



## **LIPTON Teas and Infusions and Browns Investments agree long-term partnership to accelerate tea industry transformation**

### **Strategic relationship sees transfer of tea estates ownership and global adoption of new quality, social and environmental standards**

- Transaction proceeds to be reinvested to support industry transformation
- Communities to be offered discounted part-ownership with annual dividend
- Endowment of 1bn Kenyan shillings (€7m) into new Community Welfare Trust

**Nairobi & Amsterdam, 7 May 2024** – LIPTON Teas and Infusions has agreed terms of a partnership which will result in the transfer of its tea estates in Kenya, Rwanda, and Tanzania to Browns Investments alongside an agreement that all tea sold by Browns worldwide will be grown and harvested to a new set of standards covering quality, social and environmental protections.

This long-term partnership will make Browns the world's leading tea exporter – around 87 million kilograms each year – as well as one of the largest suppliers to the world's largest tea company, LIPTON Teas and Infusions. By working together, the two companies will raise tea quality globally and accelerate the application of responsible farming methods across the industry to drive sustainable growth. Browns will invest in its estates in Kenya and Sri Lanka to meet the new standards by 2025, as well as in the creation of additional skilled employment opportunities in Kenya.

In line with LIPTON Teas and Infusions' vision of creating value for all, the proceeds of the transaction will be reinvested into the East Africa region to drive local and industry-wide progress in relevant areas such as skills development and climate change mitigation.

The Government of Kenya has supported the companies in identifying opportunities for local communities to benefit from the partnership and future growth of the industry. Shares totalling 15% of the main Kenyan operating company will be offered to the communities of Kericho and Bomet, where the estates are situated, at a substantial discount to create accessible communal equity and mutually aligned economic participation. LIPTON Teas and Infusions and Browns are also jointly creating a Community Welfare Trust with an initial one billion Kenyan shillings dedicated to helping address other needs of local and neighbouring communities.

Nathalie Roos, Chief Executive Officer of LIPTON Teas and Infusions, said: *"Browns is the perfect partner, with the credibility, capabilities and scale, to work with us to raise standards in the whole tea industry. The team's commitment to sustainability and community development aligns with our own. Together, we are setting a new precedent for transforming the global tea market – one cup at a time."*

Kamantha Amarasekera, Chief Executive Director of Browns Investments, said: *"We look forward to working hand-in-hand with LIPTON Teas and Infusions and local partners to foster a sustainable, responsible, and prosperous future for all. This partnership marks a significant step towards elevating the industry as a whole, while also ensuring a positive impact on the livelihoods of the communities we serve."*



Terms of the transaction, which is subject to standard regulatory clearances, are not disclosed.

**New quality, social and environmental standards**

Developed together with producers across East Africa and beyond, LIPTON Teas and Infusions has established a series of rigorous standards that span critical areas of tea quality, human rights, climate mitigation, and nature protection. A scorecard-based approach that recognises tangible progress by producers has been designed to encourage rapid and meaningful action.

Browns has committed to invest to meet these new standards worldwide by 2025. This includes initiatives on its existing Sri Lanka and Kenyan estates, such as factory modernization and crop diversification in support of biodiversity. Browns also commits to maintaining and extending all environmental and social practices already in place on the LIPTON Teas and Infusions estates.

By working together, the two companies will raise tea quality and accelerate the use of responsible farming methods, driving growth and value creation for the industry.

**Reinvesting to support the industry's transformation**

In line with its vision of creating value for all, LIPTON Teas and Infusions has pledged to reinvest the proceeds from the transaction into the region to benefit the overall tea industry.

Further funding in education will expand the reach of the recently inaugurated Lipton Tea Innovation & Technology Academy in Kabianga, Kenya. The Academy provides vocational training as well as bachelor's, master's, and PhD level courses to develop the highest standards of tea cultivation, harvesting, and processing. Additional funding will allow for extra programmes, more student places, and the digitization of the curricula to provide online learning for maximise accessibility and impact.

Other initiatives will support climate change mitigation and resilience efforts. LIPTON Teas and Infusions, for example, will lead the development of a self-sustaining ecosystem for green and/or low nitrogen fertilizers in the region, enabling a step-change in the finances of growers - as fertilizer is typically among the largest costs of production - and achieve an acceleration toward net zero for the entire industry.

**Contributing to the "Kenya Origin" mark of quality**

In addition to the offer of shares, which includes a guaranteed annual dividend payout, Browns will pay an above-market premium to Kenyan smallholders to produce superior quality tea. Offering double what farmers would previously have received will incentivise a shift from quantity to quality, while securing a substantial uplift in farmers' livelihoods.

All these efforts will further contribute to LIPTON Teas and Infusions' collaboration in the country's development of the "Kenya Origin" mark for tea, symbolizing sustainable quality and unique geographic characteristics.

**-ENDS-**



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## About LIPTON Teas and Infusions

LIPTON Teas and Infusions is the world's largest tea business, with world-class brands that are household names such as Lipton, Pukka, TAZO, T2 and PG Tips. With production sites in four continents and a presence in more than 100 countries, LIPTON Teas and Infusions' products are enjoyed by hundreds of millions of consumers around the world each day. As an independent company since July 2022, LIPTON Teas and Infusions is united in one purpose: creating value for all with every sip, from plant to cup.

## About Browns Investments

Browns Investments is a prominent and diversified conglomerate and a significant part of the esteemed LOLC Holdings PLC group of companies, which is recognized as one of the largest and most profitable listed corporations in Sri Lanka. Headquartered in Colombo, Browns has a rich heritage in managing plantation businesses, with ownership of Maturata Plantations, Hapugastenne Plantations PLC, and Udapussellawa Plantations PLC in Sri Lanka, as well as estates in Kenya. As one of the largest tea producing companies globally, Browns currently oversees an expansive 40,000-hectare area, producing approximately 43 million kilograms of black tea and providing employment to over 15,000 people across Sri Lanka and Kenya. Moreover, Browns Investments stands as one of the largest agricultural employers in Sierra Leone, with its 10,000-hectare sugar plantation supporting the livelihoods of close to 5,000 employees.