



# 2020 Sustainability Progress Report

**T2**<sup>TM</sup>

## Acknowledgment 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.

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# Introduction

**A brewing force for good.**



# We are tea done differently



**Celebrating difference to  
make a difference.**

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

Image: Floating teapot, Fruitalicious,  
French Earl Grey and Lemongrass &  
Ginger orange boxes.

Born and brewed in Melbourne, Australia, at T2 Tea we create brews that take you on a journey, travelling near and far to source the best teas from all over the planet.

From small beginnings, T2 has taken the traditional art of tea, turned it on its head and taken it to the world.

Now with 25 years of brewing under our belts, we've grown to over 75 stores worldwide, as well as a thriving eCommerce business and presence in some

of the best hotels, restaurants and retailers across the globe. We're inspired by the people we meet, and the far-flung places we visit. We delight in taking ancient tea rituals and reimagining them, bringing them to a modern tea table.

Along the way, we connect with the people who make our tea blends possible, getting to know the cultures, backgrounds and philosophies that lie at the heart of what they do.

From leaf to cup, there are no shortcuts when it comes to delivering a top quality drop time after time. We use the whole leaf and nothing but the leaf, as well as the best fruits, herbs and flowers we can find, from single-estate hand-processed white tea buds from Nepal to cocoa husks from the Solomon Islands or the world's best peppermint from northern USA.

Over the last two years we've revolutionised the way we do business to ensure T2 is a positive force in creating a future that puts people and planet first. On this journey we've learned a lot about what it means to be a brand redefining success in business.

While there's always more we strive for, we're proud of how far we've come, and the ripple effect our changes are making in the world.

## Our Pillars

### People

Like our teas, our people are a unique blend.

### Product

The whole leaf and nothing but the leaf.

### Planet

Conscious of everything we do.



# The T2 Manifesto

Imagine how the world could be,  
if we united over our differences  
while we shared a cup of tea.

If we took the time to stop, sip,  
slurp, let go, daring to go beyond  
the familiar places we know.

We'd create a world that celebrates  
all flavours and tastes, where what  
makes us unique is always embraced.

Where we are free to express ideas,  
both old and new, and we all have a seat  
at the table, to share our point of view.

From leaf to cup, tea makes space for  
all to be understood, and celebrating  
difference makes a difference,  
in a world united for good.

A cup for me. A cup for you. T2.

Image: T2 Team member  
enjoying a cup of tea





Our Values



We explore

Be open, learn and discover the unknown.



We deliver

Commit, collaborate and achieve.



We dream

Think big and make difference.



We share

Be kind and inclusive.



We Inspire

Love what you do and have fun.



We empower

Be Brave and take the lead.



# Message from our Managing Director



Derek Muirhead  
Global Managing Director

In a year of unprecedented challenges, I am grateful of our global teams who have demonstrated resilience and continued adaptation to the varying challenges in each of our markets as a result of COVID-19. From our retail teams supporting the rolling store closures as a result of on-going COVID risks, the personal and professional adjustments of working from home for our HQ teams and our distribution teams who stepped up to support our customers through our eCommerce business. Each of our team members were pivotal in our success through all we faced in 2020.

Although we encountered many challenges, I am pleased to report that we continued to prioritise our people and planet during this time.

The safety and well-being of our team members and local communities was our top priority throughout the COVID-19 pandemic and was at the forefront of our decision making.

From the closure of our retail sites, relief pay, the expansion of our Flexible Working Arrangements Policy and additional employee assistance program session to provide tools, resources and support for our team members, was always top of mind for us.

In 2020, we also persisted with our sourcing transition to 100% sustainably sourced tea and tea ingredients for our entire tea portfolio. At the time of this report, we have met our goal of 100% sustainability sourced camellia sinensis, fruits, herbs and spices.

T2 has been on an incredible journey over the past few years to put sustainability at the core of our who we are and how we do business. As we move forward, we look forward to deepening this commitment, advancing our B-Corp score and increasing measurement and management of key environmental and social programs.

Thank you to for joining us on this journey and for your on-going support.



Artwork by  
Safina Stewart

## T2 Reconciliation Action Plan

*This painting, entitled **Caring for Country**, celebrates the beautiful lands and waters of the Bunurong people of the Kulin Nations, on which the artist and her family reside.*

*The rhythmic tides of the ocean give respite and refreshment to the circles of families gathered around campfires beneath the scenic rolling hills.*

*Caring for Country, in its purity, reminds us all of the vital role we share to care for the land, waterways, oceans, plants, birds, animals and communities of this earth.*

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.

At T2 celebrating difference to make a difference is at the core of everything we do.

Our manifesto encourages all flavours and tastes, it also creates a world in which tea makes all understood, not because we are all the same, but because we each bring something different to work.

We celebrate these rich differences by embracing difference in perspective and thinking, investing in and continuing to develop our people to broaden their thinking and encourage our people to be their true selves.

Over the past two years, we have revolutionised the way we do business to ensure we are playing our role in creating a future that puts people and planet first.

Through this journey we have learned a lot about what it means to be a brand redefining success in business, whilst building a more inclusive and sustainable economy. It has required us to make dramatic shifts in the ways we operate, and we could not be prouder of how much we have changed since we began.

Through our registered Reconciliation Action Plan, we are committed to creating a culturally safe environment for Aboriginal and/or Torres Strait Islander people, building lasting relationships with Aboriginal and/or Torres Strait Islander entrepreneurs and businesses and building a truly inclusive working environment.

I am proud to be part of this exciting journey.

Derek Muirhead



# Prioritising People & Planet



Your favourite tea  
is B Corp certified.

We prioritise people and planet  
without compromising on the  
quality and taste of our product.



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 now, and into the future.

SUSTAINABLE  
DEVELOPMENT GOALS



At T2 we know we have a responsibility to understand our operational impact and take action to actively manage it in order to contribute to achieving the UN Sustainable Development Goals.

That’s why we are working to align our sustainability goals with the SDGs, prioritising SDGs where we anticipate having the biggest impact.

SUSTAINABLE  
DEVELOPMENT GOALS





# Alignment to Sustainable Development Goals



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

With the help of our customers, T2 is able to support both Australian and international education and skills development opportunities.

**T2 Initiatives**

- **Smith Family**
- **Ajiri Foundation** (pg. 43-44)
- **Growing Inspiring Careers** (29-30)



Ensure access to affordable, reliable, sustainable and modern energy.

T2 is committed to adopting cleaner energy options, offsetting our operational footprint and help fund projects to support renewable energy development.

**T2 Initiatives**

- **Solar Panel Installation at our HQ**
- **Transitioning retail operations to Green Energy**
- **Qantas Future Planet Program** (pg. 53-54)



Ensure sustainable consumption and production patterns.

T2 prioritises sustainable packaging options and actively looks for ways to reduce our waste streams within our DC, HQ and retail locations.

**T2 Initiatives**

- **Sustainable Packaging** (pg. 57-58)
- **REDcycle Partnership** (pg. 57-58)
- **Retail turns green** (pg. 51-52)

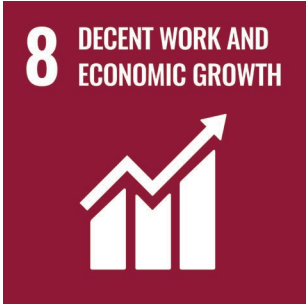


Take urgent action to combat climate change and its impacts

T2 is committed to measuring, monitoring and offsetting our operational carbon footprint whilst finding opportunities to minimize our environmental impact and emissions.

**T2 Initiatives**

- **2020 Carbon Footprint** (pg. 49-50)
- **Bondi Green Store** (pg. 59-62)
- **Qantas Future Planet Program** (pg. 53-54)



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

T2 continues to prioritise our people and is committed to making our organization an inclusive, fair, vibrant and equitable workplace across our global operations.

**T2 Initiatives**

- **Reconciliation Action Plan**
- **Diversity & Inclusion Badges** (pg. 33-34)
- **Ethical Sourcing** (pg. 45-46)



Reduce inequality within and among countries.

T2 is committed to creating an equal opportunity for our people and our communities.

**T2 Initiatives**

- **Reconciliation Action Plan**
- **Ajiri Foundation** (pg. 43-44)



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainable manage forest, combat desertification and halt and reverse land degradation and halt biodiversity loss.

Sourcing our raw materials in a sustainable manner is a key focus for our teams and we use a variety of environmental verifications to support this work.

**T2 Initiatives**

- **Sustainable Packaging** (pg. 57-58)
- **Sustainable Sourcing** (pg. 37-40)



Strengthen the means of implementation and revitalize the global partnership for sustainable development.

At T2, we harness the power of partnerships to deliver sustainable outcomes to both local and global communities.

**T2 Initiatives**

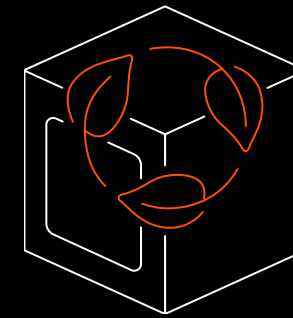
- **Smith Family**
- **REDcycle Partnership** (pg. 57-58)
- **Qantas Future Planet Program** (pg. 53-54)



# Making an impact

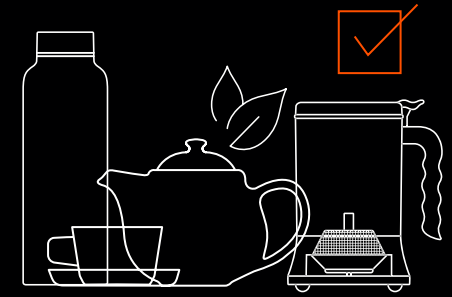
Image: Oolong tea being rolled by hand in China

100%



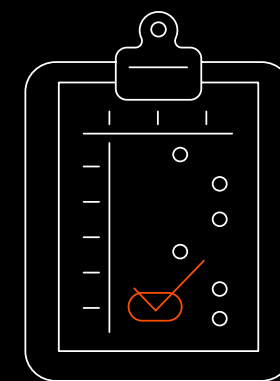
Sustainably Sourced Tea

100%



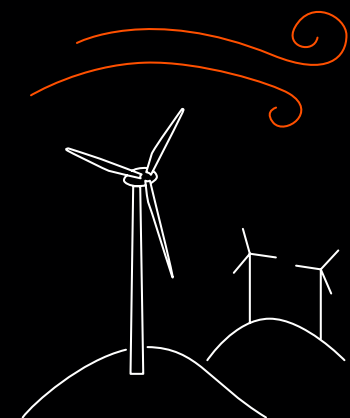
Supplier Base Audited

93.5%



Suppliers Verified Compliant

-46%



Carbon Footprint



# T2 People

**Like our teas, our people  
are a unique blend.**

# Leading the way: COVID-19



**Throughout the COVID-19 pandemic, we put the safety and wellbeing of our team, customers and local communities at the forefront our decision making. We demonstrated this through:**

Closed our retail sites based on a risk management approach before government mandated lock downs.

Provided relief pay, which included full pay or matching minimum local government support payments (which ever was greater) for all team members across all roles where stores were closed; full pay for team members who were required to isolate due to being a return traveller; full pay for team members with flu-like symptoms to discourage attending work while sick; and pay considerations for self-isolation due to a close contact or member of household with flu-like symptoms. T2 globally did not accept government funding or subsidies.

Mobilised our global support office to create ability for teams to work from home.

Expanded our Flexible Work Arrangements Policy to allow for greater flexibility of how and where our team members work.

Funded flu vaccinations for all our team members globally, across northern and southern hemisphere flu seasons, to support in reducing extra pressure on medical systems.

Closed our support office and distribution centre operations for a Mental Health and Wellbeing Day to acknowledge the challenging circumstances our team members were dealing with, along with the resilience they had shown to the ever-changing circumstances.

Rolled out psychoeducation sessions with our employee assistance program provider for all team members globally to acknowledge the impact of COVID-19 and provide team members with the tools, resources and support to set up self-care strategies and build personal resilience.

Invited the organisation to participate in a mindfulness challenge with Smiling Mind.

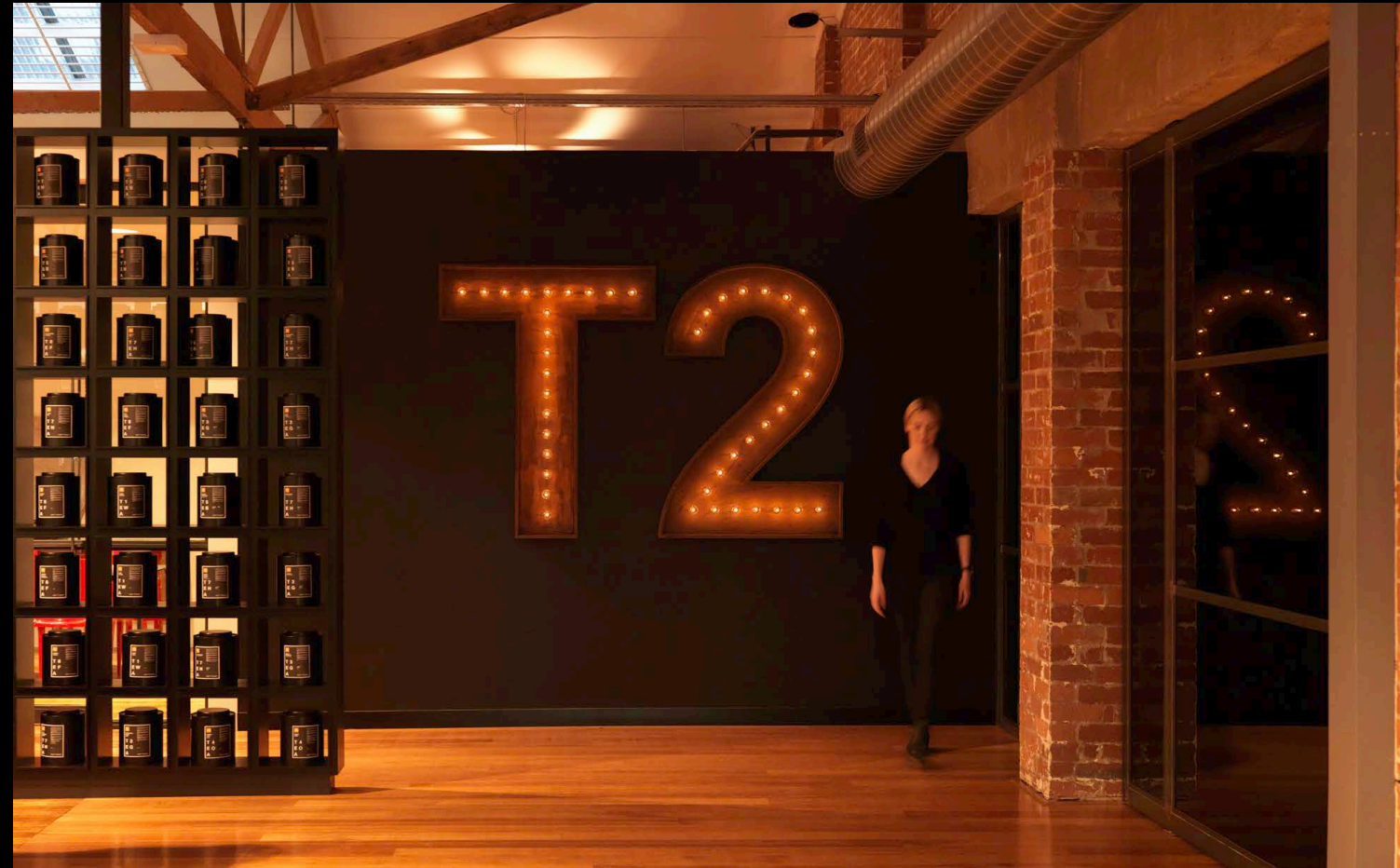
Deployed COVID-19 training modules, information and resources including safety at work, use of PPE, strategies for psychological safety, customer aggression and thriving in a virtual work environment.

Established a fortnightly program called T2 Positivity Heroes which recognised and rewarded team members who had been nominated by their peers as going above and beyond, living our values and continuing to spread light and positivity as the world navigated the collective impacts of COVID-19.

| Image: Tea cup on book shelf



# Growing inspiring careers



| Image: T2 HQ, Melbourne

T2 understands the value in developing our people and supporting career progression throughout the team member experience. Our development opportunities are ongoing and include role-specific training and coaching across our global stores, distribution centres and support offices.

We provide all team members access to a broad range of learning activities and learning pathways via Belong2 - our SAP HRM platform.

## In 2020 we released over 30 new resources that focused on building skills and awareness across topics such as:

COVID Safety

Unconscious bias and inclusion

Black Lives Matter

Wellbeing, safety and resilience

Working remotely, digitally and staying connected

Leading self and teams

Feedback and Coaching

LGBTQA+

Our performance and goal tracking cycle focuses on engagement, development, constant improvement and regular feedback conversations to provide the support framework for our team members to grow and achieve great things. We also removed performance ratings to truly focus on the growth, engagement and development of our team. We invested an average of 15 hours of formal development per person across the global business in addition to on-the-job learning experiences and leader-led coaching accessible through our goal and development planning cycle.

Our Study Assistance Policy also enabled team members to undertake formal qualifications.

In 2020 we partnered with Diversity Australia to train our D&I committee members in a suite of diversity and inclusion modules.

We also partnered with Culture Amp to support initiatives that strengthen our culture and continuously improve the experience of working at T2. In October 2020 we facilitated a global employee engagement survey with an overall favourable engagement score of 72%, which is 5% higher than the retail benchmark. In recognition of being a purpose-driven organisation, our team rated favourable scores above 90% for purpose and values.

We view team member feedback as a gift and the results have provided all team

members with key insights about what we're doing well and what we can improve on. We openly share these results internally through briefing sessions, team discussions and local action plans. We also have an Engagement Working Group to focus on organisation-wide recommendations and actions that help us to continually improve as an engaging place to work.

# 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 T2's strategic imperatives.

Our Diversity & Inclusion Policy helps us to support and facilitate a diverse and inclusive workplace.

We are committed to being a culturally safe global workplace that fosters diversity and inclusion. Our people are as diverse as our teas and the people who enjoy them, and our aim is to embrace all that makes us different and unique.



Image: A store manager consults the daily planner with a team member in our Chadstone store

**Gender Diversity**

**76% female**  
**22% male**  
**2% other**

## To create an inclusive workplace where everyone belongs, we have:

Established a global Diversity & Inclusion Steering Committee

Discussion Groups

A Diversity & Inclusion Action Plan (D&I)

Reconciliation Action Plan (RAP) & Reflect Plan Working Group

Education and information resources available to all team members

Regular reporting on issues that matter to our people

Collaboration and partnerships with multicultural organisations

Events that celebrate diversity across the globe, including keynote speakers for IWD and NAIDOC

A policy and systems review that includes accessibility, language and inclusiveness

Introduced new policies around swapping/exchanging cultural and/or religious public holidays, volunteer leave and flexible working

## Generational Diversity

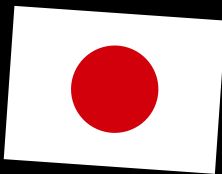
**69% 16-30 years**  
**22% 31-44 years**  
**9% 45+years**

## Women in Leadership

**73% Global**  
**56% excluding Retail**



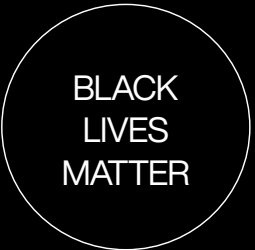
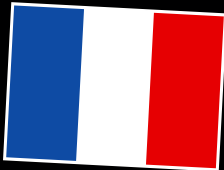
# Diversity & Inclusion Badges



In 2020, we launched our first diversity and inclusion badge as well as language badges to uplift all the voices of our team.

Since then, we have added more to the collection, including LGBTQ+ Inclusive Pride Flag, Pronouns, Black Lives Matter and Aboriginal and Torres Strait Islander badges.

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



# T2 Product

**The whole leaf and  
nothing but the leaf.**





Freshly picked tea

The main standards we use are Fairtrade, Organic, Rainforest Alliance and UTZ.



We work closely with our suppliers to prioritise social and environmental standards when sourcing premium ingredients for our teas and tisanes.

To ensure we uphold these standards we use the Responsible Sourcing Policy (RSP) and Unilever Sustainable Agriculture Code (SAC) with third party verifications.

We only source teas, herbs, spices and fruits that are certified under third-party standards that are considered fully compliant in the SAC, giving us the peace of mind that they're fully compliant with the principles and practices of sustainable agriculture.



UTZ Peppermint

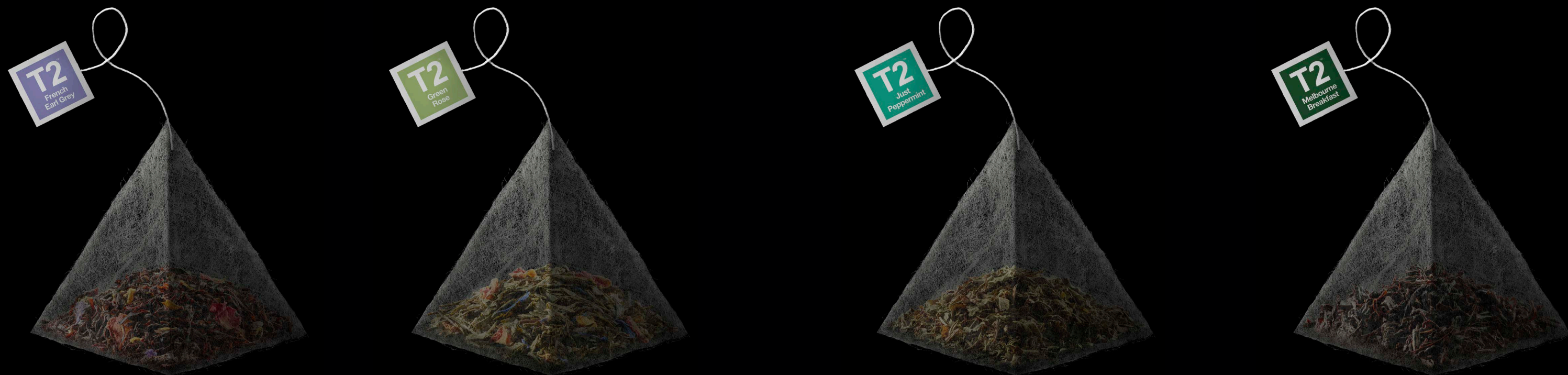
Peppermint Loose Leaf Tea

When it comes to delivering the best peppermint, there's only one corner of the globe we trust: The Pacific North West of America. Why? Because they grow the best tasting mint in the world. Simple, really.

With the highest menthol properties out there, it doesn't come as much of a surprise that millions of T2 Just Peppermint drinkers will tell you there's no other minty tea that compares.

Only a small portion of peppermint production is certified as sustainable by UTZ, which can make sourcing our peppermint a challenge. We buy 85% of the annual UTZ-certified harvest, and though it would be a lot easier (and cheaper!) for us to blend peppermints from different origins, we'll always go above and beyond in the name of flavour.





Left to Right - Teabags: French Earl Grey, Green Rose, Just Peppermint and Melbourne Breakfast.

# The journey to 100% sustainably sourced tea

We've already started to see the positive impact of our sustainably sourced product being brewed by customers all over the world.

From 2% in 2018 to 100% in 2021.

In 2018 when we decided to switch our entire tea range to sustainably sourced ingredients, we knew it was going to take time (and many rounds of tea tasting!) to make the switch.

We reviewed over 100 teas and tisanes, taste testing dozens of ingredients from all across the globe to find a sustainable option that delivered the same great flavour profile.

We met our goal of having 100% of our Camellia sinensis range sustainably sourced by 2020. Since then we've been able to complete the transition of the rest of our herbs, fruits and spices.

This means that from 1 June 2021, all new tea and tea ingredients purchased by

T2 will be sustainably sourced through verified third party certifications.

This is a big step in our sourcing journey, but not our last, as we continue to work through the transition throughout the rest of our supply channels. Along with becoming sustainably sourced, we've been mindful of avoiding any waste of our high-quality conventional blends as we replaced them with their sustainable version.

These conventional blends continue to uphold our strict sourcing standards, with all our teas adhering to EU compliance testing in all markets and supply channels. As we move forward, we will continue to replace our conventional blends with the sustainably sourced version.





Left: French Earl Grey Loose leaf tea. Brewed French Earl Grey in teabag.

Right: Matcha powder. Matcha whisk and bowl.



# French Earl Grey

Our ultimate icon gets a sustainable upgrade. To make French Earl Grey 100% sustainable, without losing its iconic flavour status, we searched far and wide to find ingredients that made the cut. Each sip is a delicious opportunity to enjoy premium whole leaf black tea with zingy hibiscus and flower petals so pretty they'll transport you straight to the French countryside.

If you've ever tried our French Earl Grey, you'll remember the beautifully distinct bright pink rose petals. As we transition into 100% sustainably sourced blends, you might notice a slight change in the colour of these rose petals.

## Why has the colour changed?

During our sustainable transition our team encountered unique challenges when sourcing certain ingredients. One of the hardest components to source in the entire range were sustainable rose petals with the same bold pink colour as our previous supply.

## Different look, same iconic taste.

However, our tea sommelier was committed to maintaining the flavour profile and worked in close partnership with our tea suppliers to create a perfect tasting replica of the original. While you might notice some differences in appearance, a single sip will reveal the flavour personality of the tea hasn't changed a bit.

# Matcha

Our organic Matcha comes from Kyoto, Japan, using premium cultivars to maintain the quality and taste. The tea is shade grown for 21 days before harvest and ground on demand to ensure maximum freshness, health benefits and flavour.

Our Matcha is ceremonial grade, which provides a sweet, smooth profile while producing a strong and dense froth when whisked.

Matshushita, a third generation Matcha farmer from Japan, and his family have been producing tea for over 100 years, with his son set to carry on the tradition. Matshushita's farm has been organically certified for over 20 years and is committed to making a high-quality product for years to come.

We asked him what he enjoys most about his work: "I feel joy when I see beautiful young leaves. I can't wait to go to my garden and see that every single morning, especially in harvest time". A sentiment all T2 Matcha lovers will agree is reflected in every cup!



# When you buy a box of Ajiri Tea, your positive impact can be felt across the globe.

2020 required more than a strong cup of tea. It required support, encouragement, and commitment – all of which you provided to our communities in Kenya.

Through our customers ongoing support, Ajiri Tea has been able to continuously employ 60 women to handcraft packaging for our tea boxes. Each and every label is handmade using dried bark from banana trees.

When COVID-19 spread to Kenya, many international businesses scaled back or withdrew. Instead of following

their lead, we doubled down on our commitment to our communities. By purchasing Ajiri tea, these 60 women were able to continue making a fair living wage. Through their earnings, they’ve bought land, livestock, and invested in their children’s education.

Our customers’ support is most acutely felt by the 30 orphans the Ajiri Foundation sponsors. 100% of the profits from the sale of Ajiri Tea funds orphan education.

In March 2020, students in Kenya were sent home from school, creating an even more

challenging environment to carry on with their studies.

However, despite all of the obstacles, local teachers were tenacious in continuing to provide education to these students. Through weekly learning packets delivered by motorbike, to bi-weekly teaching phone calls and perhaps the most lasting and brightest change – the establishment of a love of reading, these students were able to continue to evolve their learning.

| Ajiri Tea - Kenyan Black Tea



## A note from the Ajiri foundation on the impact our customers’ support has had on their students:

*“We want you folks in Australia to know that YOU helped do this. Your support helped us to continue to provide 60 women with an income. Your support helped fuel the motorbikes, bought the books, and paid for the tremendous amount of airtime that is needed to teach algebra over the phone to 10 confused secondary schoolers. There were certainly times where we thought that this all was insane--that our community felt too far away, our students too discouraged, our sales diminished. But your support, and moreover, the support and messages from your customers all the way from Australia, kept us going”.*





# Ethical sourcing

At T2, we know that no two tea drinkers are the same, so we've made it our mission to make sure we have options to complement every kind of sipper's personality. Our stores are filled with an endless kaleidoscope of different shapes, sizes, styles and colours. Whether you're into exotic, vibrant patterns, bold monochrome or hand-painted florals, there's always a teaset that feels totally you.

From the very first stages of product design, we're thinking about how to responsibly source and select the right materials. We ensure all of our audited suppliers fall under the auditing standards of SMETA or BSCI. Sedex Member Ethical Trade Audit (SMETA) and Business Social Compliance Initiative (BSCI) are social audits that review a company's business practices.

We've been working hard to ensure all of our teawares are ethically sourced to meet our goal of 100% compliance by the end of 2020. While all of our vendors have completed a certified audit, the impacts of COVID-19 have meant we've experienced some delays in receiving final compliance documentation from a few of our small suppliers, resulting in 93.5% of our teawares and accessories being verified. We continue to liaise with our vendors to ensure this final documentation is received as soon as possible and any re-audits are done when safe to do so in these markets.



# T2 Planet

**Conscious of everything we do.**



**Waste**

0.8%

**Business  
Flights**

3.6%

**Electricity**

14.9%

**3rd Party  
Services**

6.3%

**Utilities**

0.2%

**Employee  
Commute**

8.4%

**Advertising**

14.9%

**Equipment**

1.2%

**Working  
from home**

5.4%

**Refrigerants**

0.4%

**eCommerce  
& Courier**

43.9%

## Our 2020 Carbon Footprint

We're committed to offsetting our operational carbon footprint, so once we've reduced where we can, and if green energy isn't available, we offset our remaining carbon emissions.

In 2020 our carbon portfolio shifted in key areas as a result of COVID-19. Our footprint shrunk by 46%.

The pandemic driven shift was a result of many of our previous operational emission categories reducing as a result of working from home and store-closures across our markets.

14.9% Electricity  
43.9% eCommerce & Courier  
6.3% 3rd Party Services  
14.9% Advertising  
3.6% Business Flights  
8.4% Employee Commute  
5.4% Working From Home  
1.2% Office Equipment  
0.8% Waste  
0.2% Utilities  
0.4% Refrigerants

In 2020, our operational energy use accounted for 14.9% of our carbon footprint.



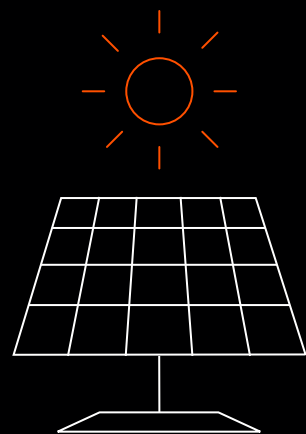
Operational Energy Strategy

Our energy strategy guides our approach to energy procurement, management, energy efficiency and renewable energy. In 2020, our operational energy use accounted for 14.9% of our carbon footprint, which makes it a key priority for evaluation and reduction. Finding ways to reduce our energy use is the first step to reducing our impact. Our team has made changes, from adding in our first Green Star store to implementing energy reduction processes (HVAC) at our office.

We acknowledge the responsibility of our business in supporting the global community shift towards reducing half of global carbon emissions by 2030 and contributing to limiting the global temperature increase to 1.5°C by the end of the century. The reduction of our GHG emissions is a key priority for our business and we will begin to evaluate and measure more specific, time-based targets moving forward.

Once we’ve found ways to reduce our energy use, we look to procure our energy from more sustainable sources.

We use a three-point approach to achieve this:



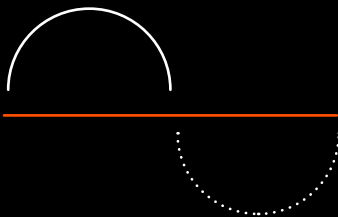
Onsite generation

When there’s opportunity to do so, we prioritise onsite renewable electricity generation and consumption. In February 2020 we started our onsite journey with the installation of solar panels at our HQ in Collingwood. That year, we produced 35.72 kw/hrs of clean energy, accounting for 61% of our annual energy use at this location. Since installation, T2 has saved over 20,000 kg of CO2 emissions.



Sourcing green energy

Where possible we choose green energy providers at our retail locations. Currently approximately 45% of our stores have made the switch, and we will continue to work with our vendors to increase this number over 2021.



Offsets

We’re committed to offsetting our operational carbon footprint, so once we’ve reduced where we can, and if green energy isn’t available, we offset our remaining carbon emissions. In 2020 we offset 342.5 tonnes of energy associated with our buildings and retail locations.





At T2, we continue to explore solutions to reduce our carbon footprint throughout our business. But while we find new opportunities to reduce our impact, we know it is equally important to offset our current operational emissions.

In order to contribute to a low carbon economy, we wanted to ensure we formed a strong and reputable partnership with carbon offsetting projects that had both positive environmental and social impacts. This is why we chose to partner with the Qantas Future Planet Program.

This year we’ve diversified our carbon portfolio, supporting both international projects and those right here in Australia.



Image: QANTAS Future Planet supports Arnhem Land Indigenous Fire Management and the construction of wind turbines in areas such as Rajasthan in northern India

**Fire Risk Mitigation – Northern Territory, Australia**  
**Arnhem Land Indigenous Fire Management**

Arnhem Land is prone to extreme wildfires that affect the landscape, people, plants and animals. These projects are owned and managed by Indigenous rangers with custodial responsibility for wilderness areas under active bushfire management. Local rangers conduct controlled burns early in the dry season to reduce fuel on the ground and establish a mosaic of natural firebreaks, preventing bigger, hotter and uncontrolled wildfires later in the season.

This project supports Indigenous communities in returning to, remaining on and managing Country. Preventing wildfires also reduces the risk of biodiversity loss, protects ancient rock art sites, supports the preservation of native languages and the wellbeing of traditional custodians.

**Winds of Change – Madurai, India**  
**Renewable Energy Projects**

In 2020, we continued our partnership with the Winds of Change Program, which funds the installation of wind turbines in farming communities in Madurai, India.



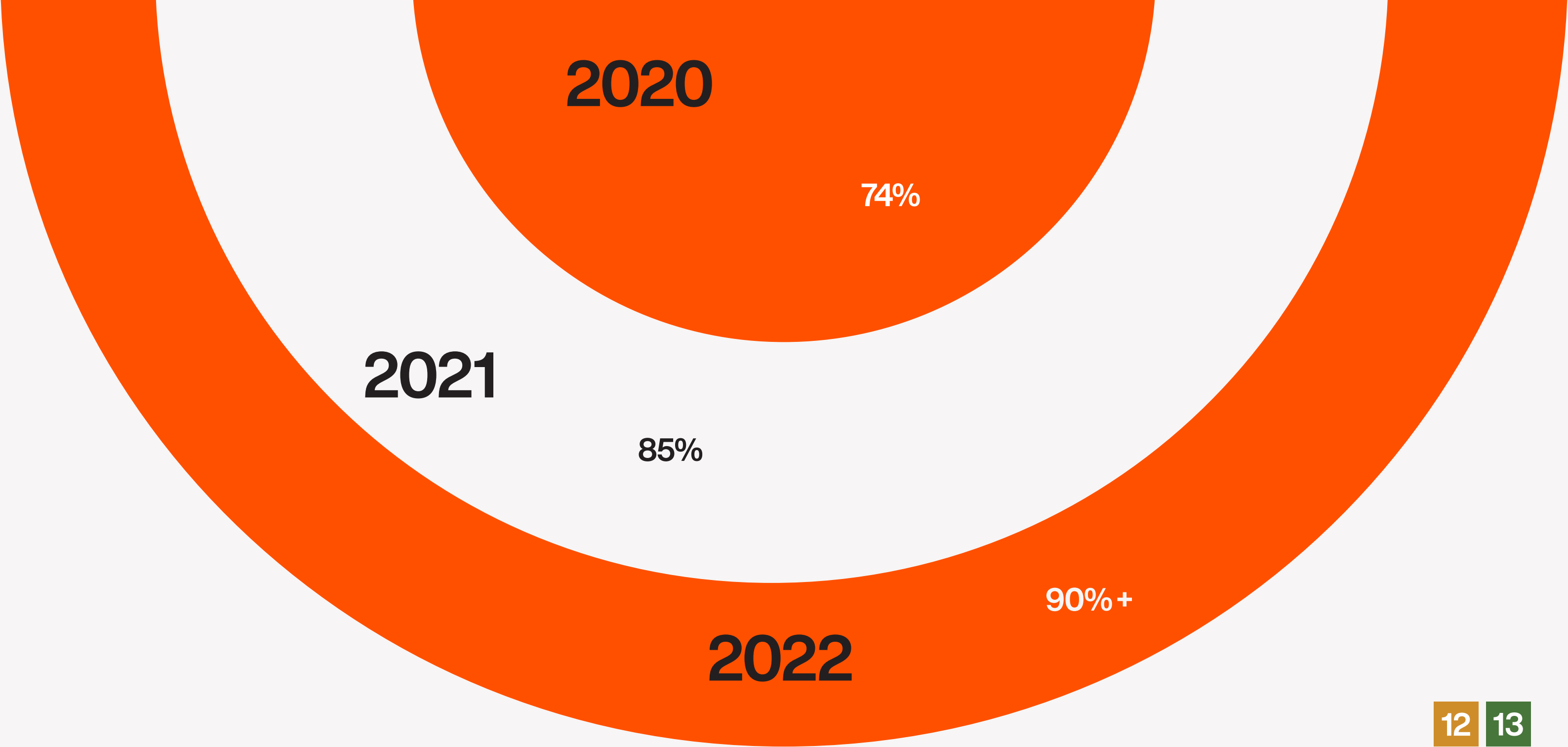
Across India, wind farms avoid emissions by introducing clean power to the electricity grid, which would otherwise be generated by a fossil-fuel power plant.

These projects are compatible with rural land uses and allow farmers to continue growing crops and grazing livestock up to the base of the turbines.

This project helps reduce power shortages and contributes to increased values on agricultural land and residential properties. They also create new jobs and training, improve communication within remote villages and establish local immunization programs.

In addition, many of these local villages rely on the turbines to pump clean water to drink and irrigate their crops.





## Towards zero waste

### T2’s operational waste strategy

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. In 2020 we engaged a third-party auditor to better understand our waste streams and uncover tangible methods to progress our waste management practices at our retail locations, HQ and DC. Our goal is to increase our diversion rate to over 90% by the end of 2022.

- 74% DC Diversion Rate
- 72% HQ Diversion Rate
- 75% Retail Diversion Rate





Left: Gifting Boxes  
Right: French Earl Grey foil and sachets



## Sustainable Packaging

Conscious of everything we do from first leaf to last sip, being an ethical, sustainable tea brand goes beyond the ingredients in each of our blends. How we package our tea is of equal important to us, in our determination to ensure your favourite brew arrives fresh with as little impact on the environment.

Our packaging journey, like many good things in life, takes time and continuous improvement along the way. We are always on the hunt for new innovations and opportunities to find materials that not only keep our teas as fresh as possible but also have a viable end-of-life solution. With sustainability credentials a key priority, we're working diligently on design and with our suppliers to ensure we deliver on our promise.

## We continue to focus on several key areas:

Removing any unnecessary packaging from our products and consumables.

For all the packaging we do need, it must be either recyclable, reusable or compostable.

We aim to use recycled content and source materials from responsibly managed forests.



### Closed-loop recycling – supporting the circular economy

Our signature black foils aren't just iconic; they also keep your tea fresh for a long time. These are currently made from a composite material, which we are looking to change. While we continue to investigate solutions, we knew it was important to find an end-of-life recycling solution for this type of packaging. To do this we partnered with REDcycle, a closed loop recycling program which enables our customers to drop off our foil bags and tea sachets at most major supermarkets Australia-wide.

By dropping off your T2 foil packaging at these locations you are helping support the circular economy. Circularity means that packaging is given a second life. Once collected these items get transformed into new products such as park benches, outdoor furniture and TonerPlas, a more sustainable asphalt component.





Image: T2 Bondi Store, Australia

# Designing for the future

What started as a project to develop our first Green Star store led T2 to shift into a completely integrated sustainable mindset approach for all new store designs and openings. As we transition into the next phase of our store design and refurbishments, we are taking a truly holistic approach, focusing on both reducing our environmental footprint while creating a positive impact by purchasing our materials through local Australian suppliers.



# Bondi Junction

T2's Bondi Junction store was launched in March 2020. The store is our first 5-star design rated Green Star store and accredited by the GBCA. Born out of our desire to live and breathe our sustainability message, this project gave T2 the opportunity to support local business and ethical practices. We have come to see the store as the physical expression of our commitment to doing right by the planet.

Images: Refurbishment of T2 Bondi, completed 2020 and living plants in-store



## We focused on four key areas during the development of the store:

### Sustainable materials

All of our store environment choices have had a sustainability lens applied. Our materials are a blend of recycled timbers, sustainably certified materials and new innovative materials. All of the fixture counter tops that have been finished in a product called Betta Stone. This product was developed and made in

Melbourne and consists of 80% recycled glass. It embodies our commitment to recycled products and supporting local innovation, not to mention its superb architectural finish.

### Product features

We also developed T2's first tea Refill Station where customers are encouraged to bring their own container and have their favourite everyday tea refilled. Although we weren't able to utilise this feature during COVID-19, we look forward to sharing this aspect of the store when it is safe to do so.

### Design for diversity

The store has been designed with advice from accessibility and ergonomic consultants

to ensure the customer journey and path to purchase is accessible for everyone. Product heights have been adjusted, distance between fixtures has been created to allow for wheelchairs, and operations workspaces have been designed for maximum ergonomic comfort for team and customers.

### Biophilic store design

The incorporation of living greenery gives the store give an innate sense of being close to nature. By integrating living plants, it creates spaces of natural pause. The plants improve air quality and acoustics of the store for both customers and team.







## Cheers to a brighter future

Despite all odds, 2020 proved to be the year T2 continued to strive for, and meet, many of its targets to do business more ethically, sustainably and inclusively.

As we set our sights on 2021, we lift up our cups, and each other, as we keep our promise to be a 100% sustainable tea brand that celebrates difference to make a difference, creating a generation of tea lovers to unite the world for good.

**If you have any  
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