



## **Covid-19: Our Commitments to our Suppliers**

Our Family Business Constitution recognises that our business does not stand alone and that we're part of an interlocking group of stakeholders whose interests and contributions must be recognised and protected. Our global tea and coffee suppliers are one of our most important stakeholders and we're committed to acting as leaders in developing a resilient and sustainable supply chain, both through Taylors Sourcing Approach and by working with the wider industry.

The COVID-19 crisis presents us all with new challenges and is having an immediate impact on our global suppliers, workers and growers, and their communities. To offer some certainty in these uncertain times, we've made these five commitments to our tea and coffee suppliers:

### **1. Our commitment to humanitarian support**

With immediate effect, we've set up a global Emergency Response Relief Fund – to the value of £0.5m – to support the humanitarian impacts caused by the pandemic. Our focus will be food security, maintaining healthcare services and supporting measures designed to reduce the spread of the virus.

### **2. Our commitment to long-term agreements and contracts**

We will honour every one of our long-term agreements and contracts already in place and look to grow volumes where practical. We understand that in times of uncertainty providing security of business enables the ability to plan. To that end, we will continue to share our forecasts and buying commitments with suppliers, underpinned with mutually agreed and transparent pricing models. We will continue to pay promptly, on time and in full for every contract, now and in the future.

### **3. Our commitment to payment terms and credit**

Liquidity is essential, even more so in a crisis when conventional flows of cash may be compromised, leading to an impact on livelihoods. We will shorten our payment terms to Net Cash Against Documents (NCAD) on a needs basis to speed the flow of money to suppliers where it's needed. We will further work with our suppliers to ensure credit lines are in place and will triage with our growers and social lenders to maintain financial liquidity.

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#### **4. Our commitment to sustainability**

While we respond to the immediate impact of Covid-19, we will continue to champion our existing global sustainability programme, which includes Carbon Neutral products, working towards a living wage across our value chain, and eliminating oil-based plastics from our packaging.

#### **5. Our commitment to collaboration and communications**

We will publicly report on our progress against these commitments each month, while continuing to collaborate with suppliers and other stakeholders, to share learning, maximise our collective impact and ensure that we're honouring our commitment to be a Force for Good.

*These commitments have been approved by our Collaborative CEO and will be reviewed as the impacts of Covid-19 become clearer.*

*30 April 2020.*

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