



2024 Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

1. Introduction

This report is submitted by Lipton Teas and Infusions Canada Inc. ("**Lipton Canada**", "**we**" or "**our**") in accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for our most recently completed fiscal year, which ended on December 31, 2024 (the "**Reporting Period**").

2. Structure, Activities and Supply Chains

Lipton Canada is incorporated under the *Ontario Business Corporations Act*, and is a direct wholly owned subsidiary of Lipton Group Holdings B.V. and an indirect subsidiary of Lipton Teas and Infusions B.V., a private company headquartered in The Netherlands that produces and sells teas and other herbal beverages through its affiliates ("**LIPTON Teas and Infusions**").

Lipton Canada has a small team of approximately 10 employees working remotely in Ontario and Quebec. Lipton Canada imports, sells and distributes LIPTON Teas and Infusions' branded products, which include: Lipton, Pukka, TAZO, Salada and Red Rose (the "**Products**"). We operate as a wholesaler and distributor, selling the Products to retailers across Canada. Lipton Canada implements and applies the global policies and procedures of LIPTON Teas and Infusions in respect of forced labour and child labour. The Products are imported by Lipton Canada from related parties located in the North America, Europe and the Middle East. The LIPTON Teas and Infusions global supply chain used to manufacture the Products imported into Canada includes suppliers located in Kenya, India, Rwanda and Tanzania.

3. Policies and Due Diligence Processes

This report describes our approach to human rights due diligence and to the specific issues of forced labour and child labour, as it is defined under the Act. To live up to our purpose, we have a responsibility to respect and protect the human rights of everyone in our value chain. That requires us to be highly vigilant across our complex global supplier network, which includes workers in high-risk sectors such as agriculture and manufacturing. To mitigate these risks and drive positive impact throughout the teas and infusions sector, we must have clear policies in place - and enforce them with an effective governance structure.

We are focused on achieving and upholding our fundamental principles:



- Ethical business conduct
- Fair labour practices
- Equality and dignity for all workers
- Appropriate working conditions
- Fair wages
- Reasonable hours
- Freedom of association
- Health and safety protection
- Access to remedies
- Respect for land rights
- Environmental sustainability.

Our processes and procedures include:

- A rigorous supplier qualification system, which includes signing and adhering to LIPTON Teas and Infusions' [Responsible Sourcing Policy](#) and applying a risk-based qualification process based on the supplier type.
- Our [Code of Business Principles](#), which is focused on behaving responsibly and respectfully and prohibits the use of forced or child labour.
- A rigorous business partnering (customer) qualification system, which includes signing and adhering to LIPTON Teas and Infusions' [Responsible Business Partner Policy](#) and applying a risk-based qualification process based on the business partner type.
- A "speak-up" culture which permits confidential and [anonymous reporting](#) when permitted by local law. We employ a strict non-retaliation policy against anyone who raises a complaint.
- Continually reviewing our supply chain for risks of forced and child labour in respect of country level and sector level risks.

In 2024, we continued to embed human rights commitments at every level of our business, in full alignment with the UN Guiding Principles on Business and Human Rights.

Long-term partnership to accelerate industry transformation

We reached an agreement to transfer the ownership of our tea estates in Kenya, Rwanda, and Tanzania to Browns Investments in May 2024. This transaction has created an opportunity to raise standards and transform the industry through reinvestment. More information can be found in our [Sustainability Report 2024](#).

4. Forced Labour and Child Labour Risks

Our approach to identifying forced labour and child labour risk is aligned with LIPTON Teas and Infusions' ongoing commitment to human rights throughout its global supply chains. We acknowledge that certain parts of our supply chain involve a heightened risk of forced or child labour, specifically the sourcing of raw agricultural products and the processing of those products. To identify risk,



LIPTON Teas and Infusions undertakes supply chain mapping activities and internal assessments of risks to prioritize its due diligence efforts on areas carrying a high-risk of forced or child labour. Where necessary, LIPTON Teas and Infusions will retain third-parties to help conduct external risk assessments.

5. Remediation Measures

We have not identified any instances of forced labour or child labour in our operations or supply chain and therefore have not needed to take any remediation measures in the Reporting Period. Given that no remediation actions have needed to be taken, there is no anticipated loss of income to the most vulnerable families.

6. Training

Training on LIPTON Teas and Infusions' Code of Business Principles (the "**Code**") is mandatory for all employees. The Code addresses respect, dignity and fair treatment of all employees. Under the Code, Line Managers are prohibited from using forced or child labour. In 2024, more than 9500 employees joined training sessions on human rights including forced labor and child labor conducted on a regular basis.

7. Assessing Effectiveness

LIPTON Teas and Infusions tracks relevant performance indicators, such as the number of employees who have completed business integrity training, the number of reported cases, and the number of suppliers that have executed the Responsible Sourcing Policy.

8. Approval and Attestation

This joint report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Lipton Canada.