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STATEMENT OF OUR TEA BUYING PRACTICES

As an active and committed member of the Ethical Tea Partnership (ETP), we've published this CEOendorsed statement to provide a summary of our commitment to responsible tea buying practices.

As a values-led family business that operates to a stakeholder model, we've long believed in building lasting relationships with suppliers based on fair terms of trade and working together for a sustainable future. While our approach is regularly reviewed and will continue to evolve, the key pillars to our responsible sourcing approach are as follows:

TAYLORS SOURCING APPROACH

Taylors Sourcing Approach (TSA) is our model for embedding our values at the heart of how we purchase our tea and coffee, built on the strong relationships we build with our suppliers.

TSA includes a commitment to long-term contracts, rare in the tea and coffee industry. We operate forward contracts with our suppliers, often for a three-year period. These provide our suppliers with a level of financial security, allowing them to plan for their business over the longer term.

Secondly, we work to ensure we're paying a fair price to our producers. Our commitment is to pay prices which will at least cover the cost of production and support producers when markets fall to unsustainable levels. To support this, we work to maintain an open dialogue with suppliers around costs of production.

CERTIFICATION

Our core Yorkshire Tea and Taylors of Harrogate ranges carry at least one third-party certification. This provides a baseline for the social and environmental conditions that we ask our suppliers to meet as part of Taylors Sourcing Approach.

We remain committed to certification as a baseline requirement and work hard with our suppliers and with Rainforest Alliance to ensure we can maintain compliance with the 2020 standard, both in our own right as a supply chain actor and for the farms in our tea supply chains.





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OUR HUMAN RIGHTS APPROACH

We believe that everyone in our supply chain should be treated with dignity and respect and recognise that when it comes to human rights, certification only provides limited protection. To go beyond the certification baseline, we've developed and are rolling out, a broader approach to human rights. The approach is based on the UN Guiding Principles which sets out best practice for businesses and human rights. More information on can be found <u>here</u>.

INVESTING IN OUR VALUE CHAIN

We have a far-reaching value chain investment programme, supporting projects that bring direct benefit to the communities we source from.

Our approach to sustainability has always been collaborative. We work with our suppliers and industry bodies to create and support projects in our supply chain that can bring change to the lives of the farmers and their communities. In 2022 we invested over £1m across 43 projects in 12 countries, covering livelihood and income development, education and training, water and sanitation, and tree planting and environmental protection

While this statement provides a brief overview of our approach to be a responsible partner in our global supply chain, more information – including our full supplier list – can be found at <u>Taylors Impact</u>. Meanwhile our Group policies, including our Ethical Trade and Human Rights Policy, and Supplier Code of Conduct, can be found <u>here</u>.

We remain committed to regularly reviewing and strengthening how we work with suppliers and others to support the long-term sustainability of the sector – for everyone's benefit.

Andy Brown CEO Taylors of Harrogate

