

SUSTAINABILITY REPORT & CORPORATE SOCIAL RESPONSIBILITY 2020

ACKNOWLEDGEMENT OF COUNTRY

IN THE SPIRIT OF RECONCILIATION, NOMAD COFFEE GROUP ACKNOWLEDGES THE TRADITIONAL CUSTODIANS OF COUNTRY THROUGHOUT AUSTRALIA AND THEIR CONNECTIONS TO LANDS ON WHICH WE OPERATE.

OFFEE

WE PAY OUR RESPECT TO THEIR ELDERS PAST AND PRESENT AND EXTEND THAT RESPECT TO ALL ABORIGINAL, TORRES STRAIT ISLANDER PEOPLES TODAY.

IN ORDER TO DO MORE, AND CREATE TRUE ACTION NOMAD COFFEE GROUP IS WORKING WITH RECONCILIATION AUSTRALIA TO DEVELOP AND COMMIT TO A RECONCILIATION ACTION PLAN.



MESSAGE FROM OUR CEO

2020 will be a year to remember. COVID-19 challenged all aspects of doing business, and in doing so, reinforced our belief that commiting to sustainable business practices is the only way forward. As they say, every cloud has its silver lining and some of the temporary setbacks we experienced this year gave

us a better understanding of our business and resulted in some wonderful insights to share.

Our core values of providing quality coffee, establishing strong customer relationships, and valuing our employees came into laser focus this year as we were faced with business disruptions at home in the form of lockdowns and closures, and abroad with coffee supply and shipping.

We turned to these core values to create our strategy for COVID-19, keeping in mind that our first priority was to keep people employed. We knew this was the best way we could support our team and keep the business going with some semblance of normalcy. Rising to the challenge, Nomad employees demonstrated exceptional adaptability and commitment to remote work.

Our strong customer relationships kept our roastery open and grew the retail side of our business with some changes to how we operate day-to-day. These changes made open and honest customer and supplier communication more of a cornerstone than ever before, and we remain grateful for the long-standing partnerships that made difficult discussions easier to have. As a result, we were successful in upholding all our coffee purchasing agreements and we were able to reassure our coffee partners of our commitment to their coffee.

This time of crisis made us rethink our responsibility to the future. In April of 2021, we appointed a full-time Sustainability Manager to take our wish list of ideas and turn them into a reality. This report gives some insight into our achievements in 2021 and our upcoming projects for 2022.

Craig Dickson, CEO - Nomad Coffee Group



THE NOMAD COFFEE GROUP









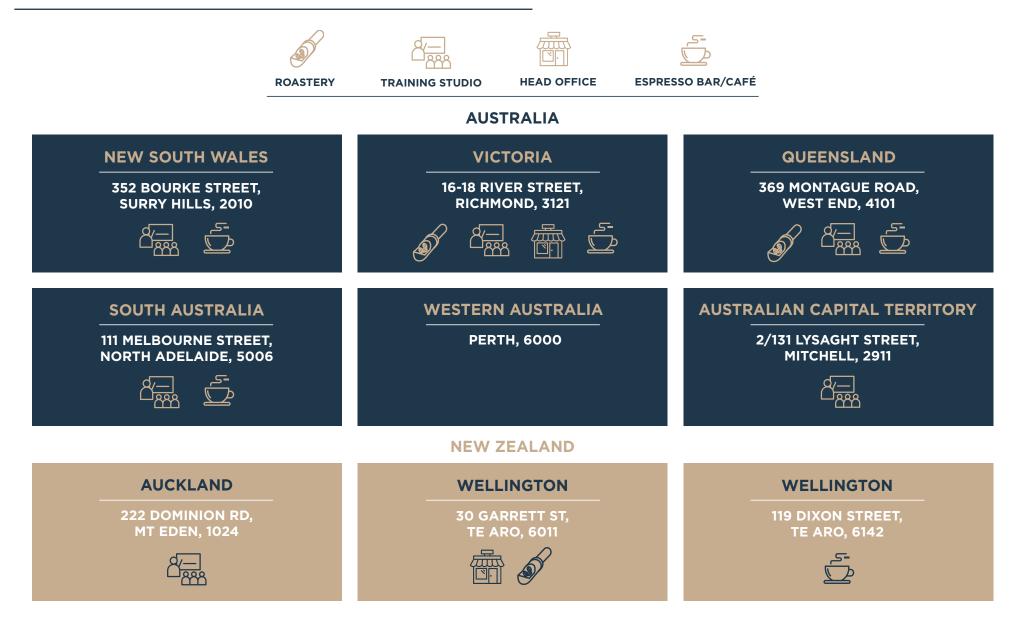


INIGO COFFEE GROUP





LOCATIONS



For regional sites and distributors visit website https://venezianocoffee.com.au/regional-partners

POSITION STATEMENT

'OUR BUSINESS AND ALL OUR PARTNERS ARE ABLE TO ACHIEVE ECONOMIC SUCCESS WHILST PROTECTING THE ENVIRONMENT AND STRIVING FOR SOCIAL JUSTICE AND EQUALITY FOR ALL.'

'WE UNDERSTAND THAT IT IS ONLY BY IMPLEMENTING SUSTAINABLE AND SOCIALLY RESPONSIBLE BUSINESS PRACTISES TODAY, THAT FUTURE GENERATIONS WILL BE ABLE TO ENJOY COFFEE, TOMORROW.'



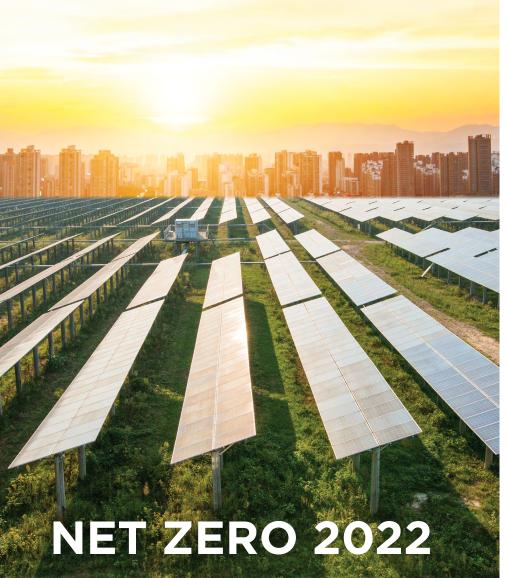
SUSTAINABILITY AT NOMAD

When I first joined the Nomad Coffee Group in early 2018, what really drew me here was the priority the group has always placed on coffee, not only sourcing brilliant quality and roasting some of the tastiest coffee in the world, but also a huge emphasis on responsible sourcing, and building long term relationships with our farming partners, some of which we have been working with for many years. This still holds true today, but as we continue to grow and diversify, it has become more and more evident that without a dedicated department, it is difficult to make significant progress on some of our goals, and the communication of those goals. Excitingly for me, this has given me the opportunity to step directly into a role that allows me to focus 100% of my time on the impact our business has on our community, industry and the environment. One of the first steps was to critically measure certain aspects of our business, and I am very excited to publicly share some of our findings, what we plan to do, and some things that we have already done to ensure that we are doing our part to protect the planet we love.

Nick Percy, Sustainability Manager - Nomad Coffee Group



WE ARE COMMITTED





THERE IS NO PLANET B

At the Nomad Coffee Group, we acknowledge that there is a very real, and immediate threat to our planet, and to our industry due to the impacts of Climate Change. We have seen signs of this already with the changes in growing conditions in many countries. And more recently, the impact of the recent severe weather events in Brazil, leading to a loss of over 45 million bags of coffee, resulting in a 4 year low harvest, and driving the coffee market price soaring to the highest we've seen in since 2014.

To do our part, we are committed to **Net Zero from 2022**. While we understand the heavily reliance on carbon offsetting to achieve this is not ideal; we believe this is an important step towards lowering our environmental impact quickly. Currently, we are working towards decarbonising our organisation, and limiting our reliance on carbon offsetting by 2030.



GOVERNANCE

Our core value of commitment to quality extends beyond the coffee we buy, roast and sell and into all areas of our business. We expect all of our directors, employees, contractors and suppliers to operate fairly, ethically and lawfully. We know that accountability and transparency beyond financial reporting will be the benchmark for businesses in the near future and we are excited for the opportunity to be a leader in this field.

CORPORATE REPORTING

EMPLOYEE RESPONSIBILITY

SUPPLIER MANAGEMENT

CUSTOMER RESPONSIBILITIES

Nomad Coffee Group is an Australian regulated entity which reports through a traditional corporate structure to a board of directors. The board of directors, executive and management operating team are responsible for complying with all government regulations.

Nomad Coffee Group fully complies with all Australian and New Zealand regulations and reports all required information to the relevant bodies in a timely manner. We comply with all regulations around employee health, wellbeing and safety. We are committed to fair work practices, and positive employee experiences. We consider living wages and pay wages according to prescribed government awards or higher. To see full details please turn to pages 32 to 36. We are proud of our long- term supplier relationships and work with our suppliers to ensure win-win outcomes. Our supply chain and its relationship to our ESG objectives will be a focus in 2022. We take our responsibility to provide quality coffee to our customers very seriously. It is the reason we are in business. Some of our customers have been with us since the beginning and we are proud to have supported their growth as they supported ours. Sharing our coffee knowledge with our customers is a big part of our business and we look forward to supporting their sustainable business practices as well.



MATERIAL TOPICS

In 2020 we created a Sustainability Team from within the business to conduct a materiality assessment of the most important environmental, social and governance (ESG) issues facing our business.

Through formal and informal engagement with our stakeholders, and desktop research we collated the most relevant topics. Then we assessed them for likelihood of occurrence and rated them for significance to our business to ascertain levels of priority.

Three areas most important to our stakeholders: limiting our impact on climate change through; fair prices for coffee farmers and its impact on the wellbeing, health and sustainable livelihoods; and consumer and customer rejection of single use packaging.

Second tier impacts are stakeholder pressure to do better, reducing our landfill, reducing our greenhouse gas emissions and reviewing our energy usage and suppliers. These formed the basis of our programs and initiatives for 2020, 2021 and beyond.

	CERTAIN			STAKEHOLDER EDUCATION ON SUSTAINABILITY	PACKAGING	CLIMATE CHANGE
	LIKELY			ENERGY	WASTE	FAIR \$ PAID TO FARMERS = QUALITY OF LIFE
ГІКЕГІНООД	POSSIBLE			GENDER, EQUALITY & DIVERSITY. HEALTH, SAFETY & WELLBEING	EMISSIONS	
LIKEI	UNLIKELY					
	RARE					
		INSIGNIFICANT	MINOR	SIGNIFICANT	MAJOR	CATASTROPHIC
			SIGNIFIC	ANCE		

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs) PROVIDE A FRAMEWORK OF THE WORLD'S MOST PRESSING ISSUES. THE FOLLOWING PAGES DEMONSTRATE THE ALIGNMENT OF OUR SUSTAINABILITY KPIs IN RELATION TO THE SDGs.



NOMAD ENVIRONMENTAL KPIs

ENVIRONMENT

To decrease and minimise our impact on the environment.

- Reduce our emissions by reducing our reliance on non-renewable energy's
- Net Zero 2022, with a long-term strategy to reduce reliance on offsets
- Improve recyclability value of all packaging, and decreasing pack sizes
- Reduce and avoid Single Use Packaging



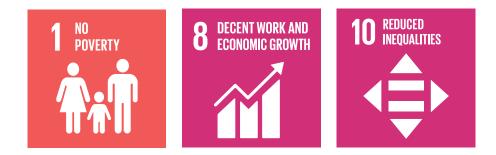
CLIMATE CHANGE, ENERGY AND EMISSIONS		PACKAGING AND WASTE			
GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	
100% RENEWABLE ELECTRICITY BY 2023	20% REDUCTION IN CARBON INTENSITY BY 2023 (2020 BASELINE)	100% REMAINING ORGANISATIONAL EMISSIONS TO BE OFFSET FROM 2022	75% WASTE DIVERTED FROM LANDFILL BY 2023	15% REDUCTION IN PACKAGING BY 2024	

NOMAD SOCIAL KPIs

SOCIAL

To fight injustice and poverty both at origin, and also on our home shores.

- Continue our long term supplier relationships
- Hold firm to our stance of not accepting any form of Modern Slavery
- By improving our methods of screening our suppliers, and supporting them in avoiding all forms of Modern Slavery
- By giving back into the local communities in which we operate



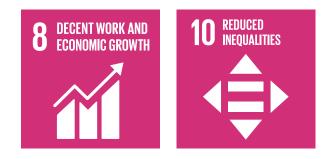
I FAIR I	PRICE PAID TO FARME	COMMUNITY		
GOAL 1 >95% OF OUR COFFEE TO BE CERTIFIED, OR PURCHASED UNDER OUR SCP* BY 2023	GOAL 2 100% OF HIGH RISK SUPPLIERS IDENTIFIED AND AUDITED BY 2023	GOAL 3 100% OF KEY SUPPLIERS ADHERED TO OUR SUPPLIER CODE OF CONDUCT BY 2023	GOAL 4 >700 HOURS OF VOLUNTEER SERVICE IN 2022	GOAL 5 2022 IMPLEMENT RECONCILIATION PLAN

NOMAD GOVERNANCE KPIs

GOVERNANCE

Ensuring a sustainable future for our business, that is more than just economic.

- Continuing to educate and influence our stakeholders both internally and externally
- Working towards becoming the employer of choice in coffee by improving our diversity, retaining talent, and improving our engagement



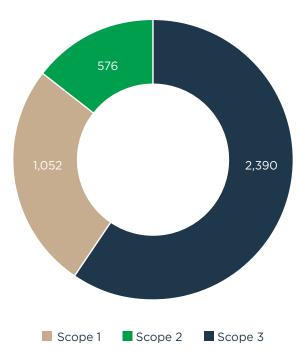
STAKEHOLDER EDUCATION ON SU		GENDER EQUALITY & DIVERSITY, HEALTH AND SAFETY AND WELLBEING		
GOAL 1 ONE OR MORE SUSTAINABILITY KPIS FOR EACH DEPARTMENT, REPORTED ON QUARTERLY GUARTERLY GUARTERLY GUARTERLY GUARTERLY	VERSITY, 2022 N AND PARENTAL CIOUS LEAVE SCHEM INING TO BE IIRING IMPLEMENTED ANNUAL ATION	AS MEASURED VIA	GOAL 5 <19 HOURS LOST TIME INJURIES REPORTED ACROSS THE GROUP	

GOALS AT SNAPSHOT





OUR CARBON FOOTPRINT





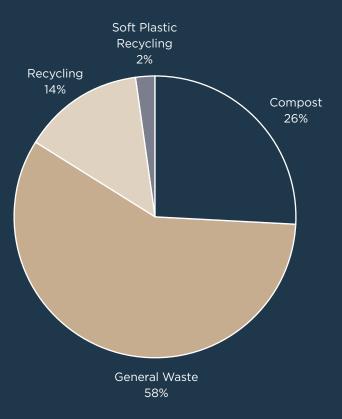
From 1st of January 2022, we will be moving all of our Australian provided electricity to certified Greenpower, we are able to offset more than 500T of GHG emissions.

This equates to a 16% reduction in carbon intensity from 1.4kgCO2e per 1kg of coffee produced, to 1.18kgCO2e per kg.

By consolidating all of our power suppliers, we where also able to make a saving of nearly \$10,000 on our annual electricity costs.



WASTE MANAGEMENT - 2020





WASTE MANAGEMENT

By assessing, and measuring our total business waste in 2020, we found that 58% of our total was sent to landfill, a number of initiatives have been put in place to hit our target of 75% recycled or diverted.

2020 95 TONNES OF WASTE DIVERTED FROM LANDFILL ESTIMATED A FURTHER

2021 38 TONNES OF WASTE WILL BE DIVERTED

ESTIMATED TOTAL OF 133 TONNES DIVERTED



WASTE REDUCTION - 2021



4 TONNES BY Q3 2021 ର୍ଷ୍ଣ BEGINNING ର୍ଷ୍ଣ JANUARY

14 TONNES ALL TIME

2020 SIMPLY CUPS 1,600 TAKE AWAY CUPS DIVERTED FROM LANDFILL

BY Q3 2021 OVER 22,000 CUPS HAVE BEEN COLLECTED AND DIVERTED

I 2021

CHAFF BY PRODUCT OF ROASTING GREEN COFFEE 10% DIVERTED FROM LANDFILL 2021 **100%** DIVERTED TO ORGANIC RECYCLING 35 TONNES PER YEAR



PACKAGING

Single use packaging is one of the most significant and material issues faced by our industry, it is also one with rapidly changing technology, we will ensure to continuously review and adjust the methods in which we supply our goods to reduce source materials, and increase recyclability value.

In 2021, we conducted an extensive tender process for our coffee packaging, allowing us to critically assess our current format, and begin a plan for the future. Our short term coffee packaging goals include removing the aluminium layer within the bags, improving recyclable value, while still maintaining a high oxygen barrier.

We have selected a compostable coffee cup, on the basis that we believe it being the most likely to be widely accepted in organics streams in the near future, we will amend if this changes along the way, but in the meantime we are proud to offer solutions to our customers designed to divert single use take away cups, via such partnerships as Simply Cups, and Noa & Parker.





THE GLOBAL COFFEE MARKET

The coffee producing industry had as hard time as any in the past 18 months, with Covid-19 tearing through key growing regions and limiting the movement of seasonal workers. There have also been many instances of industry shutdowns, including shipping ports, having a massive impact on global shipping. Leading to severe delays and detours before coffee reaches our shore. Coffee shipments are currently delayed by at least a month if we are lucky and up to three on the high end. Throw in some severe weather events such as frost and drought in Brazil, and it has become the perfect storm leading to a more than 100% increase of the commodity price. This leaves farmers in a far better position than in 2019 when coffee was being sold under the cost of production but presents buyers with a set of new challenges, including buying of spot price coffee, which does not fall under our Sustainable Coffee Program, but was necessary to avoid shortfall in supply.

Farm visits have ground to a complete halt over this time, but as always, coffee finds a way. Through the magic of technology we have still been able to source delicious coffees and stay in touch with our growing partners and we look forward to a brighter near future where we are able to again travel to origin to continue our work with our international coffee friends.

Jack Allisey, Green Coffee Buyer - Nomad Coffee Group



OUR PURCHASING POLICY

We will make sustainability, environmental and social aspects of business decisions as important as quality and economic viability. This will include all areas of our business in Australia, New Zealand and overseas, including green bean buying, roasting, packaging, warehouse and logistics and waste management, administration, human resources and marketing.



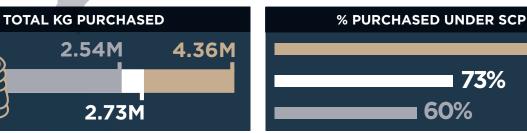
ETHIOPIA INDIA

RWANDA & BURUNDI

90%

TANZANIA





GUATEMALA

HONDURAS

PERU

EL SALVIDOR

COSTA RICA

COLOMEIA

BRAZIL



2018

VIETNAM

INDONESIA

TIMOR

2019 2020

PNG

SUSTAINABLE COFFEE PROGRAM INDIA 2017 2018 2019 2020 TOTAL KGS PURCHASED 151,200 268,960 326,400 298,430 % OF TOTAL % 7% 12% 7% 10% KAAPI ROYALE SETHURAMAN ESTATE SUSTAINABLE COFFEE PROGRAM (SCP) 100% 100% 100% 100%

COLOMBIA

	2017	2018	2019	2020	
MA		TOTAL KGS	PURCHASED		
	676,100	857,400	897,450	983,842	
		% OF	% OF TOTAL		
%	30%	34%	33%	23%	
	SU		FEE PROGRAM (S	iCP)	
$\bigcirc \bigcirc \bigcirc$	56%	100%	100%	98%	

COLOMBIA



BRAZIL

	2017	2018	2019	2020		
		TOTAL KGS	PURCHASED			
	1,046,186	1,007,937	1,138,880	2,005,561		
	% OF TOTAL					
%	46 %	39%	42%	46%		
A	SUSTAINABLE COFFEE PROGRAM (SCP)					
$\bigcirc \bigcirc \bigcirc$	4%	6%	69%	85%		



PERU

	2017	2018	2019	2020
N/0 60		TOTAL KGS	PURCHASED	
	279,507	145,260	149,871	201,998
		% OF	TOTAL	
%	12%	5%	5%	5%
	SU	STAINABLE COFI	FEE PROGRAM (S	CP)
\bigcirc	100%	100%	100%	99%



HONDURAS



2017 2018 2019 2020 TOTAL KGS PURCHASED 177,192 779,951 0 196,178 % OF TOTAL 9/0 0% 7% 8% 18% SUSTAINABLE COFFEE PROGRAM (SCP) 0% 100% 100% 84%



FAIRTRADE





FAIRTADE ORGANIC COFFEE

FAIRTRADE PREMIUM HAS PROVIDED:



IMPROVED PAYMENT TERMS

FUNDING FOR COMMUNITY DEVELOPMENT ACTIVITIES

TRAINING AND AGRICULTURAL TOOLS INFRASTRUCTURE

	2019	2020
KG'S	29,200	137,000
FAIRTRADE PREMIUM (AUD)	\$18,313	\$87,128

UTZ





UTZ ROYALTIES

IMPROVED WATER SANITATION AND IMPROVED COFFEE PROCESSING FACILITIES.

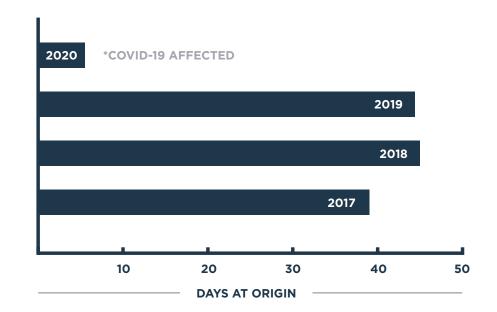
LEADERSHIP TRAINING, ENCOURAGING YOUTH PARTICIPATION IN COFFEE INDUSTRY AND WOMEN'S ARTISAN DEVELOPMENT GROUPS.

	2020
KG'S	1,311,389
UTZ PREMIUM	\$52,159



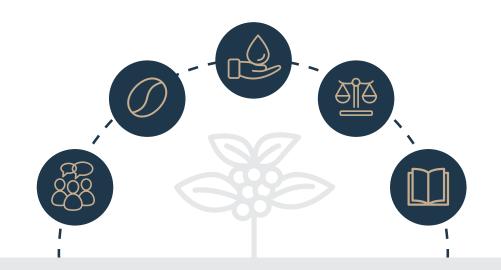


Since the SCP was implemented, we have conducted over 30 research origin trips to over 10 coffee producing origins, with over 50 of our staff attending these trips.





KEY 2022 PROJECT SUPPLIER CODE OF CONDUCT



While we strongly condemn all forms of Modern Slavery, we acknowledge the reality of the risks within the coffee industry and believe that often occurrences can be heavily influenced by instances of severe poverty.

Over the next 12 months, we commit to strengthen our supplier screening and implement a **SUPPLIER CODE OF CONDUCT** to cover the most relevant lines of our supply chain. By doing this, we believe we can help reduce risk to our customers and internal stakeholders.

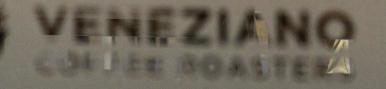
In the event of any instances of Modern Slavery being discovered within the process, we will work directly with the relevant parties to remedy the situation and break the cycle of poverty that the effected person(s) are in.

We believe that ceasing sourcing from an effected area should be the last resort, as the removal of funds can create further instances of Modern Slavery and more severe poverty.



DEVELOPING PEOPLE

RELATIONSHIPS WE FORM WITH PRODUCERS CREATES A SYMBIOTIC EDUCATION OPPORTUNITY FOR BOTH PARTIES. SHARING KNOWLEDGE, UNDERSTANDING ROADBLOCKS, AND EXPERIMENTING WITH NEW IDEAS HELPS TO DEVELOP OUR PEOPLE.



OUR PEOPLE: COVID-19 RESPONSE

In unprecedented times like these, businesses that band together, display exceptional leadership and take proactive steps can weather the storm and recover faster.

Nomad Coffee Group took action early in the pandemic to protect our people and the long-term sustainability of the business.

Our objectives the business set at the start of the pandemic have remained through-out this pandemic;

- 1. To retain our permanent staff, key talent and IP and;
- 2. Ensure the longevity of Nomad Coffee Group so we can survive and thrive.

To achieve these objectives, we redeployed staff into high demand areas, rather than significantly reduce our headcount. Redeployment meant we had staff working in parts of the business they wouldn't ordinarily. Redeployment has kept staff employed and furthermore, has provided great benefit to our business through greater connection and understanding of the different departments people work across. From this, we are seeing better communication, understanding and collaboration across our business.

We've implemented zoning measures to protect our business and people, supported our people with navigating working from home and continue to educate our people of COVID-19 Safety measures.

To encourage COVID-19 vaccination, Nomad Coffee Group has offered company incentives. Through this process, we've returned positive responses from our employee surveys.

In 2020 our COVID Management Survey results reported;

- 98% Employee Confidence that Nomad Coffee Group has sufficient adjustments to deal with the COVID-19 Pandemic;
- 96% Felt they were being treated fairly during the COVID-19 Pandemic
- 100% Felt they knew what they needed to do to keep safe and healthy during the pandemic

Amie Jacobson, People & Culture Manager - Nomad Coffee Group



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RETENTION

During the pandemic, we retained more than 90% of our talent

OUR PEOPLE: ENGAGEMENT

Employee Engagement Surveys

Nomad Coffee Group conducts regular employee engagement surveys to measure our people's satisfaction with their role, manager, the leaders of Nomad Coffee Group and the business as a whole.

Why do we care about engagement?

Engagement is a measure of people's connection and satisfaction with a company. By lifting it, we can positively impact the purpose and meaning an employee takes from a role and organisation. Furthermore, engagement contributes to higher performance, innovation, retention and attraction of talent.

Ultimately organisations with a highly engaged workforce outperform those who do not have a highly engaged workforce.

Engagement at Nomad Coffee Group

We know that the enthusiasm of our people is high and that our employees feel proud to work at Nomad Coffee Group.

We take a multifaceted approach to engagement, regularly surveying our employees on their satisfaction and engagement. We use this insight and data, taking initiatives to improve our employee engagement and satisfaction.

At Nomad Coffee Group, engagement is lead and communicated by our executive team as an equal company priority to our other business metrics. Employee fulfilment and a sense of purpose and meaning matter to us.

NOMAND COFFEE GROUP EMPLOYEE ENGAGEMENT RESULTS

YEAR	RESULT
2019	82%
2020	84%

Our results are above the Australian (100-200 employee) benchmark, above the average engagement score for a food and beverage company, and above the top 25% food and beverage benchmark. (As defined by Culture Amp)

Sustainability engagement

In 2019, we began tracking our sustainability engagement score to help us better understand our communications around the Nomad Coffee Group sustainability goals and direction. We have also increased the amount of information on our communications platform Workplace, as well as expanding the sustainability committee to include more operational departments. In 2022, we will also launch our first community volunteer program.

Externally, we have placed focus on our social media messaging, increasing sustainability themed posts, and sharing stories on our progress and our success.



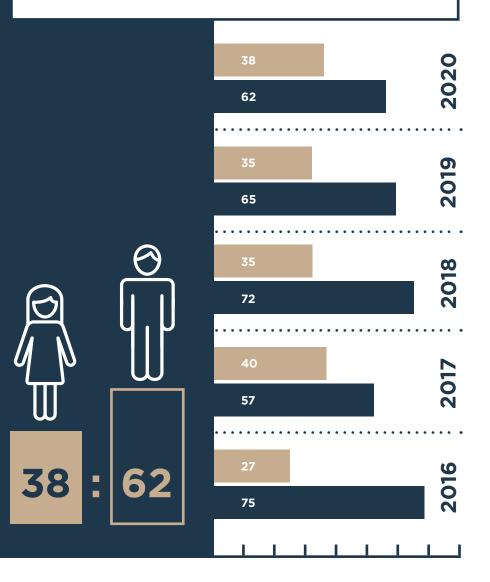
OUR PEOPLE

At home in Australia and New Zealand, we are stringent in our compliance with all state and federal legislation. We aim for a fair, diverse and safe working environment for all our employees.

We understand the importance of diversity in the workplace. Diversity gives a breadth of experience and opinion that creates better business outcomes. Companies that reflect the greater society outperform others in profit, employee satisfaction and retention and a more positive brand association with customers.

We are working to improve all forms of diversity across our organisation. With regards to gender equality, we believe there are many facets to improvement. For this reason, we look at gender equality metrics more deeply, such as gender split in management and decision making roles, and the engagement results of minority groups.

GENDER BALANCE





OUR PEOPLE: DIVERSITY

DEPARTMENT/GENDER (OCT 2020)

Departments	No.	м	M %	F	F %
Managing Directors	3	3	100%	0	0%
Sales & Marketing	30	18	60%	12	40%
Black Bag Roasters	2	2	100%	0	0%
Finance	6	2	33%	4	67%
Operations	38	34	89%	4	11%
Retail (Café)	53	24	45%	29	55%
People, Culture Sustainabilty	2	0	0%	2	100%
Total	134	83	62%	51	38%

Increase in Female representation beetween 2018-2020 of 5% (33 vs 38).

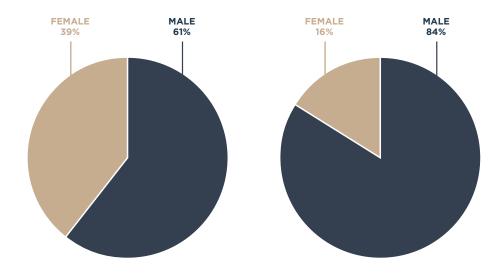
EMPLOYEE MOVEMENT

	2019	2020
TURNOVER	17%	10.24%
PROMOTIONS	4%	6%

Employee Movement reflects both internal opportunity and employee satisfaction.



GENDER SPLIT/ EXECUTIVE MANAGEMENT



WHAT'S NEXT?

WE KNOW THAT WE'RE ONLY AT THE BEGINNING OF OUR JOURNEY AND CAN'T AFFORD TO BE COMPLACENT. IN THE AIM OF ALWAYS STRIVING TO DO BETTER AND MORE SUSTAINABLE BUSINESS, WE ARE WORKING ON SEVERAL KEY PROJECTS OVER THE NEXT 12 MONTHS.

	ATTAIN CARBON NEUTRAL CERTIFICATION	DESIGN AND IMPLEMENT SUPPLIER CODE OF CONDUCT	IMPLEMENT A RECONCILIATION PLAN
	CLIMATEACTIVE		RECONCILIATION AUSTRALIA



www.Nomadcoffeegroup.com.au



in www.linkedin.com/company/nomad-coffee-group/