

2023 & 2024 Sustainability Impact Report



Certified

Corporation

T2TM

Our Mission

We want you to anticipate putting the kettle on.
Because what comes next is destined to be magic.
Our world of tea makes your everyday routine extraordinary.
Unexpected. Sweet. Spicy. Soothing. Irresistible. T2

Australian Support Office
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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Message from our Managing Director



Christelle Young
Managing Director

I'm so happy to welcome you to our fifth Impact Report!

At T2, our 'why' is to bring pleasure to everyday moments - like the simple joy of drinking tea. With this in mind, sustainability isn't just a consideration, it's a responsibility embedded in every decision we make.

This dedication is not only driven by customers' expectations but also reflects the genuine passion of our team members who take pride in upholding the integrity of every product. Every day we make decisions to ensure our teaware is ethically manufactured and every tea is sustainably sourced.

Now, let's get into the achievements of 2023 and 2024. Maintaining rigorous standards, we are pleased to report we successfully completed the B Corp recertification process, maintained our green energy strategy, and continued to achieve significant reductions in operational carbon emissions.

We continuously seek opportunities to engage with our diverse community, globally and locally. Most notably, 2023 saw us submit our first Innovate RAP Impact Measurement Report. Our report outlined our continued commitment to creating a culturally safe environment and building lasting relationships with Aboriginal and Torres Strait Islander team members, customers, entrepreneurs and businesses.

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

A handwritten signature in black ink, appearing to read 'Christelle Young'.

Christelle Young
T2 Managing Director



T2 & Sustainability

Our Pillars



People

We're brewing bright minds.



Product

Our product is creating extraordinary moments, for our suppliers, team and customers.



Planet

We're sharing tea with the planet, with sustainability in mind – always.

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.

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.

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 9,500 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.

What's next? We are working towards re-accreditation in July 2027. T2 have established a Steering Committee with representatives from across the business who are working on the five impact areas:

1. Workers
2. Community
3. Governance
4. Environment
5. Customers



Wellbeing & Safety

We recognise our responsibility to take care of team members' health every day by implementing strategies and policies across the year, factoring in individual needs. In 2023 and 2024, this included our Menstruation & Menopause Leave Policy and Employee Assistant Program (EAP), in addition to our many other Safety & Wellbeing initiatives outlined.



Key achievements

Ensuring the safety and wellbeing of our team members and local communities is our utmost priority. Our key achievements in 2023 included:

- ✓ **Health and Safety Management System** was aligned to ISO 45001 & 45003 and achieved our certification in 45001.
- ✓ **Mental Health First Aid Skilled Workforce Program** accreditation was maintained from Mental Health First Aid Australia.
- ✓ **Wellbeing Day** was introduced permanently to our Leave Calendar. Recognised in spring, intended for our teams to enjoy nature or activities that fuel their wellbeing.
- ✓ **Annual Flu Vaccination Campaign** continued, available for all team members.
- ✓ **Working Inclusively Program** continued to equip managers and team members with the skills and knowledge to lead with respect and inclusivity.
- ✓ **Financial wellbeing** resources were offered in partnership with REST Superannuation. In 2023 team members were invited to a seminar, in 2024 articles were circulated.
- ✓ **Recognising and supporting** internal initiatives for World Sleep Day, IDAHOBIT Week, Mental Health Week, Migraine & Headache Awareness Week, World Menopause Day, Suicide Prevention Week, and R U OK Day.

Program Spotlight: Mental Health First Aid

We first received recognition from Mental Health First Aid Australia for our Mental Health First Aid Skilled Workplace Program in 2022. In 2023, we continued to train our people to ensure we have mental health first aid representation across all our employee demographics. We believe that to break down the stigma associated with mental health conditions, it's essential to have people in the workplace who can facilitate conversations with team members who may be struggling.

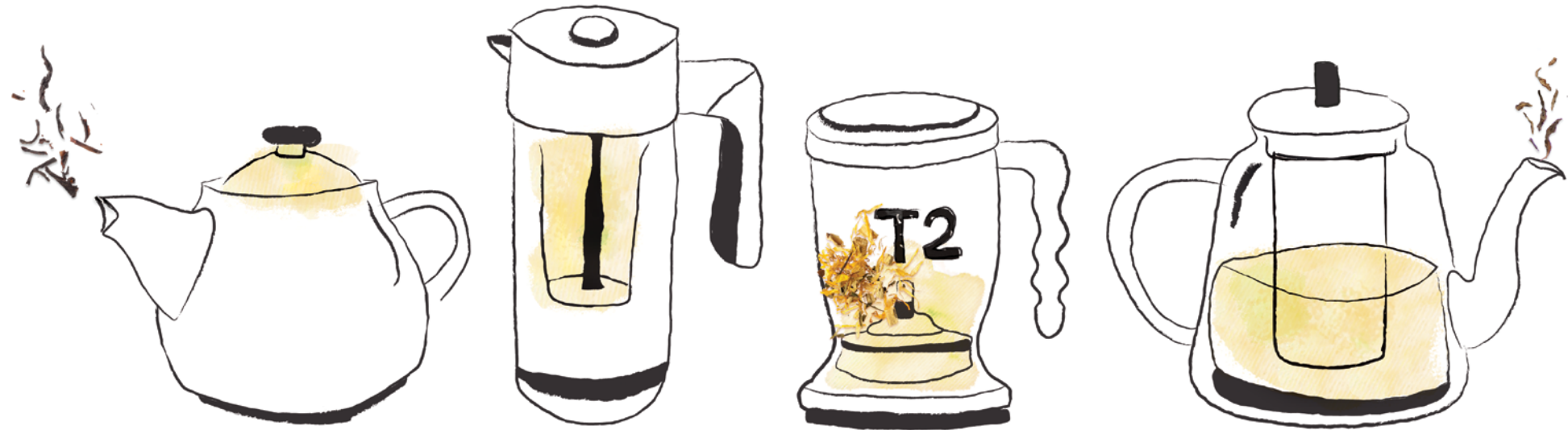
We now have trained leaders who are confident to offer support, along with reasonable role adjustments when needed, to help team members stay at work. Since beginning the program in 2022 we have maintained the training and appointment of 10% of our global workforce as Mental Health First Aiders.

Mindfit Employee Assistance Program

In 2024, we introduced our team to a new Employee Assistance Program (EAP). The offering is already seeing an uplift in usage, it gives all team member access to up to three free counselling sessions on a range of topics. Other features include easy booking via the app or website, self assessment tools for mental wellbeing and useful resources that team members can access 24/7.

Diversity & Inclusion

The Diversity & Inclusion (D&I) Policy continued to support and facilitate a diverse and inclusive workplace. In 2023 we were a finalist in the Gender Equity Awards and a finalist in the Online Retail Industry Awards category for D&I Impact.



Key moments

Anti Racism Week

A discussion panel was hosted with South Sudanese leader and NextGen Unite founder, Mamuch Chuol who shared powerful insights into racial discrimination, how to be an ally and his experience being a refugee.

Homelessness Awareness

We partnered with Launch Housing host a session educating our people on homelessness and what they could do to support the eradication of homelessness locally and globally.

Harmony Day

Our support office team celebrated our cultural difference for Harmony Day. We were amazed by the variety of backgrounds represented and shared dishes from all over the world.

NAIDOC Week

In 2023 Uncle Dave Wandin welcomed us to Country and shared the cultural significance of the smoking ceremony. After, we shared food from Mabu Mabu, a Torres Strait owned business. In 2024 we supported Aboriginal Housing Victoria's Family Day at the Farm. Highlights of the day included donating and serving tea to some of the 3,000 guests, including many Indigenous Elders.

National Reconciliation Week

Supported Children's Ground's Wear it Yellow fundraising campaign, creating a hopeful future for the next generation of First Nations children and families. We made a donation, matched team member donations and raised awareness by encouraging team members to wear and accessorise yellow for a day.

International Women's Day

In 2023 we celebrated the women of T2, hosting a panel discussion with three women from our business from STEM, creative and product. In 2024 we highlighted the voices of more women in our team, hearing their unique and shared experiences.

Neurodiversity Badges

We added a new DEI badge to our existing offering with 'Embrace Neurodiversity'. Since launching, we have provided over 20 of these badges.

Matariki, Māori new year

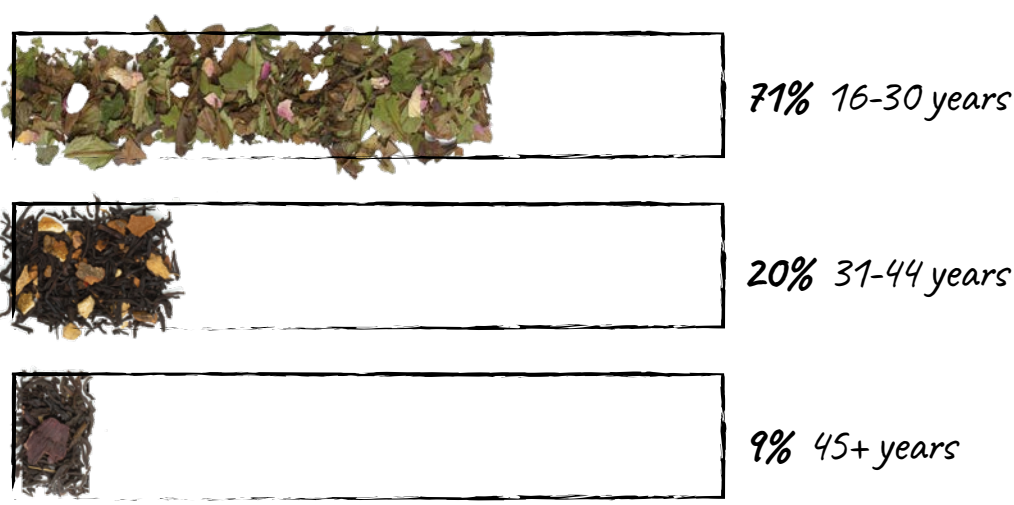
Our DC team recognised this important day in the New Zealand calendar by sharing traditional and not so traditional snacks onsite.

Diversity & Inclusion

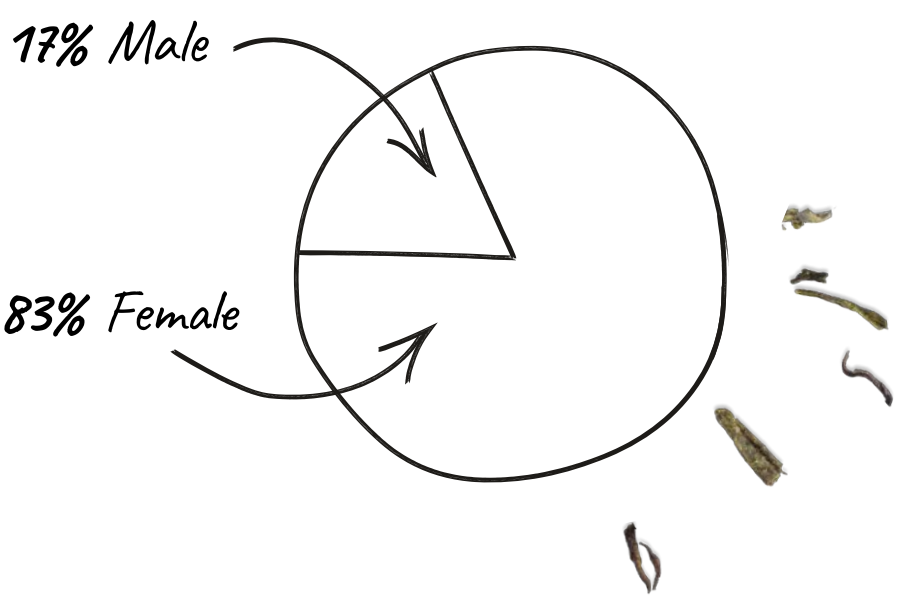
Women in the Workforce



Generational Diversity



Gender Diversity



Engagement

In 2024, T2 undertook its annual engagement survey using the Gallup Q12 plus four T2 specific questions on Business Strategy and DEI – all current team members were invited to participate including casual team members. The survey is all about an opportunity to provide feedback to the business, and for the business to listen, and then act on the feedback to drive positive change.

Participation was strong with 542 respondents and 82.75% completion vs 69% in 2023. Of all the companies Gallup surveys for, for engagement, T2 are in the top 50%.

The engagement index ratio was 7.29, meaning there were 7.29 engaged employees for every 1 disengaged team member.

Key achievements

- ☒ **Opportunity 1** is to provide the team and/or business greater clarity on the organisation's mission and purpose and how individual's jobs are important in this. Including clarity on future direction. Our action is communication of our strategy and 5 pillars – we measure ourselves against these. Quarterly Teatime Business Updates as well as weekly updates on performance at the 25 at 10.
- ☒ **Opportunity 2** is recognising and praising individual contribution on a more regular basis. Our action is the Heroes Recognition program was refreshed and relaunched as Moment Makers. Held quarterly, it's a dedicated session with balanced recognition across the DC, Retail and the Head office and all levels including casual.
- ☒ **Opportunity 3** is working together more collaboratively - more cross-functional collaboration. Our action is a refreshed Culture Club focused on social activities and reasons to come together and get to know each other better like Trivia etc.

Program Spotlight: Brewing Leadership

With a focus on team member engagement, Brewing Leadership is a program designed to teach participants how to effectively lead their team members to improve performance, productivity and engagement. This T2 first program was run over 14 weeks in 2024 with a combination of online learning, one-on-one coaching and an off-site development day facilitated by REACH. With 14 participants from a range of departments, the goal was to train the next generation of leaders at T2.



Environmental & Social Pillars

100% Sustainably Sourced Ingredients

To be sustainably sourced, our teas, herbs, spices and fruits are certified under third-party standards, with at least one of 17 accreditations to confirm its sustainable origins. For example, our Matcha is Certified Organic by Australian, EU and USA standards. We work closely with our suppliers to 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 reformulate or discontinue some teas, prioritising sustainability and taste always. Next steps involve introducing tea from smaller-scale tea farms to support growing practices that benefit local communities and the environment – set to launch in late 2025 and early 2026.

Ethical Supplier Practices

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.

The audit process assesses many aspects within the factory, including workplace safety and workly hours. Each worker is interviewed, with the business providing a transparent system for confidential reporting.

The audit process 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.



Tea Stories



Organic is growing fast

Matcha is our fastest growing product in popularity, and it is also 100% certified organic. The popularity of Matcha has increased since we started selling it in the early 2000s, but its growth through 2023 and 2024 is unprecedented.

It's popularity can be credited to its high quality, which goes hand-in-hand with an organic harvest. It's a ceremonial Matcha is grown in the Shizuoka prefecture on Japan's Pacific Ocean coast. Grown in covered, shaded conditions for the last 3 weeks of growth before picking to not only give the Matcha its bright green colour, but boosts amino acid production too.

Once the tea is picked it's dried, de-veined and then processed into Tencha - this Tencha is kept refrigerated until it is ready to grind. Once ready, the Tencha is then milled into a fine powder with ceramic stones. An arduous process, it takes roughly 24 hours to mill 10kgs of matcha. The result is a uniquely creamy, full-bodied and beautiful cup of green tea.



What does the ACO certification mean?

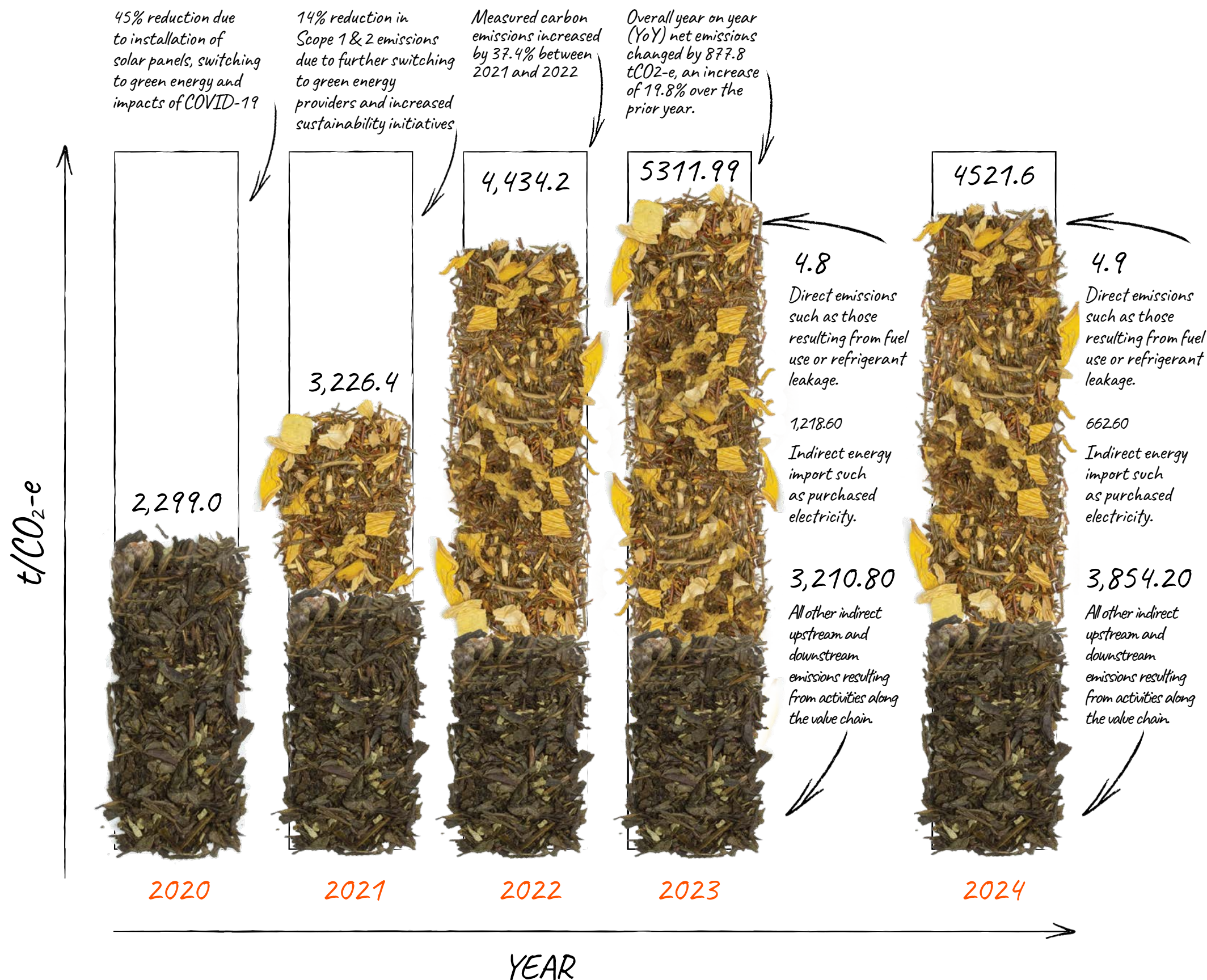
ACO Certified Organic label indicates the tea has been produced without human-made fertilisers, pesticides, growth regulators and GMOs. Organic looks at the whole system, from the soil, plants, people and environment.

Carbon Reporting & Goals

In 2023 and 2024 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 19.8% between 2022 and 2023, and decreased by -14.9% between 2023 and 2024.

One of the key reasons we measure our carbon footprint is to assess how impactful our sustainability initiatives are in reducing carbon emissions.



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

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

T2 Tea
32 Gipps St, Collingwood
Victoria 3066 Australia

AU 1300 832 866

[T2tea.com](https://www.t2tea.com)

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