
- Continued to strengthen Finlays' Women in Business networks



# HUMAN RIGHTS DUE DILLIGENCE GAP ANALYSIS AND ACTION PLAN

In the second half of 2023, Partner Africa conducted a human rights due diligence (HRDD) gap analysis exercise on James Finlay Limited that included a documentation review and interviews with senior leaders. This has helped the business better understand our current management capacity, reflect on our existing activities, and identify gaps in our approach to human rights.

A key finding to emerge from the exercise was that there are numerous signs of ad-hoc human rights activities at Finlays, but they are not yet systematized. Finlays' approach to managing human rights was considered developing, or at 'emerging' level.

We have shared and discussed the findings and recommendations of the gap analysis with key internal stakeholders, and developed an action plan to start embedding HRDD processes in 2024 and beyond.



Click image to zoom



# REPORTING ON OUR PEOPLE

## Employee data

Country	Total Number of Employees	Number of Male Employees	Number of Female Employees
Argentina	336	300	36
China	34	18	16
Indonesia	2	1	1
Kenya	5,706	3,968	1,738
Malawi	3	2	1
Sri Lanka	235	193	42
United Arab Emirates	6	4	2
United Kingdom	403	259	145

Open full table in browser:

<https://finlays.turtl.co/story/sustainability-report-2023/page/7/4>

Note: This data covers the headcount of permanent and fixed-term employees of Finlays as at the end of December 2023. We have included employee figures from James Finlay Kenya, which were correct at the end of November 2023, when it was sold to Browns Plantations. Finlays' HR team has been working to improve and align the employee data across all our businesses to ensure definitions and methodologies are consistent. Through this project we are increasing the data being collected in a phased way, enabling us to deliver a full suite of people data and insights by the end of 2025.

# REPORTING ON OUR PEOPLE

## *Health & Safety*

### Creating a proactive safety culture

2023 saw the launch of 'Always Safe', our new health and safety strategy. Through 'Always Safe' we are shifting our culture and mindset away from an absence of incidents toward the presence of safety. We are doing this through leading indicators such as the 'Safe Day Initiative', which involves measuring and reporting the number of 'safe days' at each site every month. Sites must meet four proactive safety criteria, such as a safety communication or safety improvement, to record a 'safe day'. We started implementing this shift in 2023 through training across the business.

We will continue to embed it in 2024 to grow a proactive approach to workplace safety that supports greater ownership and a positive safety culture.





# REPORTING ON OUR PEOPLE

## Health & Safety Data

Performance Indicator	2022	Including JFK		Excluding JFK	
		2023	(vs 2022)	2023	(vs 2022)
Fatalities	0	2	+2	0	=
Lost time injuries (LTI)	26	53	+27	10	-4
LTI frequency rate	0.35	0.69	+0.34	0.31	-0.08
Lost working hours	3311	3,757	+446	1,294	-165
LTI severity rate	44.18	49.06	+4.88	39.72	-4.08
Minor injuries	115	49	-66	47	-67
Hazard reports raised	50,427	40,405	-11,022	4,417	5,602

Open full table in browser:

<https://finlays.turtl.co/story/sustainability-report-2023/page/7/6>

- Both fatalities occurred in the Kenya Tea Estates (JFK) and both involved self-propelled harvesters (SPHs). The first when a child from a local village climbed onto the moving tracks and got entrapped; the second when a security guard elected to have a sleep in a harvesting area and was run over by an SPH. Both incidents were thoroughly investigated and actions implemented to prevent recurrence.
- JFK was sold in November 2023 and is no longer part of James Finlay Ltd. Data is shown both with and without JFK to enable comparison with past data in 2022 and future data in 2024, while also demonstrating that JFK had a significant adverse impact on group safety performance data in 2023. The 'Excluding JFK' column has removed the JFK 2022 data to enable a more accurate YOY comparison.
- 2023 saw the launch of a revised H&S 'Always Safe' Strategy which focuses more on leading indicators than lagging, so both the hazard report closure rate and the safe day attainment rate have been included.
- LTI frequency and severity rates are calculated per 200,000 hours worked, which equates to 100 people working 40 hours a week for 50 weeks of the year. This is a recognized H&S standard.

# REPORTING ON OUR PEOPLE

## *Women in management*

In 2023 women occupied 31% of leadership and management roles at Finlays, a 2.7% increase compared with 2022.

Following the sale of James Finlay Kenya in November 2023, we recalculated our figures. This showed that the percentage of women in management roles at the end of 2023 stood at 35%. We have therefore updated our targets and are now working toward women occupying 39% of our management roles by 2027. Previously, our target was 35%, which we had already met with our new baseline.

As part of our Sustainable Future 2030 strategy, Finlays remains committed to supporting and progressing female representation at all levels of management. To continue our good progress, we are examining all aspects of the HR life cycle through a gender lens over the next year, including recruitment, retention, development, and succession. This will enable us to review policies, ways of working, and cultural structures and develop new tools to attract even more women into Finlays, develop those already here, and ensure women can thrive and deliver their greatest potential at Finlays.







A Living Wage is defined as remuneration (wage + in-kind benefits + bonuses) received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family.

## CALCULATING A LIVING WAGE BASELINE

In 2023 Finlays undertook a baseline assessment to understand where our business is relative to what is required to become a Living Wage employer. The project started by reviewing the current methodologies and tools available for estimating a Living Wage, and developing a deeper understanding of the Anker Methodology. The Anker Methodology is considered the gold standard for the measurement of a Living Wage, creating robust estimates for the cost of a basic but decent lifestyle for a worker and their family in a particular place. It defines the data points that need to be included in calculations and provides reference values and Living Wage benchmarks for more than 200 locations.

As part of this review, we developed data collection and reporting templates and tools aligned with the Anker methodology to ensure that our analysis properly captured the diverse nature of our business. Once we collected our data, we then used trusted data sources for benchmarking (e.g., Global Living Wage Coalition, Rainforest Alliance, and national initiatives such as the UK Living Wage Foundation) to ensure our analysis was as robust and accurate as possible. Where Living Wage benchmark data was unavailable or the benchmark range was large, the data was analyzed against multiple sources.

In the coming years, we will look to get a formal review of our methodology to calculate a Living Wage by an external party and start implementing action plans to reduce the Living Wage gap, where identified.





Interactive poll not supported

[View online version](#)



## CASE STUDY

### *Supporting women through Finlays Women In Business UK*

FWIB is Finlays' support and career-development network dedicated to female employees across our business. In 2023, FWIB UK ran its first in-person event, a confidence-building workshop that was attended by 30 women. Feedback was very positive and demonstrated the value of providing a forum for women to meet other women from across our different UK sites. Further events hosted by FWIB UK in 2023 included a panel discussion on careers, a variety of skills labs, and third party-hosted sessions on topics such as hormone health, stress and wellbeing, and parenting. In addition, a library was set up at each of our three UK sites offering books proposed by members as well as ones linked to the themes of the year: life in work, life beyond work, and growth and development. Results from the FWIB UK member annual survey showed 86% of those who answered the survey had attended an event and they now rate Finlays UK as 4.12 out of 5 as an employer of women. This is 7% higher than in 2022 and up 11% on 2021.



## CASE STUDY

### *Supporting Finlays' women in the US*

At Finlays America, the Women in Business program was reignited in 2023, with a new steering group of passionate women formed to drive forward new initiatives. A survey was launched in the second half of 2023 to gather feedback on how the community can support the growth of women in the workplace. This has been developed into a program to commence in 2024 which includes a public speaking forum, a mentorship club, a book club and a schedule of professional motivational speakers. It is also looking to expand some of the initiatives to men after many expressions of interest in similar topics.

In 2023, we hired our new Chief People Officer at Finlays America, who is also leading on our approach to Diversity and Inclusion from a global perspective, as well as reinvigorating recruitment drives, upskilling the workforce and talent retention in the extracts business.

“

**"In my role as CPO, I align HR strategies with business goals, foster a positive culture, and ensure our employees thrive. Understanding the company's goals helps me identify critical areas where people can make the most impact. Throughout my career, I've achieved significant milestones, including collaborating with executives to create inclusive workplaces where every voice is heard."**

Veronica Van Egmond  
Chief People Officer, Finlays Americas

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## CASE STUDY

### *Launching a women's committee, Casa Fuentes*

Argentina's tea sector is heavily male dominated and Finlays was the first tea company in Argentina to employ women as operators in tea factories and on farms. This creates a special responsibility to challenge cultural barriers and ensure women are respected and empowered in the workplace. In particular, we want clear policies on the actions to be taken if women report harassment.

In 2023, Casa Fuentes launched a women's committee to promote and support women across its business. The committee's role is to ensure policies and support measures to prevent gender-based discrimination are implemented properly. There is now a designated female representative at each Casa Fuentes site that women can talk to, get support from, and raise issues with. In 2023 the committee also ran two workshops to raise awareness of the initiative and of gender equality more broadly, which were delivered separately to men and women.

# SUPPORTING AN ACTION PLAN FOR JAMES FINLAY KENYA / BROWNS PLANTATIONS KENYA

In February 2023, BBC Panorama broadcast a documentary containing allegations of sexual abuse by two contractors working at James Finlay Kenya (JFK).

When we became aware of these allegations, we instigated a series of actions to strengthen safeguarding at JFK. These included enhancing welfare structures and doubling the size of the welfare team, offering free private counselling and psychosocial support to all on site, strengthening JFK's approach to contractor management, and an extensive campaign to build awareness and trust in our confidential whistleblowing line so that affected persons feel able to come forward. This work has continued after JFK was purchased by Browns Investments Plc in November 2023.

To secure tangible, long-term change, we also commissioned Partner Africa, an NGO working to promote responsible business practices, to carry out an in-depth investigation into the extent and nature of misconduct at JFK. Through Partner Africa, we have sought to understand not just the specific issues alleged in the documentary but the underlying root causes that allowed them to occur.

We received Partner Africa's final report at the end of 2023 and, since then, have been working with Browns Plantations Kenya (formerly James Finlay Kenya) to implement a robust collaborative [action plan \(link\)](#) based on its recommendations. The development of the action plan has been led by Finlays and Browns, with the support of NGOs, customers, and other experts.








SUSTAINABLE  
FUTURE **2030**

## PARTNERSHIPS







We can only deliver Sustainable Future 2030 with the support of our global partners. The challenges facing our industry affect us all. That is why Finlays is committed to working closely and collaboratively with our partners and suppliers to create a more sustainable future.

This includes utilizing our memberships of the Ethical Trading Initiative (ETI) and Sedex, and being active on key industry bodies. For example, Finlays sits on the Board of the UK Tea & Infusions Association, the Tea Association of the USA, and the British Coffee Association, and we are members of the USA National Coffee Association. We also engage and collaborate with certification bodies such as Rainforest Alliance and Fairtrade.



# SPOTLIGHT ON WORLD COFFEE RESEARCH

Finlays is excited to have joined [World Coffee Research](#) (WCR), an industry-driven agricultural research organization. WCR plays a pivotal role in the global coffee industry by conducting research and development to ensure the sustainability and resilience of coffee production. Established as a non-profit collaborative research organization, it brings together stakeholders from across the coffee supply chain, including farmers, industry professionals, and scientists, to address the challenges facing coffee cultivation.

Its primary objectives include the development of new coffee varieties with enhanced resistance to diseases and pests, improved adaptability to climate change, and superior cup quality. By investing in genetic diversity and breeding programs, WCR aims to create coffee plants that can thrive in diverse environments, ensuring the longevity of coffee farming amid evolving climate conditions.

The importance of WCR lies in its potential to safeguard the livelihoods of millions of coffee farmers worldwide. By advancing agricultural practices and promoting sustainable farming methods, WCR contributes to increased yields, higher quality coffee, and improved incomes for farmers. Additionally, the organization fosters knowledge-sharing and collaboration, creating a global network that accelerates the adoption of innovative practices throughout the coffee industry.



“

**The challenges facing coffee production are multifaceted and complex, but innovation can create new solutions. Through investment in World Coffee Research, Finlays unleashes the power of plant varieties to urgently secure a diverse and sustainable supply of quality coffee today and for generations to come.**

**Coffee agricultural innovation ensures farmers have access to climate-resilient varieties for decades to come. Through shared investment with WCR member companies, Finlays is ensuring that coffee remains a strong business opportunity for farmers around the world.”**

Dr. Jennifer “Vern” Long, Chief Executive Officer, World Coffee Research

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# SWIRE THRIVE

Finlays is a wholly owned subsidiary of John Swire & Sons Limited (Swire).

There is a Group-level commitment at Swire on key sustainability issues delivered through the SwireTHRIVE strategy. At Finlays, this is embedded through our Sustainable Future 2030 strategy.

SwireTHRIVE focuses on five key areas that are highly material across the Group:

- **Climate:** Decarbonize our business and build climate resilience
- **People:** Foster a company culture that is accessible, inclusive, and safe
- **Water:** Use and manage water responsibly
- **Communities:** Position our community initiatives as part of our core business value
- **Waste:** Turn today's waste into tomorrow's resource

Swire's Sustainable Development Committee has set up a sustainable development fund, which operating companies can apply to for financial support for sustainability initiatives.





SUSTAINABLE  
FUTURE **2030**

# GOVERNANCE





# GOVERNANCE

## *Sustainability oversight and accountability at James Finlay Limited*

**Board:** The James Finlay Board is comprised of three executive directors and five non-executive directors. The Board meets three times a year and has direct oversight of the sustainability strategy as well as decision-making responsibility for all commitments and targets.

**Global Leadership Team:** The James Finlay Global Leadership Team oversees the day-to-day running of Finlays Group, including all business units and sites. This executive function plays a key sponsorship role for the sustainability strategy and provides oversight and direction on all areas.

**Group Sustainability Team:** The Group Sustainability Team is responsible for setting Finlays' sustainability strategy, commitments, objectives, and targets. The Team also works to develop and put in place effective delivery plans and roadmaps within the business units, making sure effective accountability is in place.

**Swire Sustainability Committee:** The Sustainability Committee of Finlays' parent company, John Swire & Sons Limited (Swire), oversees the approach to sustainability for its operating companies. Reports and updates are shared with the Committee at least twice a year to ensure alignment on approach and progress.



# GOVERNANCE

## *Our approach to policy and compliance*

**Corporate policies at James Finlay Limited are part of our compliance program and overseen by Finlays' Corporate Affairs Director. The Compliance team ensures all employees understand and are able to access those policies. This is an important part of increasing awareness of key policies within our businesses.**

In November 2023 we started a review of all policies directly linked to our Code of Conduct. In March 2024, following completion of the review, the following policies were approved and shared with all employees:

- Code of Conduct ([LINK](#))
- Anti-Money Laundering
- Whistleblowing
- Procurement
- Competition Law
- Anti-Bribery and Corruption
- Conflicts of Interest
- Gifts and Hospitality

- Data Privacy
- Political Activity and Charitable Donations

Internal stakeholders participated in the review of policies relevant to their day-to-day activities, and a company-wide communication was sent to everyone with access to our global policies.

In the coming months we will be updating the following policies in partnership with internal stakeholders (IT, Sustainability and Finance), with a view to completion by the end of 2024:

- Human Rights
- Fraud
- Sanctions
- Environment
- Cookie
- Intellectual Property and Confidentiality
- Document Retention

### **Internal audit**

Finlays Group has an extensive Internal Audit function that monitors financial and certain non-financial aspects of the business. It, in turn, is monitored by a series of committees that report to a Group Audit Committee comprising one independent non-executive director and two representatives of John Swire & Sons (Swire). In addition, the Group Managing Director, Group Finance Director, and Director of Corporate Affairs also attend the Group Audit Committee meetings together with the Group Internal Auditor and, as required, a representative from our external auditors, Grant Thornton.



# GOVERNANCE

## *Risk Management*

The risk management program at James Finlay Limited is operated via a corporate risk register (CRR), which is a Board responsibility and records and tracks the risks that management is concerned about. The CRR document is a live document that sets a risk agenda which can be included in the company's business plan. The program itself is overseen by the Corporate Affairs Director and the Compliance Manager.

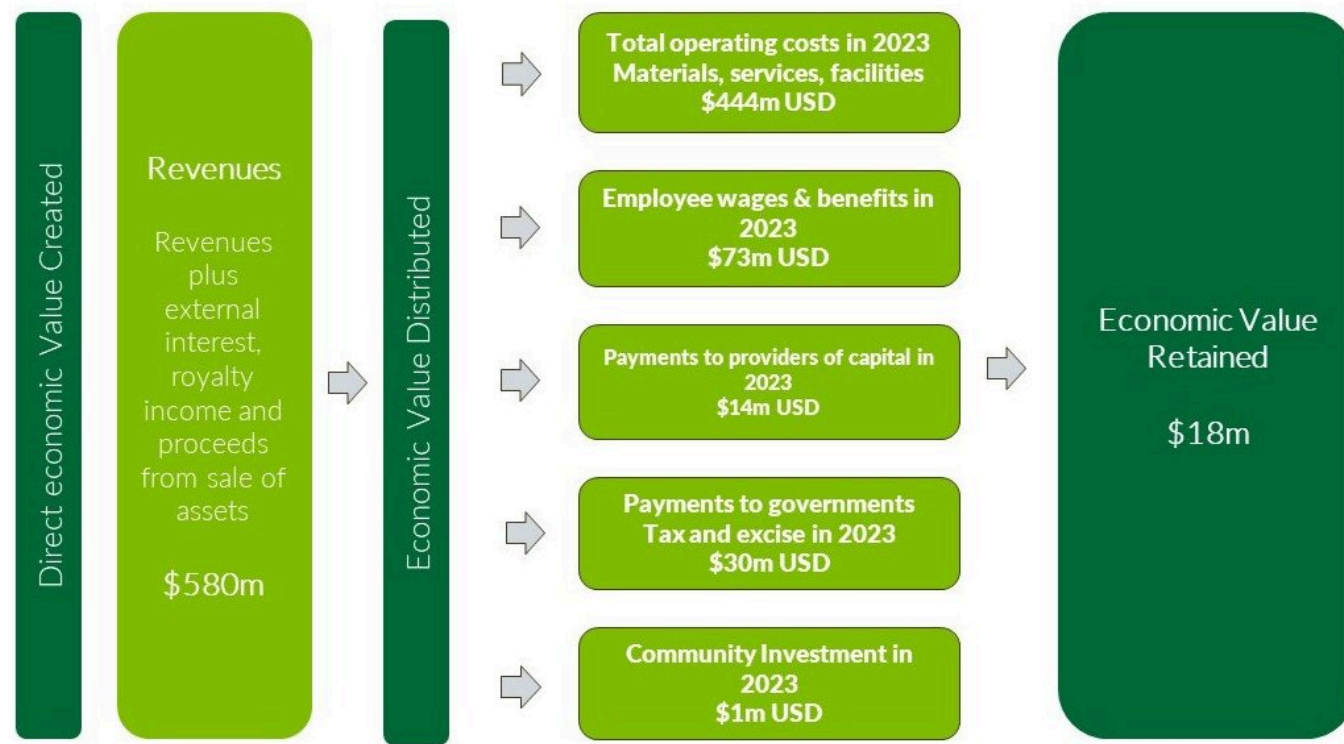
### CRR evolves by following these steps:

1. **Identification:** Executives identify a range of risks in workshops, and management agrees the top risks based on a standardized risk taxonomy.
2. **Quantification/dimensioning:** Executives define, describe, and score risks in dimensioning workshops, evaluating risks by considering scenarios in which they might occur and breaking out scores by impact and vulnerability.
3. **Mitigation and action plan:** A subject matter expert (SME) works with the Compliance Manager to review the risk profile and develop mitigation measures via a questionnaire. Management agrees action plans to target specific impacts and vulnerabilities as part of the business plan.
4. **Reporting:** Risks are monitored, reported, and visualized on a risk heatmap and various dashboards using the Risk360 integrated risk management platform.

In 2023, members of Finlays' global management team, assisted by the Sustainability team, conducted an exercise to understand the nature of climate risks to the business. This was done using the framework defined by the Task Force on Climate-Related Financial Disclosures (TCFD). The process was facilitated by our parent company (Swire) and a third-party expert.

# GOVERNANCE

## Financial Overview



Click diagram to zoom

*This includes financial information from Damini at 49.51% to reflect Finlays' proportional share.*





SUSTAINABLE  
FUTURE **2030**

# SCOPE OF THE REPORT





# SCOPE OF THE REPORT

This report covers organizational activity for the 2023 calendar year (January – December). It includes information from our global operating companies and spans all our products and services, except as set out below. Finlays uses the Resource Advisor platform to manage our environmental data for reporting, tracking key performance indicators, and providing ongoing visibility into our global operations.

Exceptions to full disclosure:

- Finlays holds a 49.5% share in Damin International Holdings Limited, China. As we do not have operational control, data from Damin is not included in this report, except in our Scope 3 GHG baseline and financial overview.
- At the end of November 2023, we sold our tea farming business in Kenya (James Finlay Kenya). As we owned the business for most of 2023, we have included it in the figures of this report and provided a re-baseline where appropriate for future reporting.



Thank you for reading

**For more information on  
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