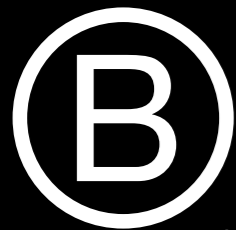


2022 Sustainability Impact Report

Tea done differently.



Certified



Corporation

T2TM

Our Mission

We are tea done differently.

 Celebrating difference to make a difference.

Creating a generation of tea lovers
to unite the world for good.

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Acknowledgement of Country

T2 acknowledges the Traditional Custodians of the land and recognises their continuing connection to lands, waters and cultures. We pay our respects to their Elders past, present and emerging.

Message from our Managing Director



Derek Muirhead
Managing Director

Welcome to our fourth Sustainability Impact Report!

In a year that sparked a changing economic landscape, we are proud to have continued to take strides in the three key areas that define our brand - planet, people and product. We do this because we enthusiastically believe **there's no other way**.

In the pursuit to elevate every sip, we take pride in upholding the integrity of every product we make, ensuring our teaware is ethically manufactured and our tea sustainably sourced. As a B Corp certified business, we are proud to be part of a global community of over 7,000 companies that share a commitment to people, planet, and profit equally. This dedication is not only driven by customer expectations but also reflects the genuine passion of our team members to create a positive impact.

We firmly believe in the power of our actions, not just our words, which guides our decisions and drives meaningful change. Maintaining rigorous standards, we are pleased to report we reached our goal of net-zero waste in our NSW and VIC retail stores, maintained our green energy strategy, and achieved significant reductions in operational carbon emissions.

Throughout our journey, we learned much about what it means to be a brand redefining success in business while building a more inclusive and sustainable economy. It has required us to make dramatic shifts in how we operate, and we could not be prouder of how much we have evolved since we began.

Celebrating difference to make a difference lies at the core of our brand.

We have focused our efforts into fostering a diverse and empowering environment where everyone feels valued and heard.

We continuously seek opportunities to engage with our diverse community, locally and globally. Our Innovate Reconciliation Action Plan remains an ongoing top priority, as we are committed to creating a culturally safe environment and building lasting relationships with Aboriginal and Torres Strait Islander peoples.

Exceptional brands are built from the inside out. This report serves as a testament to our transparency, highlighting the momentous actions our teams have taken to uphold our B Corp certification and mission, as we work towards making a positive difference from leaf to cup.

A handwritten signature in black ink that reads "D. Muirhead". The signature is written in a cursive, slightly stylized font.

Derek Muirhead
Managing Director T2



T2 & Sustainability

Our Pillars



People

Like our teas, our people are a unique blend.



Product

From leaf to cup, there are no shortcuts.



Planet

Conscious of everything we do.

A brewing force for good.

Born and brewed in Melbourne, Australia, at T2 we create brews that take you on a journey - traveling near and far to source the best teas from all over the planet. From small beginnings, we have taken the traditional art of tea, turned it on its head and served it to the world. We want to be a brewing force for good, to help redefine what business “success” looks like, and to put people and the planet first. This is why our three core pillars are people, product and planet.

At T2, sustainability is important because it highlights what we can do now to ensure we continue working towards creating a better future. From minimising our environmental footprint with sustainable packaging and tea to creating meaningful change with ethically sourced teaware, a holistic sense of sustainability is at the core of everything we do. And while we have more ambitious goals ahead of us, we are proud of how far we have come and the ripple effect our changes are making cup by cup.

United Nations Sustainable Development Goals

Established in 2015 by the United Nations and supported by global leaders, the Sustainable Development Goals (SDGs) encompass 17 goals and 169 actionable targets which serve as a roadmap to a more equitable, peaceful and environmentally prosperous planet.







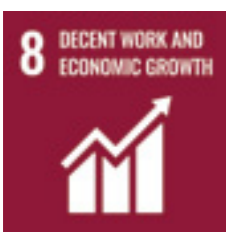



We have a responsibility to take action in order to achieve the United Nations Sustainable Development Goals.



Our sustainability goals align with the 17 SDGs, with 10 SDGs identified as areas where we have the greatest impact.



Alignment to Sustainable Development Goals

SDG's	Description	T2 Examples	SDG's	Description	T2 Examples
	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> <p>We support quality education and development of skills both internally and internationally in a West Kenyan community.</p>	<ul style="list-style-type: none"> • Life at T2 (pg. 11) • Ajiri Tea & Ajiri Foundation (pg. 15) 		<p>Ensure sustainable consumption and production patterns.</p> <p>We prioritise sustainable packaging and store materials. We actively manage our waste while helping customers dispose of packaging waste responsibly with ARL logo icons.</p>	<ul style="list-style-type: none"> • Waste Management (pg. 23) • Sustainable Packaging (pg. 25) • Sustainable Materials in Stores (pg. 26)
	<p>Achieve gender equality and empower all women and girls.</p> <p>We support women in the workplace with initiatives focused on this specifically, such as our Menstruation & Menopause Leave Policy.</p>	<ul style="list-style-type: none"> • Safety & Wellbeing (pg. 10) 		<p>Take urgent action to combat climate change and its impacts.</p> <p>We are committed to measuring, monitoring and offsetting our operational carbon footprint while finding opportunities to minimise our environmental impact and emissions.</p>	<ul style="list-style-type: none"> • Carbon Reporting & Goals (pg. 19) • Partnership with Qantas Future Planet (pg. 22) • Sustainable Materials in Stores (pg. 26)
	<p>Ensure access to affordable, reliable, sustainable and modern energy.</p> <p>Clean energy has been important to T2 for many years, ranging from our preference for green energy to supporting renewable energy development projects through our carbon offset partnership.</p>	<ul style="list-style-type: none"> • Operational Energy Use (pg. 21) • Partnership with Qantas Future Planet (pg. 22) 		<p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p> <p>We understand our responsibility for ensuring land use does not impact water quality through runoff, with agriculture being one of the most significant contributors. We are working towards this goal through some of our sustainably sourced accreditations, such as ACO Certified Organic.</p>	<ul style="list-style-type: none"> • 100% Sustainably Sourced Tea (pg. 16) • Tea Stories (pg. 18)
	<p>Promote inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>People are one of our top priorities, as demonstrated through our commitment to an inclusive, fair and equitable workplace across our operations.</p>	<ul style="list-style-type: none"> • T2 Reconciliation Action Plan Australia (pg. 9) • Diversity & Inclusion (pg. 12) • Ethically Sourced Teaware (pg. 17) 		<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity.</p> <p>We protect the environment and biodiversity through our sustainable packaging, waste management and environmental verifications in our supplier factories.</p>	<ul style="list-style-type: none"> • 100% Sustainably Sourced Tea (pg. 16) • Ethically Sourced Teaware (pg. 17) • Waste Management (pg. 23)
	<p>Reduce inequality within and among countries.</p> <p>We are committed to creating equal opportunities for people at home in Australia as well as around the world.</p>	<ul style="list-style-type: none"> • T2 Reconciliation Action Plan Australia (pg. 9) • Diversity & Inclusion (pg. 12) • Ajiri Tea & Ajiri Foundation (pg. 15) 		<p>Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.</p> <p>To achieve our sustainability goals we understand strong partnerships are imperative to our success. Our most impactful partnerships include B Corp and Qantas Future Planet.</p>	<ul style="list-style-type: none"> • Proudly B Corp (pg. 8) • Partnership with Qantas Future Planet (pg. 22)

Proudly B Corp

In 2023, we officially remained a B Corp after successfully completing the recertification process.

During this process, we demonstrated that we have not only maintained our standards since 2020 but have made further improvements along the way.

As a B Corp, we are proudly part of a global community of over 7,000 companies doing business that puts people and the planet first by reducing inequality, lowering levels of poverty, creating healthier environments, building stronger communities, and providing jobs with dignity and purpose.



T2 Reconciliation Action Plan Australia

In 2022, we registered our Innovate Reconciliation Action Plan (RAP) and are now part of a community of over 1,100 organisations. Within these organisations, over 2.3 million people are either working or studying. Since 2016, Reconciliation Australia has provided a framework for businesses, enabling them to support the national reconciliation movement by leveraging their structure and diverse spheres of influence.

“...This Innovate RAP is both an opportunity and an invitation for T2 to expand its understanding of its core strengths and deepen its relationship with its community, staff and stakeholders.

By investigating and understanding the integral role it plays across its sphere of influence, T2 will create dynamic reconciliation outcomes supported by and aligned with its business objectives...

...Congratulations, T2 on your Innovate RAP. I look forward to following your ongoing reconciliation program.”

- Karen Mundine CEO RAP

Message from our Managing Director

“As we move from our Reflect Reconciliation Action Plan to an Innovate Reconciliation Action Plan, we continue to be committed to creating a culturally safe environment for Aboriginal and Torres Strait Islander peoples, building lasting relationships with Aboriginal and Torres Strait Islander team members, customers, entrepreneurs and businesses and building a truly inclusive working environment.

I am proud to be part of this exciting journey.”

- Derek Muirhead Managing Director T2



Life at T2



Safety & Wellbeing

Ensuring the safety and wellbeing of our team members and local communities is our utmost priority. Our key achievements in 2022 included:

- ✓ Receiving our Mental Health First Aid Skilled Workforce Program accreditation from Mental Health First Aid Australia.
- ✓ Continuing our “Conversations Over A Cuppa” series which created opportunities for team members to have open and safe discussions on themes including International Women’s Day, Pride and Global Diversity Awareness Month.
- ✓ Adding a permanent Wellbeing Day to T2’s leave calendar. This is recognised on the first Friday in spring and intended for our teams to spend the day outside enjoying nature and fuelling their wellbeing.
- ✓ Continuing our annual flu vaccination campaign for all team members globally.
- ✓ Launching a working inclusively program (made up of 4 courses) to equip managers and team members with the skills and knowledge to lead with respect and inclusivity.
- ✓ Recognising and supporting internal initiatives for World Sleep Day, R U OK Day, Mental Health Week (AU), Mental Health Day and Movember.
- ✓ Launching external facing communications in store and on our website for external parties advising them that we are inclusive and respectful.
- ✓ Establishing a Wellbeing Working Group to focus on key opportunities and outcomes from our annual burnout and engagement surveys.
- ✓ Aligning our Health and Safety Management System to ISO 45001 & 45003 – as we will be progressing with our certification in 45001 in 2023.

Mental Health First Aid

We received recognition from Mental Health First Aid Australia for our Mental Health First Aid Skilled Workplace Program, which is regarded as one of our most significant achievements in 2022. We believe that to break down the stigma associated with mental health conditions, it’s essential to have people in the workplace that are able to facilitate conversations with team members who may be struggling.

We now have trained leaders who are confident to offer support along with reasonable role adjustments (where needed) to help team members stay at work. Over the past 18 months, we have trained and appointed 10%* of our global workforce as Mental Health First Aiders and implemented core actions, including mental health first aid training.

*As of 2022.

Health & Wellbeing

We recognise our responsibility to take care of our team members’ health and wellbeing every day by implementing strategies and campaigns across the year, factoring in individual needs. This includes our Menstruation & Menopause Leave Policy, mental health days and our flu vaccination campaign.

Life at T2

Growing Inspiring Careers

Our team members allow us to continue learning through their diversity and knowledge, so it's important to us that we offer our support where we can.

We provide our team members with a broad range of learning activities via our Belong2 Learning Library, where we consistently release new material and take suggestions from our team members to introduce new learning topics. As of 2022, our topics include leadership and management, diversity and inclusion, personal development, technical skills, and health and wellbeing.

Internships

In 2022, we welcomed eight interns across the following departments: one in HR, two in Photography/Creative, one in Design, one in Retail Operations, one in Marketing and one in eCommerce - with two interns offered ongoing roles in Marketing and eCommerce.

We recognise that this program adds value and diversity to T2 by nurturing new talent and bringing in fresh ideas and new ways of thinking.

Benchmarking Employment Best Practices

In 2021, we formed an industry partnership with Jobscan to secure the benefits of the Social Procurement Framework by understanding product, service and inclusive employment best practices.

In May 2022, we participated in a Maturity Assessment facilitated by Jobscan to review current organisational practices across social procurement and inclusive employment, providing a valuable benchmarking tool.

The assessment included a series of in-depth interviews completed over a fortnight. Results were then collated and assessed by Jobscan consultants and a tailored evaluation report was prepared, providing insight into where best practice sits across T2 and key actions for further improvement.



Diversity & Inclusion

The diversity of our people is one of our greatest strengths. We value and recognise the benefit of individual differences in the workplace, which supports both the realisation of an individual’s full potential and the achievement of our strategic priorities.

Our Diversity & Inclusion Policy helps us to support and facilitate a diverse and inclusive workplace and our Diversity & Inclusion Action Plan ensures our ongoing commitment to action, awareness and education.



Key moments in 2022 included:

Harmony Day 21 March

Our team celebrated Harmony Day over a shared potluck lunch with food that represents their culture, heritage, or background. We recognise that discussions can educate, empower and inspire change.

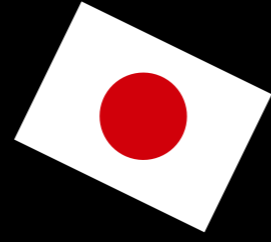
Throughout the year, we facilitated discussion groups and provided our team with resources and learning modules on diversity and inclusion, including how to be an anti-racism ally.

International Women’s Day 8 March

International Women’s Day (IWD) is an important date to celebrate women’s achievements, raise awareness about women’s equality, lobby for accelerated gender parity and fundraise for female-focused charities. In 2022, the official IWD campaign theme was #BreakTheBias, imagining a gender-equal world.

To honour the day, we launched our third instalment of “Conversations over a Cuppa”, where we sat down with Australian influencer and advocate, Brooke Blurton to discuss the triple biases she has faced in her lifetime, including being part of a minority group, being a woman and identifying as bisexual.

Diversity & Inclusion



Launched in 2020, we continued to use our diversity and inclusion badges to uplift all voices within our teams.

He/Him

These badges are available for all team members to wear in their roles to acknowledge their diversity and help them wear their individuality with pride and confidence.

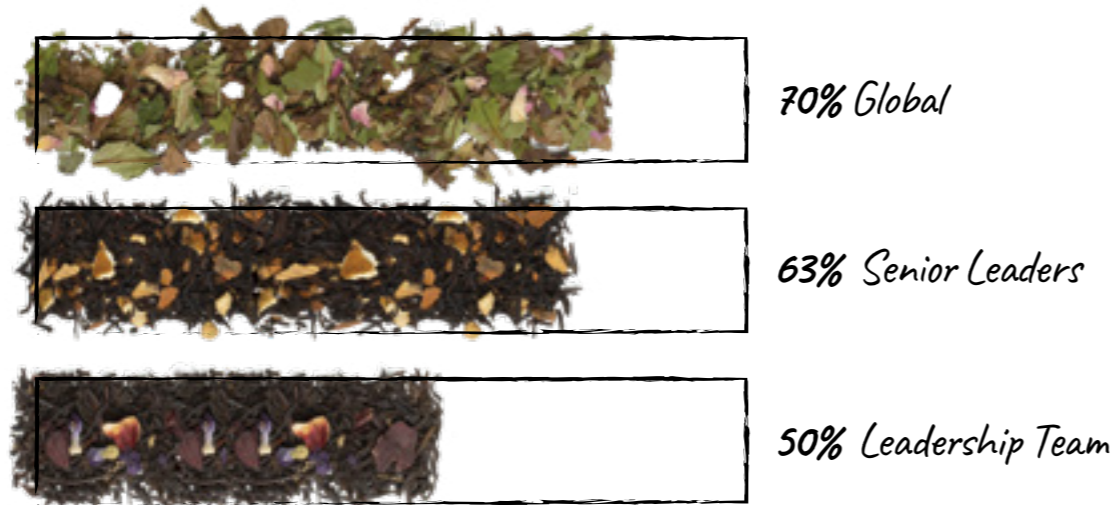
She/Her



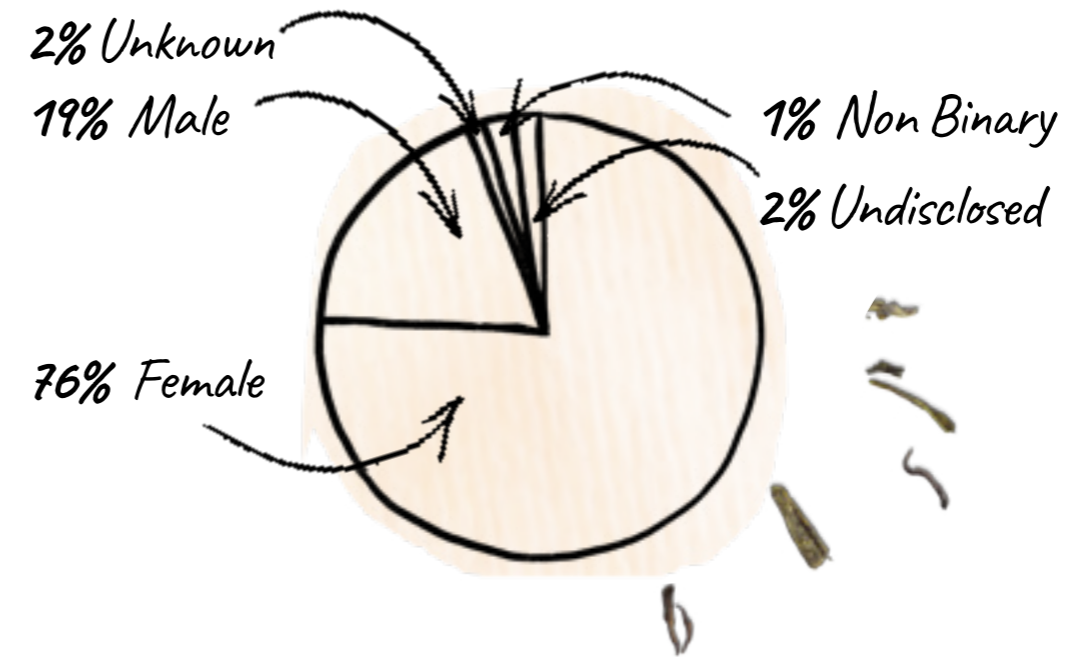
They/Them/Their

Diversity & Inclusion

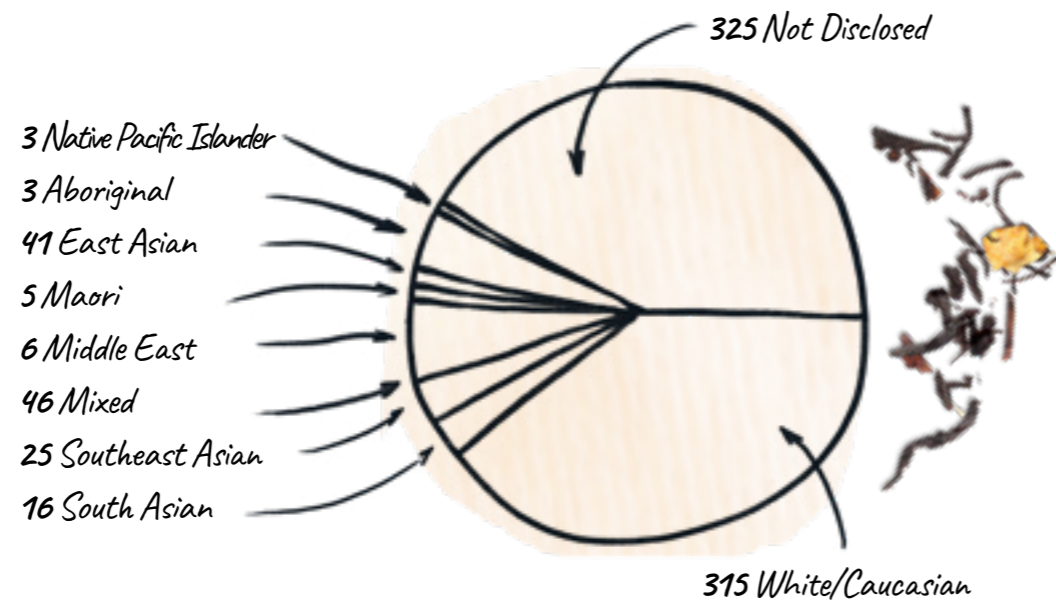
Women in the Workforce



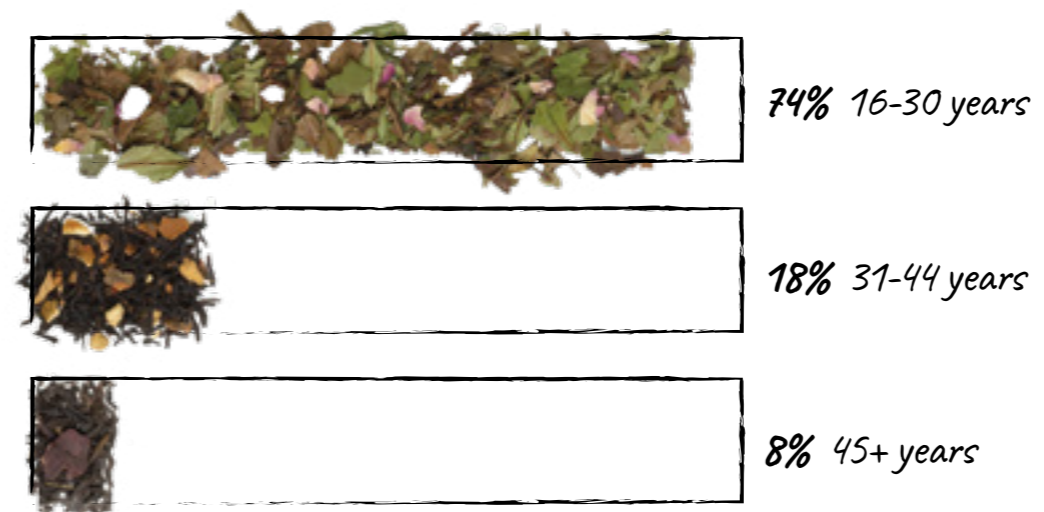
Gender Diversity



Ethnicity



Generational Diversity



Giving Back

Ajiri Tea & Ajiri Foundation

The continued sales of Ajiri Tea in our stores and online support the Ajiri Foundation, a charity designed to support orphaned children with education and extra curricular activities.

In 2022, Ajiri Tea employed 60 women in rural Kenya and the Ajiri Foundation provided educational support to 32 students.

“We so appreciate T2’s support, and moreover, your predictable support. Your predictable orders over the past 11 years have enabled long-term, lasting change.”

The students we sponsored way back in 2012 when we started working together have now graduated from university and are working as nurses, doctors, engineers and teachers.

The women we have been working with have sent their own children to school over the past 10 years and bought land and started small businesses.

This is true change that has disrupted the cycle of poverty within the community, and that has come about because you folks have believed in Ajiri and our community for so long!”

– Sara Holby



Education for Orphans – Ajiri Foundation

In 2022, the Ajiri Foundation sponsored 27 high school students and five primary school students through their schooling. The students accomplished a range of achievements including:

- All students learned how to swim.
- All students learned how to type, compose emails and build basic websites.
- Students took part in activities outside of their regular curriculum, such as creative writing exercises, reading for enjoyment and drawing. New activities included book clubs, outings focused on local Kisii art (basket weaving, dancing, singing) and designing creative websites.
- Students were encouraged to have fun. While it’s important that students learn skills such as swimming, confidence, critical thinking and resilience, teaching these activities through engaging and enjoyable outdoor pastimes such as hiking and reading maps is hugely beneficial.
- As orphans (defined as having lost one or both parents) all of the students have faced incredible hardship. Providing a space where they can smile, laugh and enjoy themselves is an integral part of what the Ajiri Foundation achieves.

Employment of Women – Ajiri Tea

60 women were employed in West Kenya to handcraft the Ajiri Tea packaging using local materials. Over the years, these women have accomplished the following:

- The women of Ajiri Tea continued their Table Banking Program. Launched in 2016, the Table Banking Program enables the women to loan a portion of their earned money to those in need, with the interest returning directly to their group. The program has become an integral part of the women’s savings and earnings while the trust relied on for this system has not only strengthened the confidence in the community but empowered its growth.
- Many women have purchased livestock, using milk for their families and selling what is left over for additional income.
- All of the women who make labels for Ajiri Tea boxes have children who are now enrolled in school - an achievement directly related to their earnings from Ajiri Tea.



100% Sustainably Sourced Tea

What makes our tea sustainably sourced?

To be sustainably sourced, our teas, herbs, spices and fruits must be certified under third-party standards. This means our tea has at least one of 17 accreditations to confirm its sustainable origins. For example, our English Breakfast is Fairtrade and our Matcha is Certified Organic.

We work closely with our suppliers to ensure we only source premium ingredients that prioritise social and environmental standards. This process ensures that all ingredients are fully compliant with our principles and practices of sustainable agriculture.

Our journey to 100% sustainably sourced tea started in 2018 when only 2% of our tea range was sustainably sourced. We met this goal in 2021, and have since maintained our standard. This journey resulted in an intricate process that required us to discontinue some teas along the way, prioritising sustainability over certain blends. However, with some of our blends, we have been able to sustainably source ingredients in place of older ingredients that we previously had to say goodbye to.



Blossom Teas

In 2022, we saw the re-introduction of our beautiful Blossom Teas. When we made the switch to 100% sustainably sourced teas, we were unable to find a suitable supplier and as much as our Blossom Teas were loved, we sadly had to part ways.

However, our product team never gave up on finding a sustainable supplier for these handmade blossoms and finally found one in Guangzhou, China. We were able to bring back our Blossom Teas as a tiny tin of 'Fruity Blooms' for Christmas 2022.

Ethically Sourced Teaware

We have made it our mission to ensure that our teaware is not only beautiful on the outside, but on the inside too.

Our stores are filled with an endless kaleidoscope of shapes, sizes, styles and colours. Whether you are into vibrant patterns, bold monochrome or hand-painted florals, there's always a wide range of options on offer. Our unique teaware is ethically sourced from across the globe.

We are focused on responsibly sourcing and selecting the right materials from the very first stages of product design. We ensure all of our teaware suppliers are audited to the standards of Sedex Members Ethical Trade Audit (SMETA) or Business Social Compliance Initiative (BSCI). These safety audits are intended to ensure that effective steps are in place for identifying, eliminating and controlling hazards that could impact the safety of the workers.

Benefits for Employees

The audit process also ensures that our suppliers offer their workers the following benefits:

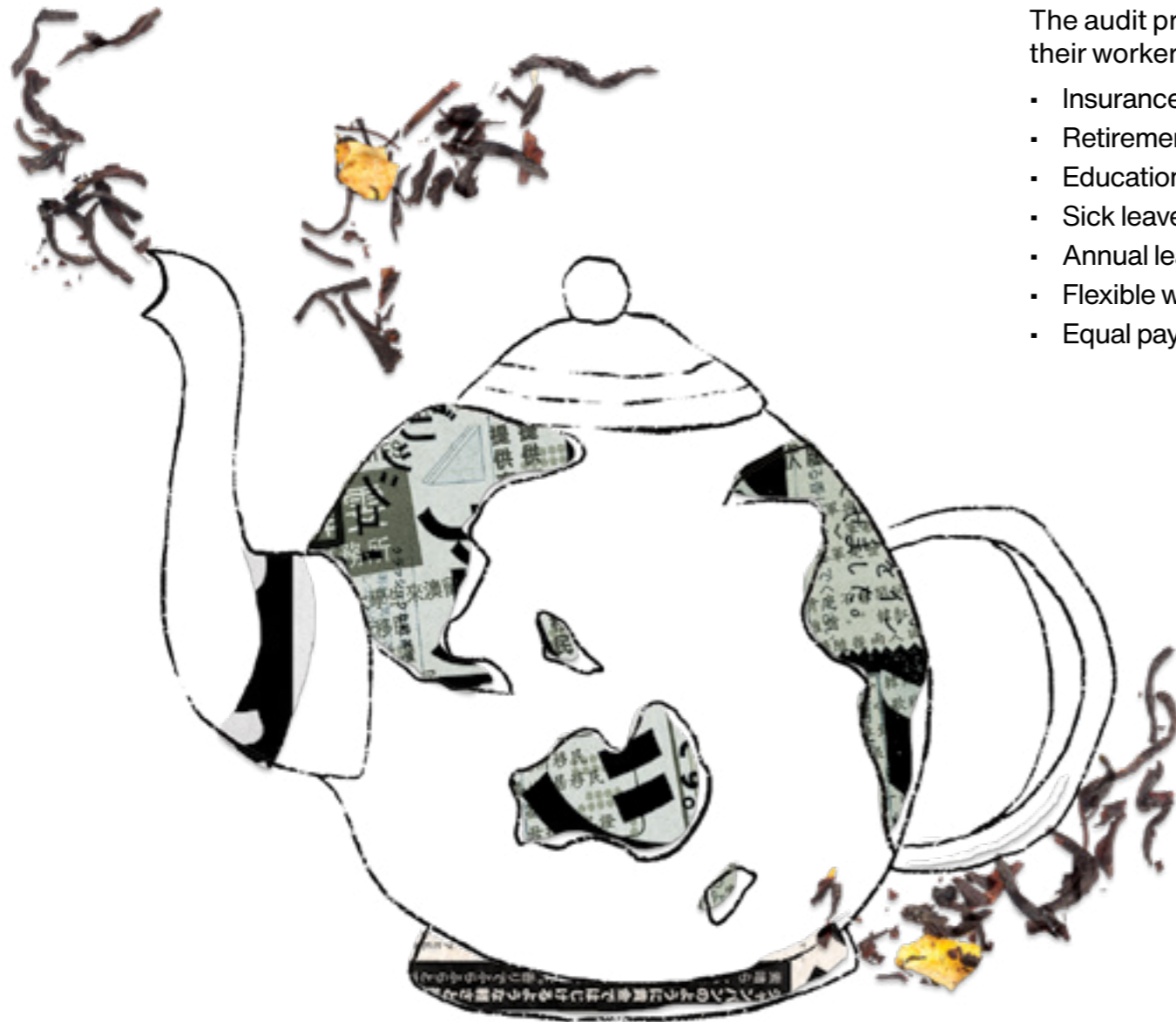
- Insurance (health, dental, life etc)
- Retirement benefits
- Education benefits
- Sick leave
- Annual leave
- Flexible work arrangements
- Equal pay for all employees regardless of gender.

Employee Environments

The majority of the workers come from local towns and this allows them a greater work-life balance, as also demonstrated by the understanding that all our Chinese factories close for certain holidays.

All workers are treated equally and fairly by management. Workers are satisfied with the conditions and work-hour arrangements within the company. Overtime work is chosen only by the employee and respected by management.

The audit process assesses many aspects within the factory, including administration, if a safe workplace is provided and the number of hours worked per week. Each worker is interviewed, with the business providing a transparent system for both confidential reporting and addressing human rights issues. It is imperative this is achieved without employees being fearful of reprisals as a result of honest reporting.



Tea Stories



Sticky Honey Chai

In mid-2022, we launched our newly sustainable Sticky Honey Chai Tea. We teamed up with Victoria-based Beechworth Honey to ensure the honey used in this product met our sustainably sourced requirements. Ahead of the launch, T2 team members met Jodie Goldsworthy and the Beechworth Honey team to learn more about how they care for the bees and achieve their sustainable production.

A like-minded business, Beechworth Honey has numerous sustainability initiatives. One of their most notable is their project called 'Bee Cause'. This sees 1% of the global sales revenue of Beechworth Honey's Bee Cause range donated to not-for-profit partners that support the environment, bees and biodiversity. Our Sticky Honey Chai is produced in Sri Lanka. In addition to Sticky Honey Chai, we also launched a Rooibos blend with Beechworth Honey, Sticky Honey Rooibos.



Organic Tea Range

As all of our tea is 100% sustainably sourced with at least one of 17 accreditations, the average blend will be made up of an ever-changing combination. While our ACO Certified Organic range existed prior to 2018, we decided to maintain it because of the specific standards it requires.

This tea range includes:

- English Breakfast (both loose leaf and tea bags)
- China Jasmine
- Turmeric Ginger Ninja
- Beauty Queen
- Matcha



What does the ACO certification mean?

ACO Certified Organic label indicates the tea has been produced without human-made fertilisers, pesticides, growth regulators and GMOs. Organic looks at the whole system, from the soil, plants, people and environment.

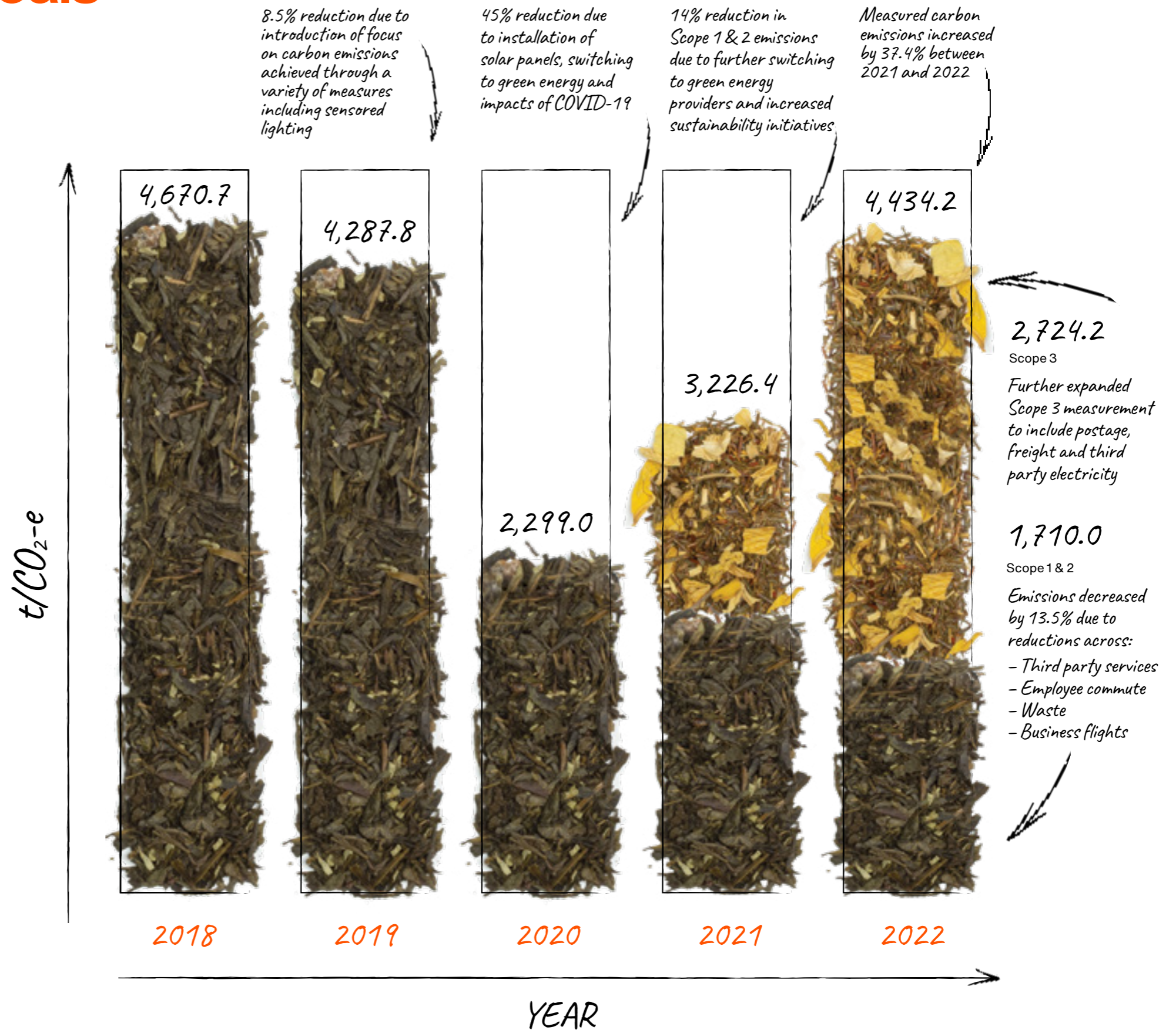
Carbon Reporting & Goals

In 2022, we continued to expand our Scope 3 emission measurement to include postage, freight and third party electricity. These extra data points were included in our calculations to provide a more holistic view of our environmental impact. As expected, our total measured carbon emissions (including Scope, 1, 2 and 3) increased by 37.4% between 2021 and 2022.

One of the key reasons we measure our carbon footprint is to assess how impactful our sustainability initiatives are in reducing carbon emissions. Pleasingly, there was a 13.5% decrease in our Scope 1 and 2 emissions in 2022 compared to 2021. This result was due to our continued conversion to green energy, a reduction in courier usage due to our 'ship-from-store' model for online order fulfillment as well as equipment upgrades in our stores and support office.

For 2022, we wanted to measure the carbon footprint of our entire company structure. That's everything from the tea plant all the way through to the waste disposal of our products.

Naturally, a report of this detail takes significant effort and time to collate.



Carbon Reporting & Goals



Why does this take longer?

Scope 3 accounts for approximately 80% of a company's emissions as these measurements look at the entire life cycle of a product. As a result, we are measuring carbon emissions from the tea plant all the way through to the disposal of our product. It is a large undertaking, so we are still working towards collating all of our data for the full scope of our 2022 carbon footprint.

Why include all of Scope 3?

We strive to understand the full impact of our business. In 2023, we are committing to set SBTi targets, however, we need to ensure we have a baseline year on which we set these targets.

We are all about continuously making improvements where we can and measuring our Scope 1, 2 and 3 emissions will help us be fully accountable for our impact on the planet.

Only with this full knowledge can we make meaningful changes moving forward. Our previous carbon reports have focused primarily on our operational footprint, so these reports are not suitable for creating a baseline year.

When will the 2022 carbon footprint results be released?

Our 2022 full scope carbon footprint results will be captured in next year's Sustainability Impact Report.

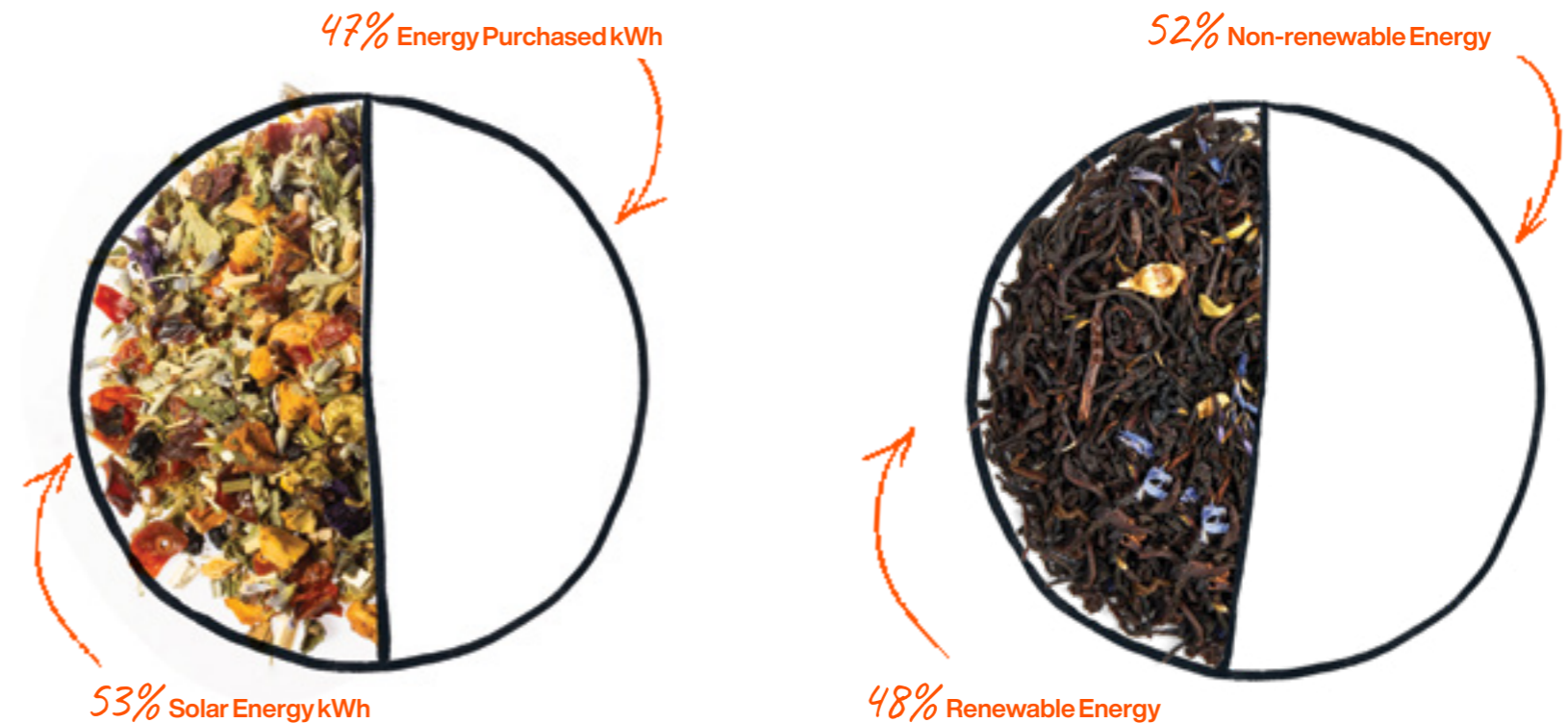
Operational Energy Use

Our energy strategy guides our approach to energy procurement, management, energy efficiency and renewable energy.

In 2022, our operational energy use accounted for 38.5% of our carbon footprint, making it a key priority for evaluation and reduction. As we continue to recover from the COVID-19 pandemic, we anticipate seeing slight increases in our operational energy use due to stores being open again. During 2020 and 2021, our stores were closed for long periods of time, which resulted in less energy being used.

We acknowledge the responsibility of our business in supporting the shift towards limiting global warming to 1.5°C by 2050. This is why we will always strive to reduce our impact in every way we can.

Energy Sources 2022



Onsite Generation

The solar panels at our support office in Melbourne continue to provide us with energy from the sun. In 2022, we produced 50,210 kWh of clean energy, accounting for 53% of our annual energy usage at this location.

Since their installation, we have saved over 93,000 kg of CO₂-e (carbon dioxide equivalent), the equivalent of planting 1,805 trees.

Renewable Energy

Where possible, we choose energy providers that produce renewable electricity. Currently, 48% of our purchased energy comes from renewable sources. We are looking to expand the number of our locations that use electricity from these renewable energy providers.

Carbon Footprint

Partnership with Qantas Future Planet



Whilst we work hard to reduce our carbon footprint, we have partnered with the Qantas Future Planet Program to help us offset our carbon emissions*. A strong and reputable partnership is important in our contributions to a low-carbon economy, and as a result, we chose to continue our relationship with the Qantas Future Planet Program.

Through this program, we contribute towards two projects, one here in Australia and another in India.

*Our carbon offsetting covers our operational carbon footprint.

In 2022, we offset 1,710 t/CO2-e of carbon emissions through our partnership with Qantas Future Planet.



Arnhem Land Fire Abatement Project Northern Territory, Australia

Owned and managed by Aboriginal Traditional Owners, the Arnhem Land Fire Abatement Project uses traditional methods and local knowledge to practice controlled burns by rangers early on in the season. By doing so, the frequency and damage extent of destructive dry season wildfires is reduced along with carbon emissions.

In the absence of fire management, this land is prone to extreme, devastating wildfires that damage the landscape including rock art galleries, cultural sites and biodiversity. Every year this project saves around 800,000 t/CO2-e from the atmosphere, with over 4.8 million tonnes saved since 2015.

Winds of Change Karnataka & Tamilnadu, India

Winds of Change is a renewable energy project where farmers sell small portions of their land for wind turbines to be built. The turbines themselves allow farmers to continue growing crops and grazing livestock up to their base. This project helps reduce power shortages and contributes to increased values on agricultural land and residential properties.

This project delivers a maximum reduction of 209,924 metric tonnes CO2-e per annum with a total renewable energy generation of 98.4 MW.

Waste Management

Overall Diversion Rate = 89.5%
(net-zero goal is 90%)

Retail stores (NSW & VIC) have a 91% diversion rate, which means they have reached net-zero.

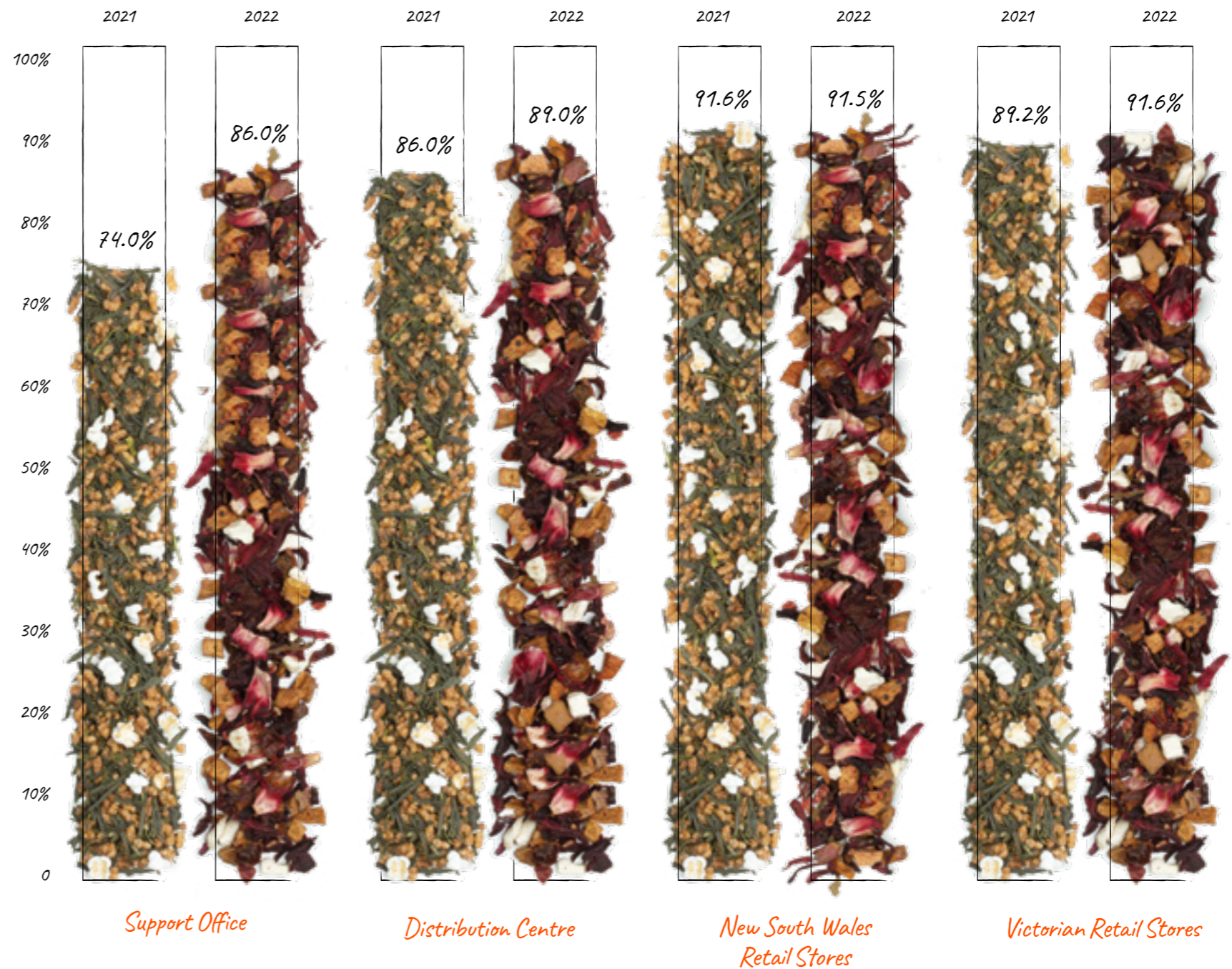
Waste is a necessary consideration for reducing our impact on the planet. Our goal is to achieve net-zero waste, meaning at least 90% of our waste is diverted from landfill. Moving towards being a Zero Waste business means removing unnecessary or hard-to-recycle materials, reducing the amount of waste we generate, re-using packaging where possible and disposing and recycling our waste correctly.

We conduct annual waste audits to create an overview of how we are progressing towards achieving our goal. Currently, we have an average diversion rate of 89.5%. Although we hoped to achieve net-zero waste by the end of 2022, we are confident that we can reach our goal in 2023. These waste audits help us better understand our waste streams and identify areas where we can improve our waste management across the support office, the distribution centre and retail stores.

Our results show no decrease in diversion rate, therefore, we are maintaining our waste management status. There are a lot of factors that feed into this result, ranging from the dedication and hard work of all our team members to our business focus on the implementation of the waste hierarchy. Where possible, we shift focus from solely recycling to encompass reducing and re-using.

In order for us to reach net-zero waste, we are introducing a Waste Management Policy companywide. Standardised posters, bin stickers and a policy document will be accessible to all team members.

Diversion Rates



Waste Management



As we inch closer to achieving our net-zero target, we are proud of the progress we have made in waste management.

Our **retail stores** have maintained significantly high waste management standards, achieving an average waste diversion rate of

91%

The next steps here are to implement a Waste Management Policy to ensure a standardised approach that sets us up for continued success in the future.

Our **distribution centre's** diversion rate increased from 86% to

89%

Nearing our net-zero target.

Our greatest improvement has been at **support office**, where the waste diversion rate increased from 74% to

86%

These figures prove our support office is on the right track to achieving net-zero waste, however, there are a few improvements that need to be made including minimising supplier and postage waste and increasing the use of reusable containers.

Sustainable Packaging

At T2, we are known for our iconic packaging - but for us, it goes beyond the aesthetics. Through consistent progress, we have made numerous achievements within this space.

We continue to maintain our high standard of packaging with the following:

- **Plant-based Polybags:** Our loose leaf tea is wrapped in plant-based polybags. This material is home compostable. In the right environment, they break down in around 12 weeks and are able to be industrially composted. We advise our customers to check with their local council regarding compost services.
- **FSC Cardboard Boxes:** All of our tea cubes and gift boxes are made using responsibly-sourced FSC cardboard.
- **Paper Powered by Nature:** For select gift boxes (T2 Five, Icon Gift Packs and The Lot) we use Italian milled paper. This material is produced at a facility that uses hydroelectric and solar power, which holds a gold EcoVadis rating.
- **More Reusable Packaging:** Our gift boxes now have product-specific information on a sleeve instead of directly on the product, enabling customers to reuse the packaging after their tea has run out.
- **ARL Logos:** These help customers understand how to dispose of each product. Although tailored to Australia, the icons have been designed in a way that can be understood by all.

Work to do:

- Transition our entire packaging range to FSC cardboard.
- Replace any remaining plastics with sustainable alternatives. With soft plastics not currently recyclable within Australia, we are in the process of investigating alternative materials to replace the soft plastic used for our refill foils and individual tea sachets.



Sustainable Materials in Stores

We are proud to use locally sourced, sustainable materials in all of our stores.



Store Design

Our Bondi store in Sydney, with its 5 Star Green Star rating sets the precedent for our current concept with a huge focus on sustainable materials and practices. While we don't apply for a Green Star rating for new stores, we continue to use the same locally sourced and manufactured sustainable materials as per Bondi, ensuring our stores meet the highest standards in sustainability possible.

Sustainable Materials

Working with a blend of recycled timbers, sustainably certified and new innovative materials, our in-store environment choices have been made through a sustainable lens.

Our fixture countertops have been finished with a product called Betta Stone, a material developed and made in Melbourne from 80% recycled glass, emphasising our commitment to recycled products and supporting local innovation. Our floor tiles from Earp Bros have several environmental accolades. Compared to average tiles, they use 59% less raw material, water and energy to produce, contribute 57% less greenhouse gas emissions and are considered to be 55% more socially responsible.

Sourcing sustainable materials is crucial to our store design goals, so if one of our materials becomes unavailable, we will look for a suitable alternative. As an example, we previously used a cladding product called Evenex® veneer. Now inaccessible, we sourced Laminex, an equally sustainable material that is manufactured in Australia.

Indigenous Light Fittings

Continuing our commitment to the positive social impact of our store design and build, we collaborated with Indigenous artists local to the store's region to have unique lighting features constructed for each of our new locations.

Supporting us with this initiative is Koskela, a B Corp certified organisation that shares our values and beliefs for sustainability. This collaboration allows our stores to showcase the artists' talents and cultures as well as share the First Nation's spirit with our customers.

First introduced in 2022, we now have these light fittings in seven stores: Paramatta, Joondalup, Marion, Emporium, Tea Tree Plaza, Booragoon, Southland, and soon, Northland, Burnside and Warringah. We include these light fittings in our design for all new store fit-outs and full refits.

Upgrading Equipment

When designing a new store or completing a refit of an existing store, we re-use as much as possible. However, when it comes to equipment such as ice machines and Zip taps, we upgrade them to more energy-efficient and eco-friendly models.

For example, we replace old ice machines with environmentally-friendly units that use R600 refrigerant. Zip taps are also upgraded to ensure they are operating at optimum efficiency. All old equipment is disposed of responsibly.

Removing Plumbing in Stores

During the COVID-19 pandemic we ceased the operation of our Brew Bars, which allowed for an initiative to adapt our stores to use less water and energy by removing the plumbing and equipment from the retail floor.

New and Relocated Stores

In 2022 the following stores were fitted out in line with our new sustainable concept as detailed above: Booragoon, Joondalup, Emporium, Southland and Tea Tree Plaza.



**Sipping our way to a
more sustainable future.**

If you have any questions,
get in touch with us at:

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