T2

Sustainability Impact Report

2025



Certified B Corporation

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Acknowledgement of Country

Australian Support Office

T2 acknowledges the Traditional Custodians of the lands across Australia and we pay our respects to Aboriginal and Torres Strait Islander Elders past, present, and emerging. We also acknowledge Māori as tangata whenua of Aotearoa New Zealand and recognise their enduring connection to the land, waters, language, and culture. We honour the deep histories, knowledge, and communities of the First Peoples of both countries.

A brewing force for good.

Message from our Managing Director



Welcome to our sixth Impact Report.

At T2, we exist to make everyday moments extraordinary, starting with something as simple as a cup of tea. Sustainability is built into the decisions we make every day, from how our teaware is made to how our tea is grown.

Our team takes immense pride in getting that right, and our customers expect nothing less of us.

2025 was about building on that foundation. We kept working towards re-accreditation against B Lab's new, more holistic standards, held the line on our green energy strategy, and started paying closer attention to where technology, including AI, can genuinely help.

We continued investing in the relationships that matter, from our diverse community here and abroad to the growers, makers and partners who bring each cup to life.

Great brands are proven from the inside out. This report sets out the actions behind our B Corp commitment and the progress we're making.

Christelle Young
Managing Director, T2



T2 & Sustainability



Brewing change, cup by cup.

T2 started as a small operation in Melbourne and grew into something that now sources tea from every corner of the globe, turning a traditional craft into something bold, playful and unmistakably ours. As we've grown, so has our sense of responsibility. Our idea of 'success' includes people and the planet, not just the bottom line.

For us, sustainability is about what we can do right now to build a better future, not a distant goal. That's meant reducing our footprint through sustainable packaging and tea as well as creating real change through ethical sourcing and the partnerships we choose.
In 2025, it also meant exploring where new tools, including AI, can help us forecast better, waste less and make smarter calls, while continuing to back suppliers who share our B Corp values.

Our Pillars

People

Growing brighter minds and better workplaces.

Product

Creating moments worth savouring, for our suppliers, team and customers alike.

Planet

Sharing tea with the world, sustainably, always.

In the community

Beyond our own walls, we're proud to have supported causes that matter to our team and customers this year, including:

Suicide Prevention Australia
Via Gym World Toowoomba's fundraising

The Thursday Girls Group
Supporting women living with metastatic breast cancer, with tea served at their high tea event

Neuroblastoma Australia
Supporting kids' cancer research, with tea served at their gala dinner

Katie Rose Cottage Hospice
A local not-for-profit providing free, compassionate palliative care





Spotlight: Making Space for Meaningful Conversations

We believe a cup of tea is one of the simplest ways to start a conversation, and through this build meaningful connection. As part of T2's wider commitment to wellbeing, in May 2025 we were proud to support the National Suicide Prevention Conference in Perth, one of Australia's most significant mental health events, as a Wellness Zone exhibitor.

Our team served T2 teas to delegates and gave them a calm place to pause between sessions and talk openly. Lifeline, Beyond Blue, headspace, the Black Dog Institute and LGBTQI+ Health Australia were among the organisations taking part. We chose to be there because connection is at the heart of T2. We see tea as an everyday ritual that gives people a reason to slow down and check in with each other.

The conference brought together more than 800 delegates from across the mental health sector, and Suicide Prevention Australia's channels reach a combined social audience of 183,000. That gave T2 a meaningful presence in a national conversation about mental health. That value showed when we were invited back in 2026, Looking ahead, we will build on this foundation and grow our support for mental health through ongoing partnerships and the everyday rituals that bring people together.

Spotlight: Swap Your Drop

In June 2025, we launched Swap Your Drop, a nationwide campaign inviting Australians to bring in their unopened tea bags from other brands in exchange for a taste of loose leaf.

Anyone who dropped off a sealed, boxed tea bag they no longer wanted received a complimentary loose leaf tea with any purchase, an easy way to experience tea in a different form.

Every tea bag donated was then passed on to Fair Share and other local food security charities, with T2 topping up the donation further so it reached people and communities who needed it most.

It's a small idea built on something we hold true: a simple cup of tea can create real comfort, connection and generosity.



Proudly B Corp

We first certified as a B Corp in 2020 with a score of 92. By 2023, we'd recertified at 104.5, comfortably ahead of the 80-point bar and well above the 50.9 median for ordinary businesses. Our next re-certification is due in July 2027.

We're part of a global network of over 10,000 Certified B Corporations spanning 102 countries and 160 industries, including more than 740 across Australia and Aotearoa New Zealand. The purpose of a B Corp (Certified B Corporation) is to balance profit with social and environmental purpose. The 'B' stands for Benefit: it represents a commitment to benefiting people and the environment.

New standards, same commitment

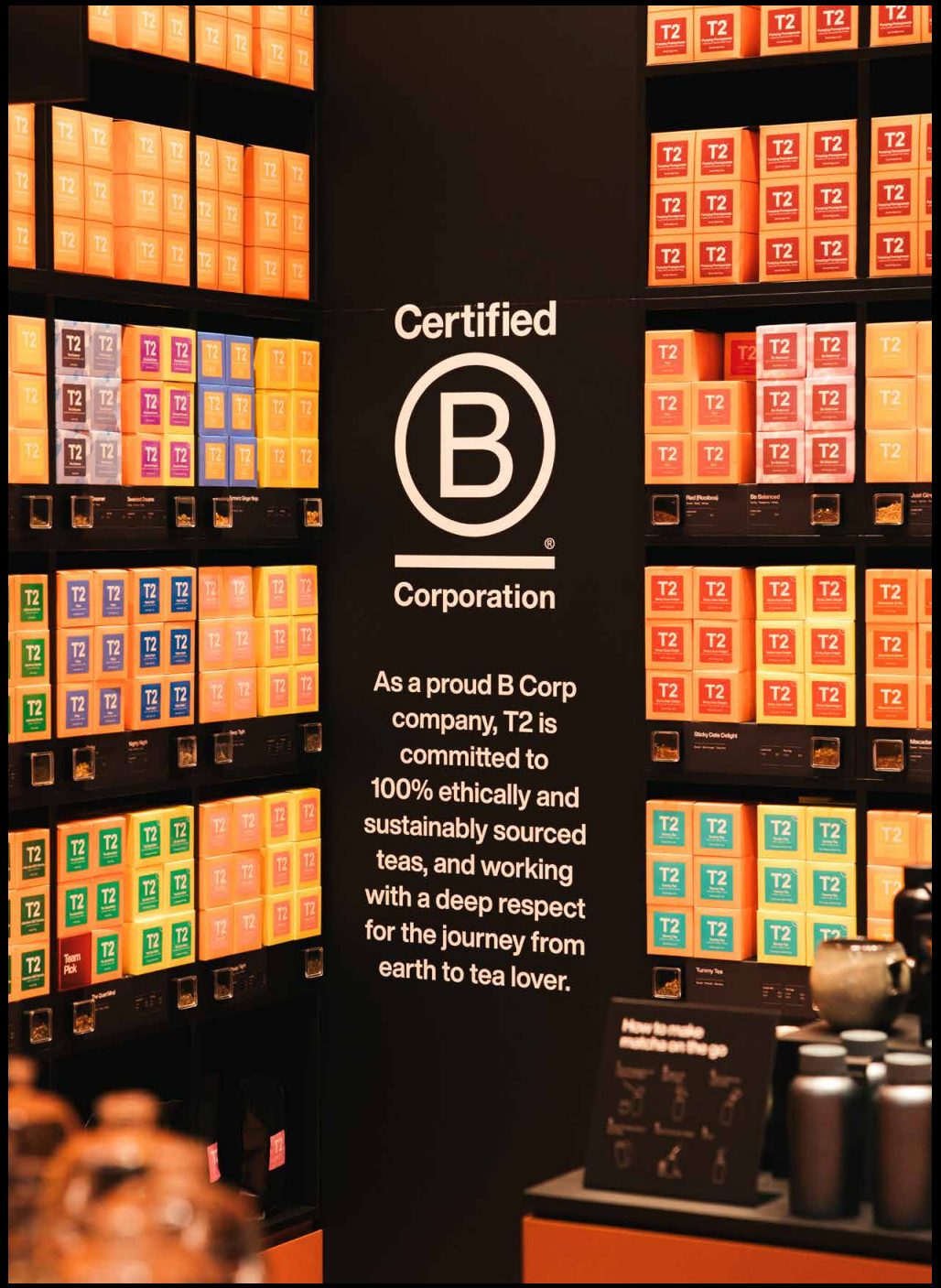
B Lab's updated standards raise the bar considerably, touching everything from climate action and employee wellbeing to how businesses make decisions inclusively.

Being B Corp Certified isn't a one-off badge; it's a standard we keep working to meet. In 2027, we're aiming to recertify against these new benchmarks, structured across three areas:

Environment
Environmental Stewardship & Circularity; Climate Action

Social
Fair Work; Human Rights; Justice, Equity, Diversity & Inclusion

Governance
Purpose & Stakeholder Governance; Government Affairs and Collective Action



It takes a whole world of people to make a whole world of difference.

Wellbeing & Safety

Nothing matters more to us than the safety and wellbeing of our team members and the communities we work in. Here's what we focused on in 2025:

- Health and Safety management system: new system implemented across Retail, DC and Support Office, giving us one platform for consistency and reporting.
- Mental Health First Aid Skilled Workplace Program accreditation continues to be maintained from Mental Health First Aid Australia.
- Wellbeing Day remains on our Leave Calendar, now recognised each September, for teams to enjoy activities that fuel their wellbeing.
- Annual Flu Vaccination Campaign continues and is available to all team members.
- Flexible Working: T2 supports team members, where possible, to work flexibly through Individual Flexibility Agreements as part of our Flexible Working Policy.
- Financial Wellbeing resources continue in partnership with REST Superannuation, with seminars and articles offered throughout 2025.
- Recognising and supporting: our Spectrum Life Program which continues to be widely used across the business, with team members using its online resources, seminars & confidential counselling sessions.

Spotlight: The Resilence Project

In October 2025 The Resilience Project delivered a, a one-hour digital session exploring resilience through storytelling and evidence-based tools, built around three strategies: Gratitude, Empathy and Mindfulness (GEM).

Team members worked through hands-on exercises for each one. There were practical takeaways they could use well beyond the session itself. This included a 21 day wellbeing journal.

Looking after our people is a daily commitment, not a once-a year initiative. It's why our Menopause Leave policy and our Employee Assistance Program sit alongside everything above.



Diversity & Inclusion

In line with our Diversity & Inclusion Policy, we continued to support the following key moments in 2025:

Neurodiversity Badges

Our 'Embrace Neurodiversity' DEI badge continues to grow in popularity across the team. In 2025, we extended this commitment beyond our own people to our customers, introducing Quiet Hour, an intentionally sensory-sensitive shopping window with reduced lighting, sound and in-store stimulation, designed specifically for neurodiverse customers.

New Zealand New Year

Each year, our DC team celebrates Matariki, the Māori New Year, coming together in the spirit of traditional customs and culture.

International Women's Day

In 2025, we continued to celebrate the women of T2, spotlighting the voices and stories of women across our business.

Public Holiday Exchange

The T2 public holiday exchange policy allows team members to celebrate their individual cultural or religious holidays exchanging national public holidays for these days instead.

Diversity in numbers

We're proud to promote diversity across our entire organisation.

71%
management positions are held by women

50%
senior leaders (ELT) are women

81%
team members (sales assistants) are women

Generational Diversity

61%
under 30

26%
31 – 44

13%
45 and over

Engagement

Every voice matters at T2, so again in 2025, we opened our annual engagement survey up to every team member, casuals included. Using Gallup's Q12 framework plus four T2-specific questions on Business Strategy and DEI, we asked our people to tell us honestly how it feels to work at T2.

Over 500 team members spoke up

The result: an engagement score of **4.11**, trending upwards from 2024 and placing us at the **50th percentile** among the companies Gallup benchmarks globally. Our Engagement Index Ratio now sits at **7.43:1** – for every team member who's disengaged, more than seven are genuinely invested in what we're building together.

Our focus as leaders has continued to be on helping our people understand their contribution and value within the team by ensuring every team member is clear on their role and expectations, and how what they do contributes to the Company's Purpose.

Every member in the loop

Extraordinary moments start with transparency. To ensure the whole T2 team feels part of the big picture, we have now included Quarterly Tea Times where we update the business as a whole on our progress against the 5 pillars of our strategy. This allows us to set clear goals and expectations with every team member, with ongoing communication and feedback, setting everyone up for success while fostering an incredible sense of belonging and purpose.



100% ethical. 100% sustainable. 100% of the time.

Environmental & Social Pillars



Sustainably Sourced Ingredients

Our tea, herbs, spices and fruit are sustainably sourced, backed by at least one of 17 third-party accreditations. We work closely with suppliers to prioritise ingredients that meet strong social and environmental benchmarks, in line with our sustainable agriculture principles. Over the last 10 years we have grown our sustainable sourcing footprint significantly. In 2025, we continued a specific focus on sourcing teas from smaller-scale farms, supporting growing practices that benefit local communities and the environment.

Ethical Supplier Practices

Our teaware suppliers are all either audited against Sedex Members Ethical Trade Audit (SMETA) and Business Social Compliance Initiative (BSCI) standards or are signatories to the T2 Supplier Code of Conduct, to ensure responsible practices across our supply chain.

SMETA and BSCI audits cover everything from workplace safety to working hours, catching hazards before they become problems, with confidential worker interviews built into the process. Through this process, these suppliers are required to offer their workers:

- Insurance (health, dental, life and more)
- Retirement benefits
- Education benefits
- Sick leave
- Annual leave
- Flexible work arrangements
- Equal pay for all employees, regardless of gender.

Separately the T2 Supplier Code of Conduct enshrines standards around Labour & Human Rights, Health & Safety, Environmental Responsibility, Ethical Business Practice, Community and Diversity and Compliance.

Product & Suppliers

Who we choose to work with says a lot about what we stand for. Across our teaware and product range, we keep building relationships with businesses that share our B Corp values.



Tea with a purpose: our partnership with Ajiri Tea

In the green hills of Kisii, western Kenya, local farmers grow and pick Ajiri Tea, which then gets a finishing touch found nowhere else: a label handcrafted from dried banana bark by women in the community. The name 'Ajiri' means 'to employ' in Swahili, which is the whole point of the project, creating work for women in the region.

Every dollar of profit goes to the Ajiri Foundation, which covers school fees for orphaned children in western Kenya. It's tea that pulls double duty: a robust, malty Kenyan black tea with notes of raisin, and a direct line of support to jobs and education for women, children and farmers in the region.

We've partnered with Ajiri Tea since January 2012. Today, Ajiri sponsors 35 orphaned children in school and employs the same 45 women, who've been handcrafting its labels for 17 years running. It's a partnership that reflects our broader commitment to giving back globally.

We also keep sourcing from Jun Chiyabari in Nepal, growers of our rare Jun Chiyabari HRHT, and Jeju Sejak, organically grown on Korea's UNESCO-listed Jeju Island, thriving in volcanic soil since tea first took root there in 1979.

Spotlight: Matcha Horai, tea master Tatsuo Sano

Our ceremonial matcha comes from the fields of Tatsuo Sano, tea master at Matcha Horai.

Every leaf is hand picked and checked before it's steamed and dried the traditional way, the same careful process that's always defined his tea. It's a relationship built on knowing exactly whose hands your tea has passed through.



Spotlight: Suppliers



Avena

A design partner built around longevity, not trend, using FSC-certified papers, organic cotton, AZO-free dyes and wool from farmers who steer clear of mulesing.



Qwetch

A French B Corp known for 15 years of precision drinkware design (their first-ever flask, fittingly, was made for tea). Our co-branded Matcha / Iced Tea Cup lands mid-February 2026, made from recycled stainless steel with eco-certified coatings.



Earthwize

Our Support Office cleaning partner, and only the second Australian cleaning company to earn B Corp certification. Their chemical-free ENJO products get a second life too, recycled into things like car seats once they're worn out.

Packaging improvement

Three of our teaware suppliers have swapped plastic desiccants for Micro-Pak Dri Clay® Kraft, a biodegradable, plastic-free alternative that keeps moisture out without leaving landfill behind.

Spotlight: Melbourne Central Flagship

In November 2025, we opened our reimagined flagship store at Melbourne Central, the first phase of a multi-stage store reinvention building towards T2's 30th anniversary in 2026. Sustainability was built into the fit-out from the ground up, with recycled aluminium cladding, low-emission timber substrates certified by FSC, PEFC and Green Tag, and low-VOC paints and finishes throughout.

The store was also designed with accessibility in mind. A barrier-free entry and clear circulation paths make navigation easier for all customers, while a scent-led, tactile Sensory Bar opens up tea discovery beyond sight alone, making the experience more accessible to customers with visual impairments.



Understanding our impact on the world, is how we go about changing the world for the better.

Climate, AI & Carbon Reporting

Climate reporting

No longer just a sustainability issue. Climate reporting used to sit squarely with a sustainability team. Increasingly, it's a governance and legal matter too. New legislation is pushing reporting exposure through landlords to retailers, and through supply chains to us: if our suppliers aren't measuring, we can't report accurately either. Starting now, rather than later, means we build the systems and data quality we need instead of relying on assumptions further down the track.

We've measured our emissions since 2018 and expanded into Scope 3 reporting ahead of any requirement to. Energy remains our biggest driver, and one we can't tackle alone. Our full CY2025 results, prepared by Pangolin Associates, are set out below.

AI & Sustainability

In retail, the usual emissions culprits are overproduction, poor forecasting, inefficient freight, energy waste in stores, excess stock and markdown. Warehouses, shopping centres and supply chains all run on energy. AI's role is giving us better visibility into where that energy goes and where it can be trimmed.

If AI sharpens demand forecasting even slightly, cuts unnecessary freight, or helps manage energy in real time, it supports our sustainability goals rather than working against them. The better question isn't whether AI itself is sustainable. It's whether we're using it to cut more waste than it creates.

Our view

Retail leadership means using technology to scale sustainability, not choosing between the two. The real risk isn't AI. It's the waste we haven't solved for yet.



Pangolin Report

Our carbon footprint is measured each year by Pangolin Associates, an external sustainability, energy and carbon management consultancy. Their latest assessment covers Calendar Year 2025.

Track record and reporting maturity

- 2025 marks 8 consecutive years of emissions measurement with Pangolin, giving us a long, credible dataset to track our progress against.
- We're already voluntarily reporting Scope 3 emissions, ahead of the mandatory requirement that kicks in under AASB S2 in an organisation's second reporting year.

Emissions reductions

- Scope 2 emissions fell in CY2025.
- Electricity related emissions dropped 7.4% year on year.
- Office Supplies and Services emissions fell 61.5% year on year, and 71.9% against our 2018 base year.
- Construction and Repair Services emissions fell 54.4% year on year.
- Waste emissions are down 83.8% against our 2018 base year.
- Business Travel emissions are down 87.0% against our 2018 base year.

Benchmarking against industry

- We sit below the industry average intensity per FTE in all five of our industry's top emitting categories. This includes: Electricity (2.2 vs 3.6) and Products, Materials & Equipment (0.4 vs 4.6).

Other positives

- An estimated 25.9% of work from home electricity is sourced from renewables, based on a staff survey of solar and GreenPower use.
- We already benefit from embedded GHG trades through Climate Active carbon neutral certified products and services in our supply chain.

Looking ahead

We know there's more we can do, and we're already building targeted strategies to keep improving: shifting more of our electricity to GreenPower, tightening our freight and data practices, and exploring circular design across our products and materials. We'll report on how these translate into results in next year's Impact Report.

Spotlight:
Switching to Renewable Electricy



We're partnering with MTA Energy to buy electricity directly from the wholesale market, rather than through a traditional retailer. It gives us far more control over cost, renewable sourcing and reporting than we've had before.

Fourteen of our stores are transitioning, moving to 100% renewable energy and cutting electricity costs at those sites by around 40%, roughly $40,000 a year. MTA's platform also gives us better energy, emissions and carbon reporting, which will help support our B Corp re-certification.

Conclusion

As our business continues to grow and evolve our commitment to sustainability never wavers. We're incredibly proud to have been B Corp Certified and achieving re-accreditation against the new standards is something every one of us here at T2 are earnestly invested in.

At T2, we're committed to making the every day extraordinary, for the betterment of people and the planet. It's what we stand for, it's what we believe in, and it's what we collectively work towards, one extraordinary cup at a time.



Cup by cup, towards a more sustainable future.

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T2™