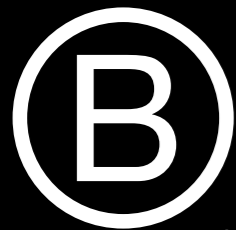


2021 Sustainability Impact Report

Celebrating difference
to make a difference



Certified



Corporation

T2™

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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.

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We Are Tea Done Differently

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.

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

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, we have taken the traditional art of tea, turned it on its head and served it to the world.

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-origin, hand-rolled one bud with two leaves from China, to cocoa husks from the Solomon Islands, to the world's best peppermint from northern USA.

“We use the whole leaf and nothing but the leaf”

We want to be a Brewing Force for Good, to help redefine what business “success” looks like, to put people and the planet first. To be a top quality business, that too means no shortcuts. Over the last four years we’ve revolutionised our policies and practices. While there’s always more to strive for, we’re proud of how far we’ve come, and the ripple effect our changes are making in the world.

Our 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.

Our Values



We Empower

Be brave and take the lead.



We Share

Be kind and inclusive.



We Inspire

Love what you do and have fun.



We Dream

Think big and make a difference.



We Explore

Be open, learn and discover the unknown.



We Deliver

Commit, collaborate and achieve.

Our values are what guide us. They help us to have meaningful and impactful conversations with our team members, peers, and leaders. The decisions we make every day are a reflection of our values.

Message from our Managing Director



Derek Muirhead
Managing Director

Welcome to our third Sustainability Impact Report!

If anyone had told us that we would still be advancing our sustainability, diversity and inclusion credentials during COVID-19, I would've said 'I'm not sure that's possible'. And yet, here we are with our third Sustainability Impact Report going live. Despite all the disruptions, I am proud to show how we have made huge strides in the four key areas of our brand – purpose, planet, people and product.

In any given year, from a selection of over 200 teas, there are more than 140 million cups of T2 Tea shared and enjoyed. We're proud to stand by the integrity of each cup, our teawares being 100% ethically sourced and our tea being 100% sustainably sourced.

Beyond the cup, we're proud to be a B Corp accredited business, standing for something bigger than just ourselves. Being part of the 5,000 strong B Corp companies globally who put people, planet and profit on an equal footing, is very important to T2. Not just from a customer point of view, because that's what they expect us to do, but for our own team members who care deeply about making a positive impact.

During COVID-19 many businesses have experienced significant disruptions in the supply chain area. We are not alone in this particular space, however we have continued to maintain our rigorous standards and can report on our reduction in packaging use, increase in green star energy consumption and achievement in reducing carbon emissions.

Celebrating difference to make a difference is the heartland of our brand.

Much work has gone into creating a flourishing space for all to feel accepted and heard. We continue with our reconciliation plan, and are always open to opportunities to connect with our diverse global community.

T2 is a brand and business that aspires to make diversity and sustainability verbs. It's about what we do, not just what we say. We know that great brands are built from the inside out. This report is our way of being transparent about the many actions our teams have taken to live up to our B Corp accreditation and manifesto to make a difference and unite the world for good.

A handwritten signature in black ink that reads "D. Muirhead". The signature is fluid and cursive.

Derek Muirhead
Managing Director T2



T2 Reconciliation Action Plan Australia

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.

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

Over the last 12 months we have achieved all our actions in our agreed plan. We have established and strengthened mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders and organisations by developing guidelines and tools for our team members coupled with educational programs.

We continue to build respect for Aboriginal and Torres Strait Islander cultures and histories by celebrating NAIDOC Week. Our team members participated in the Heal Country NAIDOC week walk and we hosted Zoe Sims from Koskela Designs as our NAIDOC Week guest speaker.

We continue to demonstrate respect to Aboriginal and Torres Strait Islander peoples by observing cultural protocols by launching two internal programs – The Difference between Acknowledgment of Country v Welcome to Country and Reconciliation at T2.

In 2022, we will submit an Inovate Reconciliation Action Plan showing our commitment and growth in this space.

I am proud to be part of this exciting journey.



Derek Muirhead
Managing Director T2



Artist: Safina Stewart

Our Reconciliation Action Plan Cover

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 of the vital role we all share to care for the land, waterways, oceans, plants, birds, animals and communities of this earth.

We have been B Corp certified since 2020 and are currently in the process of recertifying with completion due by November 2022. As we approach recertification it's up to us to show that we have not only maintained our standards since 2020, but have made improvements along the way.

We are proudly part of a global community of over 5,000 companies doing business that puts people and planet first – by reducing inequality, lowering levels of poverty, creating healthier environments, building stronger communities, and imbuing jobs with dignity and purpose.



United Nations 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.

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.

SUSTAINABLE DEVELOPMENT GOALS



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



Alignment to Sustainable Development Goals



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

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

T2 Initiatives

- Ajiri Foundation (pg. 20)
- Growing Inspiring Careers (pg. 13)



Ensure sustainable consumption and production patterns.

We prioritise sustainable packaging options and actively looks for ways to reduce our waste streams within our DC, Support Office and retail locations.

T2 Initiatives

- Sustainable Packaging (pg. 26)
- Sustainable Materials in Store (pg. 27)



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

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

T2 Initiatives

- Operational Energy Strategy (pg. 23)
- Sustainable Materials in Store (pg. 27)
- Qantas Future Planet Program (pg. 24)



Take urgent action to combat climate change and its impacts.

We are committed to measuring, monitoring and offsetting our operational carbon footprint whilst finding opportunities to minimise our environmental impact and emissions.

T2 Initiatives

- 2021 Carbon Footprint (pg. 22)
- Sustainable Materials in Store (pg. 27)
- Qantas Future Planet Program (pg. 24)



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

We continue to prioritise our people and are committed to making our organization an inclusive, fair, vibrant and equitable workplace across our global operations.

T2 Initiatives

- Reconciliation Action Plan (pg. 7)
- Diversity & Inclusion Badges (pg. 14)
- Ethical Sourcing (pg. 18)



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. 26)
- Ethical Sourcing (pg. 18)



Reduce inequality within and among countries.

We are committed to creating an equal opportunity for our people and our communities.

T2 Initiatives

- Reconciliation Action Plan (pg. 7)
- Ajiri Foundation (pg. 20)



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

We harness the power of partnerships to deliver sustainable outcomes to both local and global communities.

T2 Initiatives

- Qantas Future Planet Program (pg. 24)

Making an Impact

100%

Sustainably Sourced Tea

After an intensive three year project, our entire range is now sustainably sourced. Read more on page 18.

100%

Ethically Sourced Teawares

Our unique teawares are sourced from across the globe and are 100% ethically sourced. Read more on page 21.

14%

Reduction in Carbon Emissions

Comparisons between 2020 and 2021 like for like data show we've reduced CO₂ emissions by 14%. Read more on page 22.

51%

Energy from the Sun

Just over half of our annual energy use in our Australian Support Office is supplied by our solar panels. Read more on page 23.

100%

Measured Emissions Offset

In 2021 18,289 tonnes of carbon was offset through the Winds of Change project. Read more on page 24.



Safety and Wellbeing

Throughout the COVID-19 pandemic we have prioritised the safety and wellbeing of our team members and local communities, demonstrated through:



.....
Implementing COVID-19 Paid Vaccination Leave in Australia, New Zealand, Singapore, the United Kingdom and the United States.

.....
Funding flu vaccinations for all our team members globally, to support in reducing extra pressure on medical systems.

.....
Expanding our Flexible Work Arrangements Policy to allow for greater flexibility of how and where our team members work, leading to the recruitment of team members outside of Melbourne, Australia (where our T2 Support Office is based).

.....
Developing and implementing of T2 Future Ways of Working Guiding Principles.

.....
Closing our Support Office and Distribution Centre operations for a Mental Health and Wellbeing Day to acknowledge the challenging circumstances our team members have dealt with.

Our development opportunities are ongoing and include role-specific training and coaching across our global stores, Distribution Centres and Support Office. We provide all team members access to a broad range of learning activities and learning pathways via our **Belong2 Learning Library** (SAP HRM platform).

In 2021 we released over 100,000 learning resources from more than 200 of the world's top learning providers covering over 250 learning categories to provide skills development for every team and every learner. Topics include:

.....
Leadership and Management

Diversity and Inclusion

Personal Development

Health and Wellbeing

As well as department-specific needs such as marketing, sales, finance, IT and HR.

15 Hours of Formal Development Per Team Member

Our performance and goal tracking cycle focuses on engagement, development, constant improvement, and regular feedback conversations. This cycle provides the support framework for our team members to grow and achieve great things with us and in their future careers, too. Our cycle is not linked to performance ratings and truly focuses on the growth, engagement, and development of our team through meaningful conversations.

Our team focuses their goals around four key areas; role deliverables, stretch, purpose (people, planet, product) and wellbeing, with access to a library of goals to inspire and build from. 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.

Our Study Assistance Policy also enables team members to undertake formal qualifications. We run onboarding feedback surveys to measure the performance of our onboarding and induction activities and overall effectiveness of learning pathways for new team members who join T2.

Learning and Development for Every Team Member

In 2021 we partnered with GO1, providing every team member with unlimited access to a learning ecosystem that helps our workforce thrive. We also partnered with Change Synergy, experts in building change capable organisations and we adopted the People Centred Implementation framework and developed training for all team leaders and support roles.

Regular Team Member Pulse Surveys

We continue our partnership with Culture Amp to support initiatives that strengthen our culture and continuously improve the experience of working at T2. In March and November 2021, we facilitated two global employee engagement pulse surveys with an overall favourable engagement score of 64%. In recognition of being a purpose-driven organisation, our team rated favourable scores above 85% for wellbeing, feeling respected, and valuing diversity and inclusion.

Local and Global Action Plans

We view team member feedback as a gift. The results from this feedback 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 individuals full potential and the achievement of our strategic priorities. Our Diversity & Inclusion Policy helps us to support and facilitate a diverse and inclusive workplace.

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

- Established a dynamic and engaged global Diversity, Equity & Inclusion Steering Committee (DEI).
- Delivered a transparent Diversity, Equity and Inclusion Action Plan with clear deliverables.
- Introduced interactive discussion groups for team members to have open and safe conversations around diversity, equity and inclusion topics.
- Completed a maturity assessment conducted by our partners Jobbank. The output will be a roadmap that our DE&I Committee will focus on for the next 12 months.



Begun regular reporting on issues that matter to our people, which we know from surveys conducted with T2 Team Members.

Established partnerships with multicultural organisations such as Diversity Australia, Jobbank Victoria, Wise Employment, and Koskela. Whilst continuing our relationship with Ajiri Foundation and Qantas Future Planet.

Contributed financial support to Black Rainbow in Australia and Switchboard LGBTQIA+ Helpline in the United Kingdom.

Embraced the celebration and education of key events that promote diversity across the globe, including but not limited to International Women's Day, Reconciliation Week, NAIDOC, Pride Month and Harmony Day.

Introduced new policies to support our team members including menstrual and menopause policies, paid family leave and juneteenth leave.

Introduced guides for team members including 'How to be an anti-racism ally' and 'Communications between First Nations and Non-Indigenous People'.

Introduced a Words at Work program which continues to be updated and reviewed. This focuses on defining inclusive language in the workplace.

Added to our suite of inclusive badges for team members.

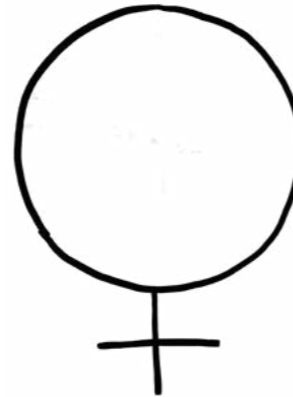
Diversity & Inclusion

In November 2021, we facilitated a global diversity and inclusion survey to measure and understand our inclusive culture.

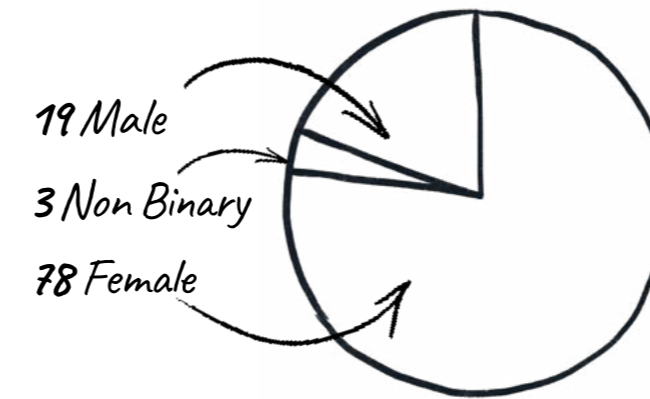
Our goal is to maintain a culture where we uplift, celebrate and welcome people exactly as they are. In recognition of being an inclusive organisation, our team rated favourable scores above 85% for feeling respected and being able to bring their authentic self to work. We also achieved a high score of 83% for all backgrounds having equal opportunity to succeed at T2. We will continue to work hard to improve not only our diversity efforts, but ensuring everyone feels valued and included.

Women In Leadership

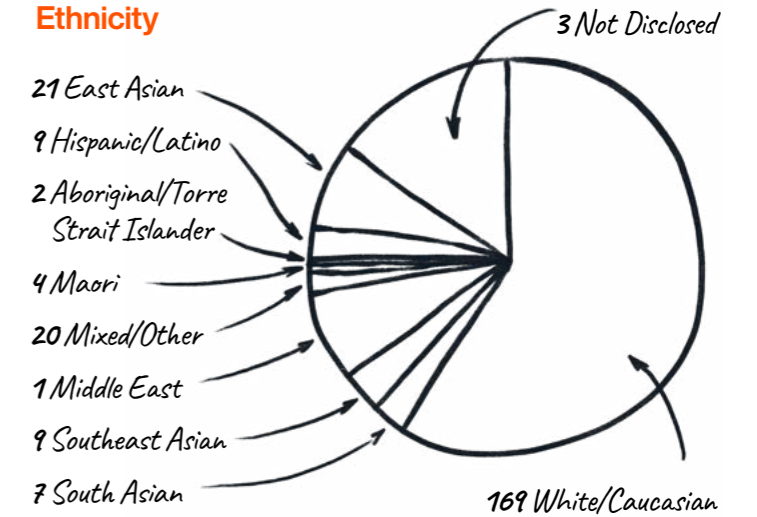
- 75% Global
- 59% Support Office
- 57% Senior Leaders
- 28% Leadership Team
- 71% Overall Women in Leadership



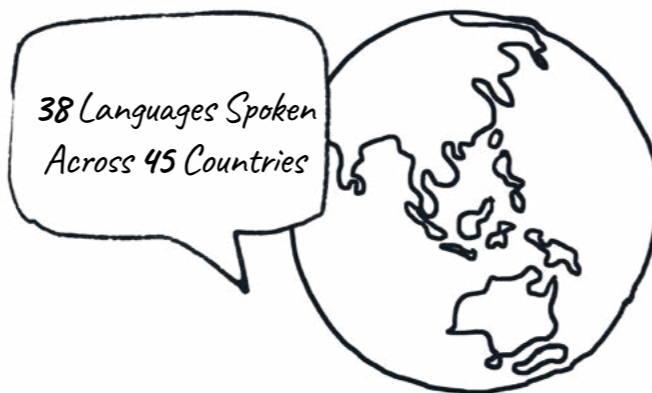
Gender Diversity



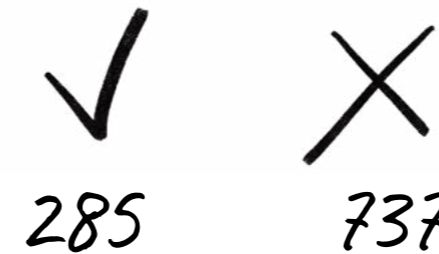
Ethnicity



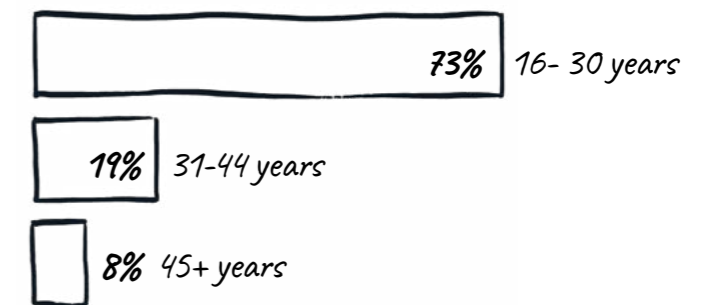
Languages Spoken



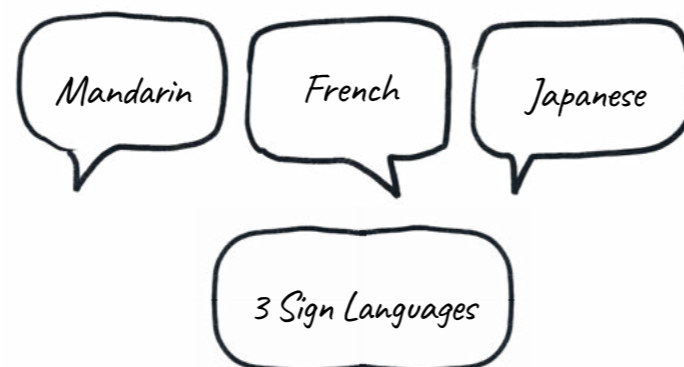
Team Member D&I Data in Belong2



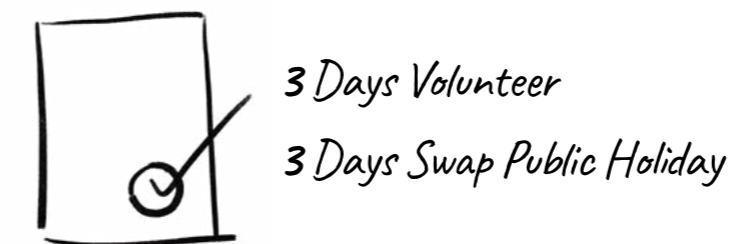
Generational Diversity



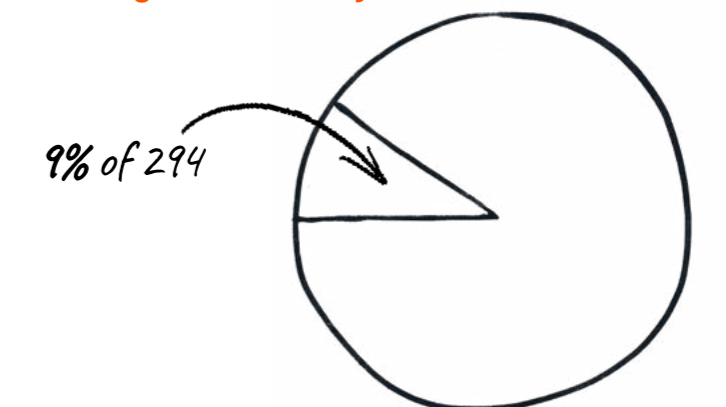
Top Three Languages



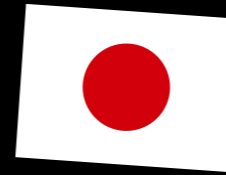
Special Leave Taken CY21



Team Members living and working with a Disability



Diversity & Inclusion Badges



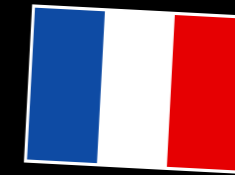
He/Him

They
Them
Their

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

I sign ASL

Since then, we have added more to the collection, including LGBTQ+ Progress 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.

Black
Lives
Matter

She/Her



I sign BSL



The Sustainable Seal of Approval

8

12

15



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

We only source teas, herbs, spices and fruits that are certified under third-party standards. This means that our tea has at least one of 17 accreditations that confirms its sustainable origins. For example our English Breakfast Tea is Fairtrade and our Organic teas are Certified Organic.

This gives us the peace of mind that all ingredients are fully compliant with our standards for principles and practices of sustainable agriculture.

Case Study: Lemongrass

Our journey to source sustainable Lemongrass started back in 2019, when we contacted our longtime supplier in Thailand about becoming Certified Organic. As they were already Thai Organic Certified they were initially reluctant about the need for another certification. Upon commitment to cover all costs of the process we were able to bring them onboard for the journey.

The process started with a pre-audit conducted by UEBT in Thailand (UEBT is the standard organisation for UTZ standard for herbs and spices). This was completed in October 2019 and involved checking production sites and farms so we could address any corrective actions that needed to take place. Only minor actions were needed, which we helped support the supplier with. We then prepared a frame contract and three year purchasing guarantee agreement that was committed to in early 2020.

With a slight delay due to COVID-19, the final audit was completed in 2021 with our first UTZ certified lemongrass arriving in April of that year.

‘Our Certified Organic Lemongrass Project has helped the supplier in a variety of ways. These include helping protect biodiversity in cultivation areas, improve soil health and reduce emissions. Our partnership continues today, with a hope to further these discussions in the near future (COVID-19 has created delays with this).

The journey to 100% Sustainably Sourced Tea

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



2018

Just 2% of our tea range is sustainably sourced. A decision is made to review the remaining 98%.

2019

Every ingredient is reviewed with no tea leaf left unturned.

2020

Phase one achieved. 100% of our tea leaves and herbal ingredients are Sustainably Sourced.

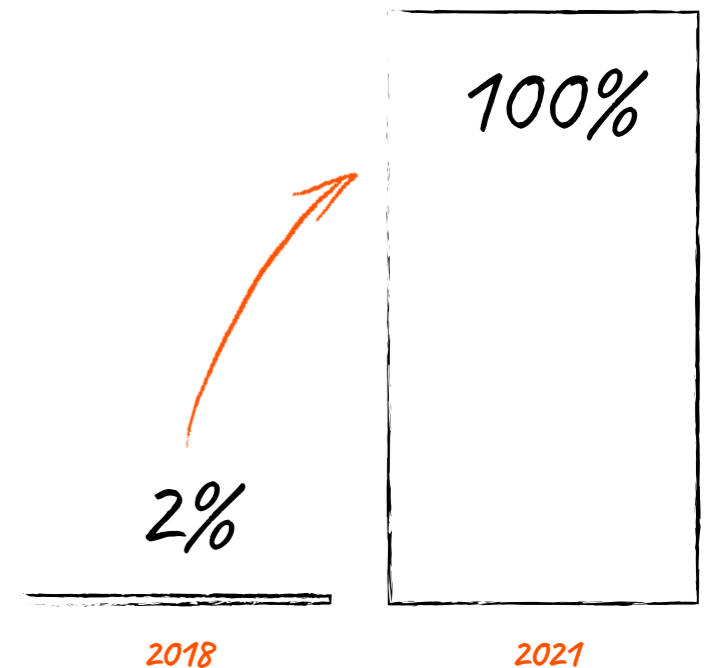
In 2018 when we decided to switch our entire tea range to sustainably sourced ingredients, we knew it was going to take time (and many rounds of tea tasting!). We reviewed over 100 teas and tisanes; tasting and testing dozens of ingredients from all across the globe to find a sustainable option that delivered the same great flavour profile.

By 2020, we met the goal of having 100% of our camellia sinensis range and herbal ingredients sustainably sourced.

2021

Project complete. With the conversion of our tisanes, 100% of our range is now Sustainably Sourced.

And as of 1 June 2021, all new tea and tea ingredients purchased are sustainably sourced through verified third party certifications.



Tea Stories

Earl Grey, Irish Breakfast and English Breakfast



Akbar Brothers supply us with three of our main blends – English Breakfast, Earl Grey and Irish Breakfast. As part of our ‘100% Sustainable Teas’ initiative, we reached out in 2020 to notify them of our intent to have these main blends certified – by the beginning of 2021. The biggest challenge to face was that these teas are often sourced from a variety of gardens across Sri Lanka and getting certifications can be tricky.

Our English Breakfast switch was a quick win, with sustainably sourced teas readily available for us to source from. Our only struggle was needing more of it! To address this we bought weekly and held stock for longer to prepare for our annual requirements.

Unfortunately for our **Earl Grey** there were no tea estates willing to make the switch to sustainably sourced certification.

We instead made a complete reformulation of the blend and the flavour to meet our sustainability requirements. It took around three months to complete but the result is now a 100% Sustainable blend made with natural flavours.

It took many conversations and months of work to convince a few of our **Irish Breakfast** tea estates to begin the certification process. Initially, the process and costs involved in getting the certification did not outweigh the perceived payoff for the estates. With a few of the estates on board we were able to see out our project and can today proudly serve sustainably sourced Irish Breakfast.

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 being harvested. It is then ground on demand to ensure maximum freshness, health benefits and flavour.

Our Matcha is ceremonial grade, which provides a sweet, smooth profile while maintaining 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 Certified Organic 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 at 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.

Our work with the Ajira foundation stretches across many years, with 2021 being a particular challenging one in light of COVID-19 impacts. A proposal by the Kenyan Government of an accelerated school year, essentially compressing two years into one academic year, has translated into no school breaks and high stress.

As of March 2022 however, the schedule is normalising and in addition to our contributions towards paying school fees and living supplies, it means we can get stuck into some larger projects with the foundation. The first of which is a year-long project called “The Kisii Heritage Project” where our scholars will go on hikes to discover fabled Kisii places. They will interview their elders, make historic maps, learn traditional Kisii crafts, and record all of their findings on a website. It all came about because our employees weren’t able to find any books on Kisii culture or history. Now we have an evolving resource - kisiitheritageproject.org - to understand this wonderful culture more deeply.



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

“I get so excited when writing and thinking about the potential of the Ajiri Foundation and the tremendous potential of these kids. Thank you for always being so supportive.”

T2 truly has made a big impact in our ability to run these programs, and also in the day-to-day lives of the women who craft the packaging. When you consider that each tea box sold by T2 has a label handmade by a woman in Kenya, it is remarkable how direct this impact is.

We so often focus on the Foundation, but truly the women we work with are doing remarkable things as well.

Dorothy has bought used baby clothes to sell in the market, Christine has opened a hair salon, and others have big plans. Most of the women are paying school fees for their own children.”

Ethically Sourced Teaware

We've made it our mission to design teawares for all sorts of sippers.

Our stores are filled with an endless kaleidoscope of different shapes, sizes, styles and colours. Whether you're into vibrant patterns, bold monochrome or hand-painted florals, there's always a teaset to match.

Our unique teawares are sourced from across the globe and are 100% ethically sourced.

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 Sedex Members Ethical Trade (SMETA) or Business Social Compliance Initiative (BSCI).

Both SMETA and BSCI are social compliance audits that companies use for transparency within their supply chain. We will only buy from manufacturers using these auditing standards.

SMETA is the most widely used social audit in the world. This social audit enables businesses to access their sites and suppliers to understand working conditions within their supply chain.

BSCI provides a system that helps companies to gradually improve working conditions in their supply chain and helps companies to integrate social compliance at the heart of their global supply chains.

These auditing standards ensure that we continue to move forward with our sustainability journey with clarity and transparency.

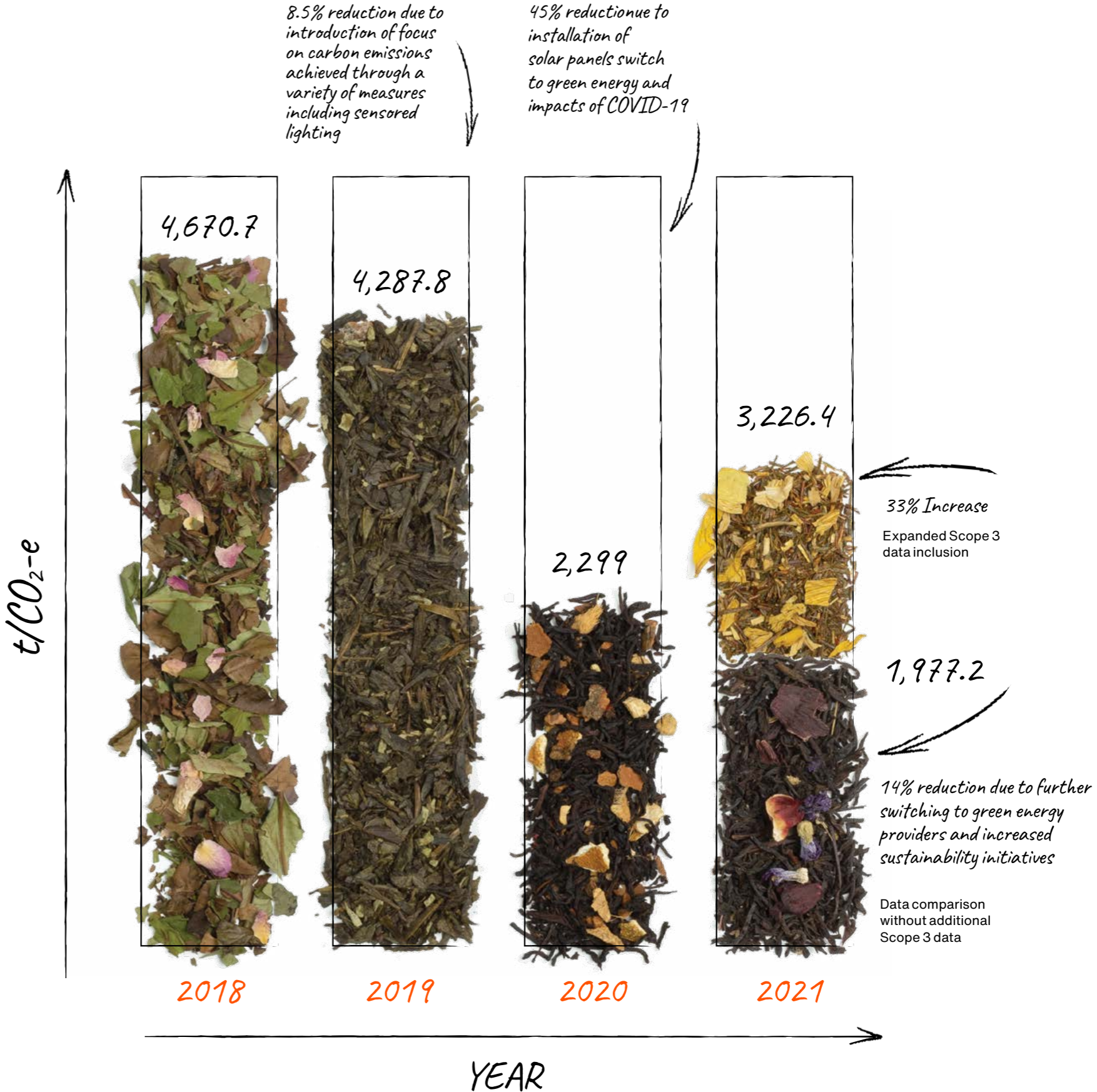


Our 2021 Carbon Footprint

We first measured our carbon footprint back in 2018 and have completed this every year since.

In 2021 we switched things up a little and decided to increase our Scope 3 measurements to provide a more accurate look into our impact on the environment.

As a result, our carbon emissions appear to increase by 33% between 2020 -2021, however this is to be expected when adding in more data to the measurement calculations. Given one of the reasons we measure our carbon footprint is to assess how successful our sustainability initiatives are in reducing carbon emissions, we wanted to see how our 2021 emissions compared to 2020 without the additional Scope 3 data added. These calculations showed us that there was a 14% reduction in carbon emissions between 2020 and 2021.



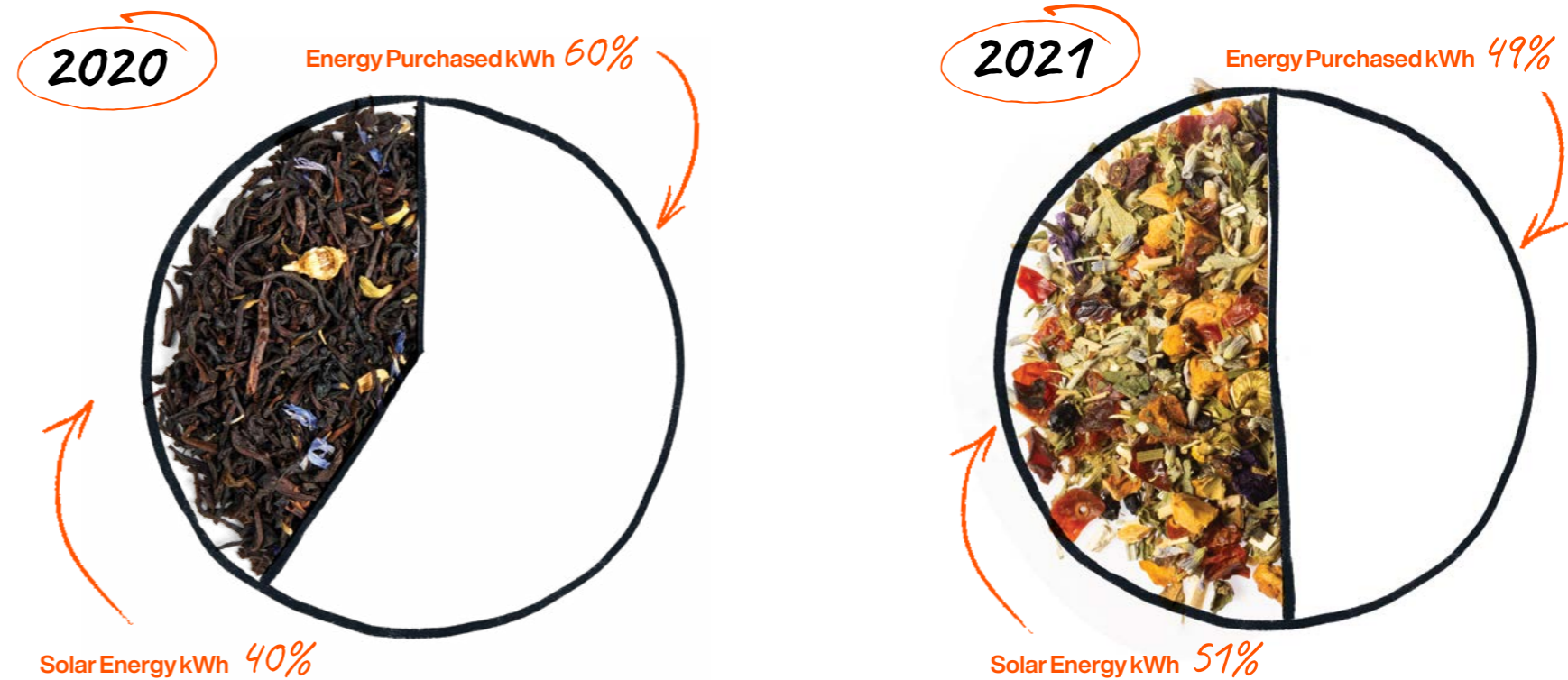
Our energy strategy guides our approach to energy procurement, management, energy efficiency and renewable energy.

In 2021, our operational energy use accounted for 17.9% 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 overall impact.

Our team has made changes, from opening our first Green Star store to implementing energy reduction processes (HVAC) at our Australian Support Office. We continue to look for more opportunities as we move forward.

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.

Energy bought vs energy generated



Onsite Generation

We installed solar panels at our Support Office in Melbourne, Australia back in February 2020. In 2021 we produced 50,040kWh of clean energy, accounting for 51% of our annual energy use at this location. Since installation, we have saved over 68,000kg of CO₂-e (carbon dioxide equivalent), which is equivalent to planting 1,324.85 trees.

Sourcing Green Energy

Where possible we choose green energy providers at our retail locations. We have increased this number from 45% in 2020 to 50% in 2021. The impacts of COVID-19 greatly hindered our progress in this area, but we will continue our efforts towards switching more retail locations to green providers.

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 2021 we offset 3,226.4 t/CO₂-e of energy associated with our buildings and retail locations.

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

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. Therefore, we chose and continue to build on our relationship with Qantas Future Planet Program.

In 2021 18,289 tonnes of carbon was offset through the Winds of Change project.



Arnhem Land Fire Abatement Project Northern Territory, Australia

In the absence of fire management by Aboriginal Traditional Landowners, Arnhem Land in the Northern Territory is prone to extreme, devastating wildfires that damage the landscape including rock art galleries, cultural sites and biodiversity.

ALFA – Arnhem Land Fire Abatement is an Aboriginal owned, not-for profit carbon farming business, that supports Aboriginal Traditional Owners and rangers to utilise customary fire knowledge and skills in tandem with contemporary technology to accomplish highly sophisticated landscape scale fire management. Their projects deliver significant emissions reductions whilst supporting environmental, cultural and social outcomes.

Using traditional methods and local knowledge, rangers practice controlled burns early on in the season. In this way frequency and extent of destructive dry season wildfires is reduced and so to carbon emissions.

These techniques have been used for tens of thousands of years however now with government and business investment, are part of a growing industry that has a number of cultural, economic and social co-benefits.

These include the support of Indigenous communities in returning to, remaining on, and managing their country, preserving native languages and protecting the wellbeing of traditional custodians.

In 2021 333 traditional owners were consulted, up from 140 in 2019, and 287 assets protected, up from 140 in 2019.

Winds of Change Madurai, India Renewable Energy Projects

Across India, wind farms reduce 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.

Where the wind turbines have been installed there has been a 300% increase in land values over the past 10 years. This is due to access to electricity, and water wells which are boosting irrigation for crops and elevating living standards.

In 2021, 18,289 emissions were offset and 52 new jobs created. Into 2022 we've continued our partnership with the Winds of Change Program which funds the installation of wind turbines in farming communities in Madurai, India. This project helps reduce power shortages and contributes to increased values on agricultural land and residential properties.

Operational Waste Strategy – Towards Zero Waste

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. Continuing from 2020, we again engaged a third-party auditor to understand our waste streams.

Our goal was to better understand our waste streams and uncover tangible methods to progress our waste management practices at our retail locations, Support Office and Distribution Centre.

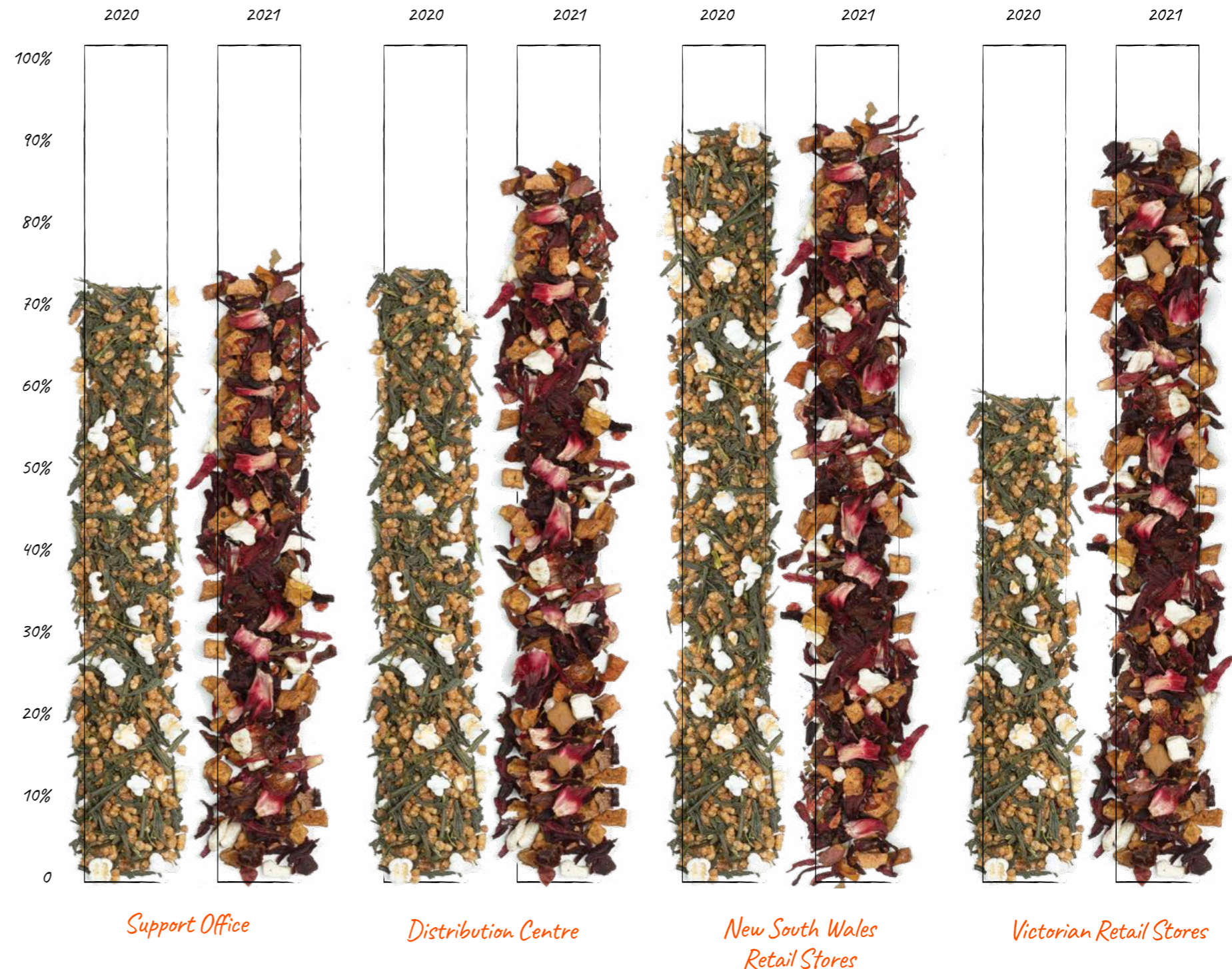
To help measure and track, the Waste Audit Report measures a diversion rate for each main location in Australia. Diversion rates mean waste redirected away from landfill. All diversion rates in our Waste Audit Report are averages.

Our motivation is to increase our diversion rate to over 90% by the end of 2022 which would help us achieve our Zero Waste goal.

Our stores have met the 90% goal already, with our DC on track to meet the target by the end of the year. Our Support Office has further work to do to meet the 90% target with our 2021 Waste Audit Report highlighting areas we can improve to do so.

Looking deeper into the data, we noted in Australia that our New South Wales stores saw the same result year on year, a 91% diversion rate. This shows great consistency of a high standard of waste management.

Diversion Rates



Sustainable Packaging

Being an ethical, sustainable tea brand goes beyond the ingredients in each of our blends. How we package our tea is of equal importance to us and we're determined to ensure your favourite brew arrives fresh with as little impact on the planet as possible.



Our packaging journey, like many good things in life, takes time. 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.

We continue to focus on three key areas:

- Removing any unnecessary packaging from our products and consumables.
- Choosing recyclable, reusable or compostable packaging for everything we do need.
- Using recyclable content from responsibly managed forests.

As of 2021

Plant-based Polybags Our loose leaf tea is wrapped in plant-based polybags, which are home compostable. If your compost game is strong, they can break down within 12 weeks.

Compostable Shopping Bags Shop in store and your tea treats will be packed in uncoated shopping bags. These can be recycled when you're ready to be rid of them. We have added a small charge to carry bags.

Greener Gift Wrap With the exception of our stickers (we're working on it), our gift wrap is entirely recyclable.

Paper Powered by Nature On select gift boxes (T2 Fives, Icon Gift Packs and The Lot) we use Italian milled paper that is produced at a facility that uses hydroelectric and solar power, as well as holding a gold Ecovadis rating.

Work to Do

Our signature black foils aren't just iconic; they also keep your tea fresher for longer. 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 in Australia, 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 foil packaging at these locations you are helping support the circular economy. Circularity means that packaging is given a second life, so once collected these items get transformed into new products such as park benches, outdoor furniture and TonerPlas — a more sustainable asphalt component.

Sustainable Materials in Stores

Our first Green Star store at Bondi Junction in Australia opened in 2020. It has since set a precedence for our design approach moving forward.

We have maintained our integrated sustainable mindset and opened three new stores in 2021 with sustainable design. By using sustainable materials, we are taking a truly holistic approach, focusing on both reducing our environmental impact whilst creating positive impact by purchasing our materials through local Australian suppliers.

Sustainable Materials

All our in-store environment choices have had a sustainability lens applied. Our materials are a blend of recycled timbers, sustainably certified materials and new innovative materials.

Our fixture countertops have been finished in a product called Betta Stone. This product was developed and made in Melbourne and consists of 80% recycled glass. It emphasises our commitment to recycled products and supporting local innovation.

Our floor tiles from Earp Bros have a number of environmental accolades. Compared to business as usual products, 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.

In 2022 we introduced light fittings that are hand-woven creations from Indigenous artists, like those from Yinarr Maramali, a small, female-owned and run business based on Gomeri Country (Tamworth, NSW). Using weaving grasses collected from Country, these women practice and protect ancestral weaving techniques and support their community through the YML Weavers and Gomeri Culture Academy Youth Mentoring Program.

New 2021 Stores:

Wynyard Place

NSW, AU

Marion
SA, AU

Karrinyup
WA, AU



Cheers to a greener future

If you have any questions,
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