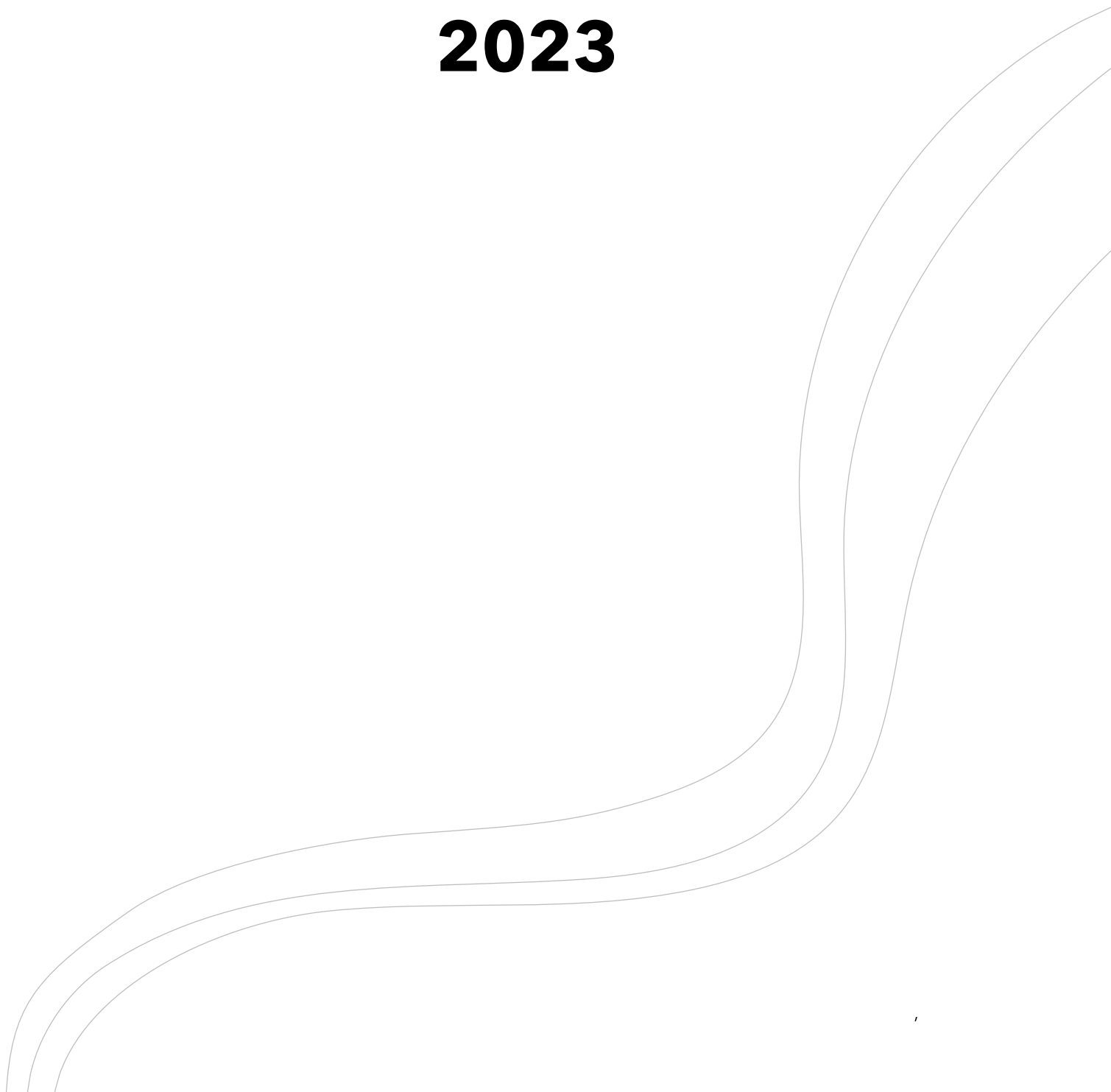




Modern Slavery Act Statement 2023





Purpose and scope of this statement

This statement is made pursuant to the section 54(1) of the UK's Modern Slavery Act 2015. It is made by and on behalf of the following LIPTON Teas and Infusions group entities: Lipton Teas and Infusions UK Limited, ekaterra Holdco UK Limited and Pukka Herbs Limited (hereafter "**LIPTON Teas and Infusions**"). It outlines the steps taken by LIPTON Teas and Infusions during the previous financial year (FY23, ending 31 December 2023) to assess our susceptibility to modern slavery risks, review our due diligence and risk assessment practices, and continue to ensure that modern slavery and human trafficking is not taking place in any of our supply chains.

The term "modern slavery" is used in this statement to describe a broad range of situations. These include, but are not limited to, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting practices and child labour. It also includes the withholding or seizure of personal identification documentation. "Human trafficking" occurs when a person arranges or facilitates the travel of another person with a view to the other person being exploited.

Organisational structure

LIPTON Teas and Infusions is the world's largest tea business with a remarkable portfolio of over 30 world-class brands, including iconic names like Lipton, PG Tips, TAZO, Pukka and T2. Based in the Netherlands and operating in more than 100 countries, we pioneer innovative, premium, and sustainable teas and infusions to delight our consumers daily. We own tea estates in Kenya, Tanzania and Rwanda and we have a further eight production facilities across four continents. Globally, we employ more than 17,000 people, including temporary and seasonal workers.

Our commitment is to drive the entire tea industry upwards and create value for all and the planet, from farmers to consumers, retailers, team members, partners, and shareholders. We take a long-term approach, investing in innovative and sustainable practices that deliver responsible growth, with a keen focus on meeting the needs of our customers and consumers, protecting the environment, and making a positive impact on people's lives.

LIPTON Teas and Infusions was formed following the purchase of the majority of Unilever's global tea division by CVC Capital Partners in July 2022. CVC is a leading private equity firm, with offices throughout Europe, the US and Asia. Lipton Teas and Infusions UK Limited, ekaterra Holdco UK Limited and Pukka Herbs Limited are UK based entities within the LIPTON Teas and Infusions group.

Supply chains

LIPTON Teas and Infusions operates in the tea and herbals industry. We source our raw ingredients from suppliers and farmers all over the world and we have a large and diverse supply chain operating across several industries, including agriculture and manufacturing. These industries are considered inherently high-risk from a human rights and modern slavery perspective. Modern slavery risks are further exacerbated by the highly seasonal nature of agricultural work and temporary labour, meaning there is a greater degree of risk of forced or child labour.

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We were reliant on Unilever's approach to some extent at the start of FY2023 whilst we completed a migration onto our own policies, systems, and procedures. During 2023 we developed our own [Responsible Sourcing \("RSP"\)](#) and [Responsible Business Partner \("RBPP"\)](#) policies. The application of these policies to suppliers was conducted in two tranches, with suppliers being onboarded in April 2023 and then July 2023. There have been no substantive changes to LIPTON Teas and Infusions' supply chain make-up since the divestment from Unilever.

Tea

Our tea is sourced from a large number of countries, including India, Indonesia, Kenya, Malawi, Rwanda, Sri Lanka, Tanzania, and Uganda for the UK market. Our tea is bought through several channels including auction and long-term contracted suppliers.

Herbals

Our herbal tea partners are based in Germany, Turkey, the UK, and the USA. Suppliers in these countries will in turn source their ingredients from various countries, working with farmers or wild collectors to collect and process the herbs before they are delivered to our partners, blended, and shipped onwards to our factories.

Services

We source services from a wide range of countries, including but not limited to Australia, China, Czech Republic, France, Greece, Indonesia, Japan, Kenya, Peru, Qatar, Spain, Sweden, Turkey, the UK, and the USA, amongst others.

Our policies

As an organisation operating in the food and agriculture production field, we have a responsibility to uphold the values and standards expected of us and we are committed to the highest standards of ethical and legal business conduct. Our policies demonstrate our ongoing commitment to tackling modern slavery and ensure coordinated action is taken throughout the entirety of our business operations.

Code of Business Principles

Our Code of Business Principles ("**CoBP**") applies to all of our employees and provides a comprehensive set of principles for how we put our values into practice across our entire business operations - from our supply chain, to cyber and information security.

Our CoBP sets out a baseline of compliance with local laws and regulations of the countries we work in and prohibits the use of forced, compulsory, trafficked and child labour. The CoBP respects the dignity of individuals and the right of employees to freedom of association and collective bargaining and in line with International Labour Organisation Standards, ensures that all employees have obtained employment with ekaterra without the payment of recruitment fees. It further outlines the responsibilities of employees who engage with third parties, ensuring that standards set out in our RSP and the RBPP are adhered to by third party suppliers.

Responsible Sourcing Policy



In May 2023, we globally launched our own RSP. It sets out the requirements that all suppliers need to meet to be able to do business with LIPTON Teas and Infusions. Our RSP contains 11 principles that are relevant to how we conduct business and how we expect our suppliers to conduct business for us. The principles cover areas such as worker terms and conditions being fair, workers being free to unionise and bargain collectively, workers being of appropriate ages and all work being conducted on the basis of agreed, documented terms, amongst others.

Other

In addition to the above policies, we use the ethics reporting platform Convercent to provide a confidential reporting mechanism for both our employees and employees of our suppliers. We also abide by a policy of non-retaliation against anyone who raises a complaint.

Due diligence, risk assessment and management

Due diligence

We have long-term relationships with most of our suppliers, which helps us more effectively monitor and ensure compliance with international human rights standards. Any organisation looking to work with us has to go through our LIPTON Teas and Infusions supplier qualification system. The requirements of this include our RSP, which itself ensures we deliver on our business objectives while driving a positive impact throughout the world of tea by creating value for millions of people in our supply chain and reducing the environmental impact.

We also operate our own supplier risk-based qualification process. This informs the actions we take in different supplier contexts:

Supplier type	Actions we take
All suppliers	Screening for adverse media, politically exposed persons, and presence on sanctions lists
Delivers agricultural ingredients, and operating in countries considered high risk	Independent, third-party responsible sourcing on-site audit Supplier must have an Agriculture Code or equivalent certification (e.g., from Rainforest Alliance or Fairtrade International)
Delivers goods (packing materials, non-agricultural ingredients, finished products) considered high risk, operating in countries considered high risk	Independent, third-party responsible sourcing on-site audit For paper and board, supplier must also have an Agriculture Code or equivalent certification (e.g., from FSC or PEFC)

Suppliers that deliver ingredients to us need to have an Agricultural Code or a certificate that is equivalent, (e.g., Rainforest Alliance Certification, Fairtrade Certification).



Suppliers are also screened against sanctions lists, adverse media and PEP (political exposed persons).

All suppliers need to sign that they have read and understood our RSP and will adhere to the same.

Risk assessment and management

We have committed to sourcing our products sustainably. We currently rely on certifications such as the Rainforest Alliance to set the minimum standards. In 2023, 97.3% of our tea was Rainforest Alliance certified globally and 100% of our tea sourced for the UK. Elsewhere, under our Pukka brand, we deal with suppliers carrying organic, Fair for Life and Fair Wild certifications.

Additionally, we maintain a country-by-country legal analysis of all countries in which we source our tea. This is managed by our Procurement team, who have assigned risk levels to each country across a range of categories, such as levels of sanitation, quality of housing, safety for women, minimum wage levels, and so on.

We did not receive any reported cases of breaches of our policies in 2023. However, through our own tracking of public sources, we identified potential concerns at suppliers in Sri Lanka and India. These cases have since been resolved.

Key performance indicators

Living wage strategy

We are committed to enacting a living wage strategy, aligning ourselves with the Global Living Wage Foundation's definition of a living wage. Over 2023, we have engaged with a wide range of stakeholders in order to advance toward our goal. We have started by ensuring all LIPTON Teas and Infusions workers earn a living wage but have also moved onto trying to ensure the same in our wider supply chain. We accelerated our progress in this space by partnering with IDH, an organization that brings global stakeholders together to create better incomes for all and who have also signed agreements with other tea companies, making them a suitable partner for catalysing industry-wide progress. In 2023, we achieved living wage status for our own Kenyan estates' operations.

Combating sexual and gender-based violence

In 2023, LIPTON Teas and Infusions had a specific focus on addressing sexual and gender-based violence (SGBV) in Kenya. We use a "Prevent-Detect-Respond" model for maximum effectiveness.

Prevent	Detect	Respond
A well-established, zero-tolerance policy framework on sexual harassment	Multiple reporting channels, including a toll-free hotline, grievance committees, and senior leadership contacts	Fair and just internal governance framework for the disciplinary process
Internal and external SGBV awareness campaigns	Monthly monitoring through specially established committee	Extensive sanctions framework

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Addressing contributing factors to SGBV, including mental health conditions, financial mismanagement, stress, and alcohol abuse	Regular trends and patterns analysis, plus annual SGBV surveys	Psychosocial counselling and support
Providing ongoing mental health support	Security interventions on estates, including CCTV, alarms, patrols, and a reporting and control room	Safe Shelter and medical care provision
Supporting Women's Collective Action & He4Them movements	Six police posts, and four local administration chiefs within the business	Partnerships with NGOs, police, and judiciary
Establishing youth clubs for students in schools on tea estates		

BBC Panorama investigation

In February 2023, a BBC television programme, Panorama, raised allegations of historical mistreatment of women in Kenyan tea estates. We immediately launched an investigation and offered support to anyone affected. This included ongoing access to psychosocial support, medical care, and legal representation. We permanently barred 12 individuals found to have violated company policies and have been supporting local authorities to make sure any perpetrators of serious mistreatment are held fully accountable.

The investigation also identified areas for improvement, with the recommendations forming the basis of a comprehensive improvement plan. Among other actions, our compliance with the recommendations of the investigation involved greater promotion of existing anonymous reporting channels. The number of reported cases increased 100% in 2023 due to improved trust in the service's independence and engagement with workers. A sizable proportion of reports related to historical incidents, while half were for events occurring outside the working environment. Regardless, all reports will be followed up, with our case closure rate standing at 57% within 60 days in line with our remediation process.

Looking forward

All the tea we source is fully traceable to the selling mark. A selling mark denotes the processing site where freshly plucked tea leaves are from the surrounding local area are taken and dried. The tea could come from a single estate or multiple nearby farms. We are working with our suppliers to reach the same high standard for our herbal ingredients.

We are also aiming to achieve a 100% rate of closure on all Business Integrity investigations (report to close) within 60 days. Currently, around 57% of our reported cases are closed within this timeframe.

Finally, we are also aiming to achieve a 100% completion rate of all Business Integrity training for all employees, up from a current rate of 70% over the last year.



Training

We provide training on our CoBP for all employees. In our tea estates, training on the CoBP is provided quarterly to all workers. Last year, 70% of all employees participated in training sessions on the CoBP, and we aim to raise this to 100% in the coming financial year.

Declaration:

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and has been approved by the Board of Directors of both Lipton Teas and Infusions UK Limited, ekaterra Holdco UK Limited and Pukka Herbs Limited on 26 June 2024 and is signed below by a director. It will be reviewed and updated on an annual basis as necessary.

Liam McNamara

Liam McNamara
Director