

SUSTAINABILITY REPORT & CORPORATE SOCIAL RESPONSIBILITY 2021





MESSAGE FROM OUR CEO

Keeping our focus on sustainability has proven to be a difficult process during 2021, with Covid putting up roadblocks in the importing side of our operations and forcing us to use higher carbon emitting transport in some circumstances. Roasting coffee at very high temperatures makes us reliant on non-renewable gas and our large distribution network involves many different partners and is hampered internally by a lack of suitable electric vehicles available in Australia.

These issues forced a pragmatic approach and a 'let's do what we can, every time we can' mindset. This meant offsetting what we couldn't change in 2021 whilst actively planning for better options for 2022 and beyond. We know our customers care deeply about our sustainability credentials which is why we chose the Australian government's Climate Active certification to document, audit and verify our carbon offset program.

We are on track to achieve our goal to cut our landfill use by 75% by the end of 2022. We have launched our Parental Leave scheme, making Nomad one of the few businesses in our sector to offer all parents true equity in the workplace. Our new roasting plant in north western Melbourne will be the most sustainable factory we can build, and we will actively seek out supply partners who promote a carbon neutral status. Read on to learn more about our progress to date on our ESG goals.

Craig Dickson, CEO - Nomad Coffee Group



THE NOMAD COFFEE GROUP



















LOCATIONS









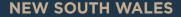
ROASTERY

TRAINING STUDIO

HEAD OFFICE

ESPRESSO BAR/CAFÉ

AUSTRALIA



EORA NATION

352 BOURKE STREET. SURRY HILLS, 2010





VICTORIA

WURUNDJERI COUNTRY

16-18 RIVER STREET, RICHMOND, 3121









QUEENSLAND

MEANJIN

369 MONTAGUE ROAD, WEST END, 4101







SOUTH AUSTRALIA

KAURNA COUNTRY

111 MELBOURNE STREET, **NORTH ADELAIDE, 5006**





WESTERN AUSTRALIA

WADJUK COUNTRY

221 BEAUFORT STREET, **PERTH, 6000**

AUSTRALIAN CAPITAL TERRITORY

NGUNNAWAL COUNTRY

2/131 LYSAGHT STREET, MITCHELL, 2911



NEW ZEALAND

TĀMAKI MAKAURAU, AUCKLAND

222 DOMINION RD, MT EDEN, 1024



WHANGANUI-A-TARA, WELLINGTON

30 GARRETT ST, TE ARO, 6011





WHANGANUI-A-TARA, WELLINGTON

119 DIXON STREET, TE ARO, 6142



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





SUSTAINABILITY AT NOMAD

In the last publication of the Nomad CSR report, we committed to becoming NetZero. 2021 was dedicated to measuring and understanding our emissions footprint, taking the first steps in reducing our carbon emissions within the business, and researching carbon offset projects.

In March of 2022, we became a Carbon Neutral Organization. This certification, administered by the government-backed Climate Active initiative, which is integral to our sustainability strategy.

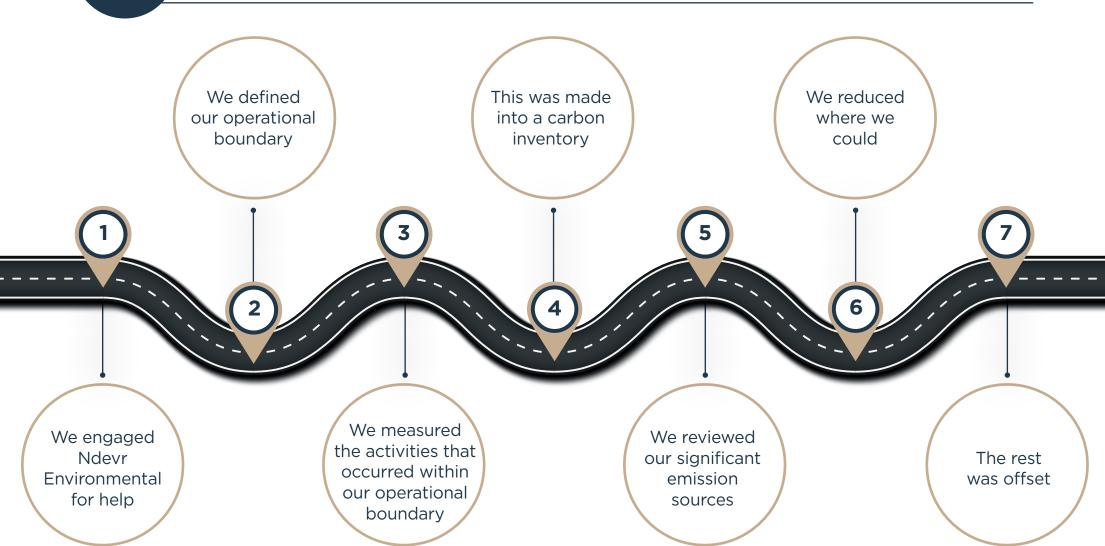
This is an important step in our journey however, we still have work to do, but as they say, progress over perfection, and we will keep striving to become one of the most sustainable roasters in Australia.

Nick Percy, Sustainability Manager - Nomad Coffee Group





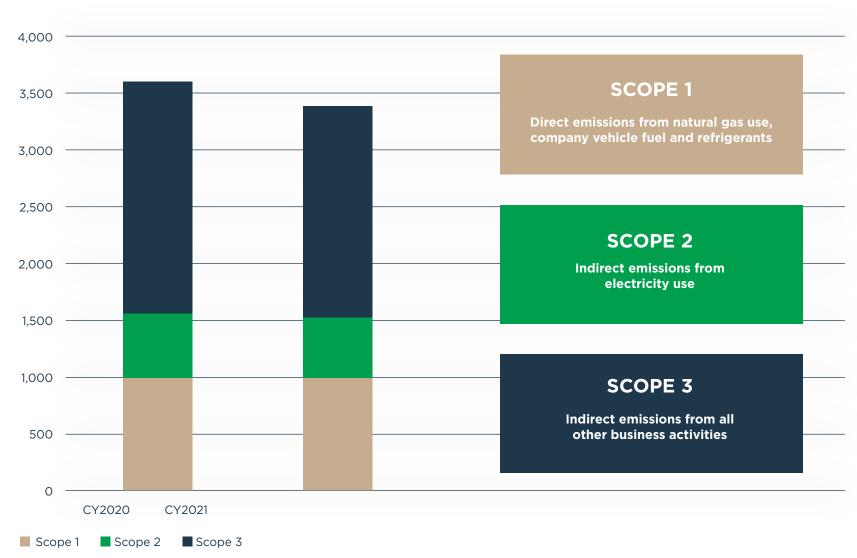
THE ROAD TO CARBON NEUTRALITY



^{*} This is a continuing process, and we are by no means done!



OUR CARBON FOOTPRINT





2021 REDUCTION ACTIVITIES



ACTIVITY 1

Change to 100% renewable electricity

By changing to Green Power, we will see an elimination of over 580 tonnes of GHG emissions in 2022.



ACTIVITY 2

Waste management review

A bin audit was conducted, and we have adjusted our waste management to help achieve our target of 75% diversion from landfill.

We have already seen a 20 tonne GHG emission reduction.



ACTIVITY 3

Freight management review

By consolidating shipments, utilising existing customer 3PL channels and by avoiding airfreight, we have saved 190 tonnes of emissions.

TOTAL REDUCTIONS OF 690T EXPECTED IN 2022





Finally, we offset our remaining 3,171 tonnes of emissions for the 2022 calendar year by investing in the Winds of Change project, a program funding clean energy wind turbines across India, a country we have partnered with for many years to supply our Robusta coffees. These projects support national energy security by reducing blackouts in the area. In addition, constructing wind turbines will eliminate the emissions that the traditional coal-fired power stations would have otherwise produced.

The final steps of this process included submitting our findings to an independent audit before submitting the audited results and our public disclosure statement to Climate Active for accreditation for the 2022 calendar year. This cycle will continue as we push to reduce our overall emissions, so we need to procure fewer offsets each year and recertify.



Check out our PDS Here





SUSTAINABLE DEVELOPMENT GOALS

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





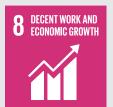


SOCIAL

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







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







NOMAD ENVIRONMENTAL KPI PERFORMANCE

CLIMATE CHANGE, ENERGY AND EMISSIONS PACKAGING AND WASTE GOAL 1 GOAL 2 GOAL 3 GOAL 4 GOAL 5 20% 100% 100% **75%** 15% **RENEWABLE REDUCTION IN** REMAINING **WASTE DIVERTED** REDUCTION **ELECTRICITY CARBON INTENSITY ORGANISATIONAL FROM LANDFILL IN PACKAGING** BY 2023 BY 2023 **EMISSIONS TO BE** BY 2023 BY 2024 **OFFSET FROM 2022** (2020 BASELINE) COMPLETE ON TRACK COMPLETE ON TRACK Ahead of schedule, 16% reduction in Remaining Improvement from but shifting all of our 2021 compared to omissions offset in 42% 2020 TO power to Green Power 2020 baseline March 2022 60% in 2021 from January 2022

NEW GOAL

DEVELOP LONG TERM REDUCTIONS STRATEGY IN 2023

NEW GOAL

UPCYCLE OR AVOID >5000 SINGLE USE ITEMS PA



NOMAD SOCIAL KPI PERFORMANCE

FAIR PRICE PAID TO FARMERS			COMMUNITY		
GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	
>95% OF OUR COFFEE TO BE CERTIFIED, OR PURCHASED UNDER OUR SCP* BY 2023	100% OF HIGH RISK SUPPLIERS IDENTIFIED AND AUDITED BY 2023	OF KEY SUPPLIERS ADHERED TO OUR SUPPLIER CODE OF CONDUCT BY 2023	>700 HOURS OF VOLUNTEER SERVICE IN 2022	2022 IMPLEMENT RECONCILIATION PLAN	
ON TRACK 95% IN 2021	ON TRACK High risk suppliers identified	ON TRACK Code of conduct drafted, submitted to high risk suppliers	BEHIND TARGET 120 Hours in first half of 2022	ON TRACK Reflect RAP drafted	



CAFESMART

We've raised over \$10,000 dollars through our cafés to date for CafeSmart and their local grassroots organisations doing impact work around homelessness.

NEW GOALS

DEVELOP LONG TERM REDUCTIONS STRATEGY IN 2023 UPCYCLE OR AVOID >5000 SINGLE USE ITEMS PA



NOMAD GOVERNANCE KPI PERFORMANCE

STAKEHOLDER EDUCATION ON **GENDER EQUALITY & DIVERSITY, SUSTAINABILITY HEALTH AND SAFETY AND WELLBEING** GOAL 1 GOAL 2 GOAL 3 **GOAL 4** GOAL 5 **ANNUAL DIVERSITY, INCLUSION AND** ONE OR MORE **2022 PARENTAL MAINTAIN A <19 HOURS UNCONSCIOUS SUSTAINABILITY LEAVE SCHEME** SCORE, AT OR **LOST TIME BIAS TRAINING** TO BE **KPIS FOR EACH ABOVE 78%**, **INJURIES** FOR ALL HIRING **MANAGERS. ANNUAL** DEPARTMENT, **IMPLEMENTED AS MEASURED VIA** REPORTED RECONCILIATION **CULTURE AMP REPORTED ON ACROSS THE EDUCATION ACROSS QUARTERLY GROUP** THE BUSINESS. **ON TRACK** ON TRACK COMPLETED **ON TARGET ON TARGET** (reviewed) Scheduled for Launched Jan 2022 80% in 2021 16 Hours logged **KPI's** 2nd half 2022 in 2021 **NEW TARGET** Improve waste management data



PACKAGING

Packaging remains one of the key material issues within our business and will likely always be a challenge; with the changing landscape and lagging technology, however, our activities in 2021 saw some fruitful progress, including identifying a new locally managed supplier. This Supplier is an active member of the Australian Packaging Covenant Organization and will be helping us understand the upcoming evolution of flexible packaging in Australia.

Another key outcome from the tender process was the Nomad Coffee Group officially registering as a RedCycle partner organization, which means that any of our branded coffees, sold via online or retail in Australia, can be deposited in the nearest RedCycle bin.

Lastly, we continued our progress with alternative suppliers, such as Noa & Parker, an innovative re-usable cup swapping system, which we rolled out to our first store in Richmond, Victoria, in 2021.









WASTE DIVERSION - 2021

SOFT PLASTIC

2020 -

POLYPROPYLENE, BULK BAGS 3.8 TONNES 2021 ——

POLYPROPYLENE BULK BAGS, GRAIN PRO BAGS, PALLET WRAP, BUBBLE WRAP, PALLET STRAPPING DIVERTING 18 TONNES

CHAFF (BY PRODUCT OF ROASTING GREEN COFFEE)

2020 —

10% DIVERTED FROM LANDFILL

2021

100% DIVERTED TO ORGANIC RECYCLING

15 TONNES TO DATE

COFFEE GROUNDS

2020

4 TONNES

2021 ——

6 TONNES

14 TONNES TO DATE

SINGLE USE COFFEE CUPS

2020 —

SIMPLY CUPS 1,600 TAKE AWAY CUPS DIVERTED FROM LANDFILL

2021 —

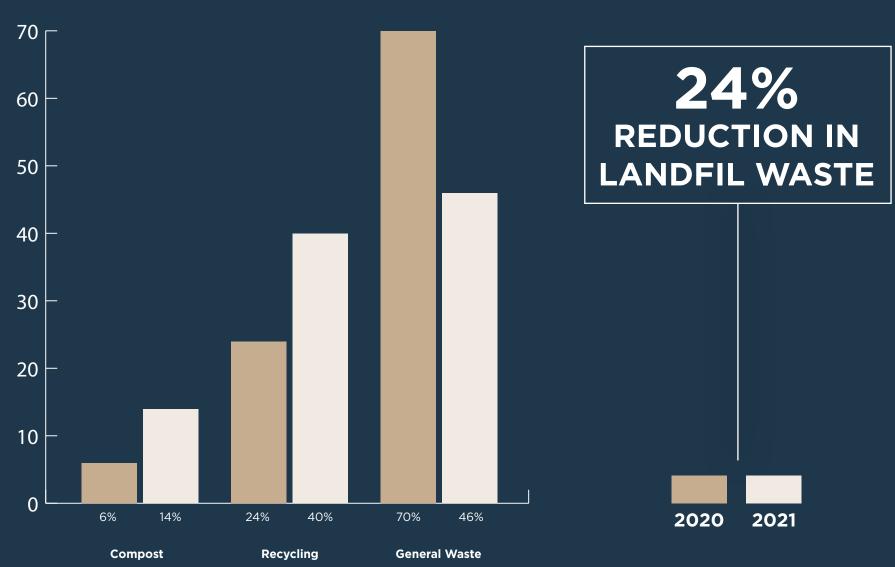
41,065 CUPS DIVERTED

DIVERTED BY NOA & PARKER 1,500 CUPS





WASTE MANAGEMENT PROGRESS





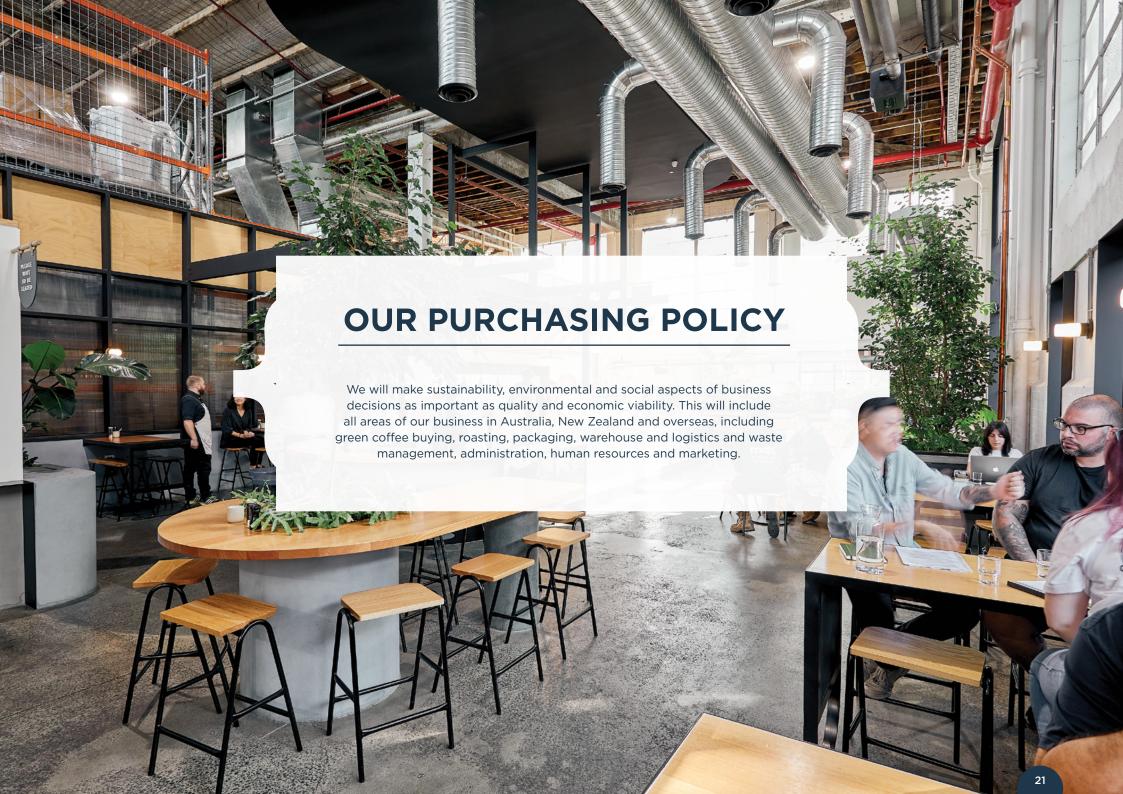
More than ever, 2021 taught us the importance of our supply chain. We saw COVID-19 and severe weather events tearing through key growing regions and local lockdowns grinding our hospitality industry to a halt. 2021 has pushed even more pressure onto our supply chain as industries began to reopen and global supplies dwindled.

Global coffee production saw huge deficits to demand, pushing the base commodity price to a ten year highs towards the end of the year. And it's times like this that relationships are such a critical element of doing business. Despite international travel still being halted, we're proud to have been able to maintain and build on relationships with our international friends and lean on those doing important work at origin to continue sourcing tasty coffee. As our business grows, we've increased our purchases from key partners in Honduras and Brazil as well as new relationships in Vietnam.

Borders are beginning to open again, and we can't wait to start travelling to continue working and learning with our coffee friends.

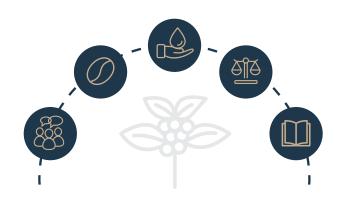
Jack Allisey, Green Coffee Buyer - Nomad Coffee Group







KEY 2022 PROJECT SUPPLIER CODE OF CONDUCT



As the first action in our 2022 supply chain project, a group was formed to build a picture of our supply chain and the key at-risk people within our supplier base. This group included People & Culture, Finance, Sustainability and Supply Chain members. The first step was to collate the most relevant suppliers by spending and material significance to our business and categorize and prioritize the most at-risk sectors.

Unsurprisingly, due to coffee being our primary business, has been flagged as the priority area for us and will form the roadmap for the initial introduction to a Supplier Code of Conduct and an opportunity to give feedback in the early stages.

The Code Of Conduct is not designed to place unneeded pressures or blame on our supply chains. Instead, it aims to help us build and document an understanding of the measures already taken by both the brokers and farm holders with whom we work directly.

MODERN SLAVERY - MATERIAL ISSUES

	EXTREMELY LIKELY	SUGAR & SYRUPS	TEA APPAREL & MERCH		CHOCOLATE POWDERS	COFFEE
	LIKELY			PACKAGING		
PERCIEVED RISK	POSSIBLE	PORTABLE ELECTRONIC DEVICED		THIRD PARTY FREIGHT	THIRD PARTY LOGISTICS	
PERCIEV	UNLIKELY		CONTRACTORS	IT & FINANCE PLATFORMS	COFFEE EQUIPMENT & ROASTING EQUIPMENT	
	RARE					LOCAL COFFEE BROKERS
		INSIGNIFICANT	MINOR	SIGNIFICANT	MAJOR	CATASTROPHIC
			SPEND SIGNI	IFICANCE		
		LOW	MODERA	ATE	НІGН	EXTREME



SUSTAINABLE COFFEE PROGRAM

FAIRTRADE PREMIUM HAS PROVIDED:



- Improved payment terms.
- Funding for community development activities.
- Training and agricultural tools infrastructure.

	2019	2020	2021
KG'S	29,200	137,000	101,129
FAIRTRADE PREMIUM (AUD)	\$18,313	\$87,128	\$58,172

UTZ ROYALTIES:



- Improved water sanitation and improved coffee processing facilities.
- Leadership training, encouraging youth participation in coffee industry and women's artisan development groups.

	2021
KG'S SOLD	1,787,583
UTZ PREMIUM (AUD)	\$33,421

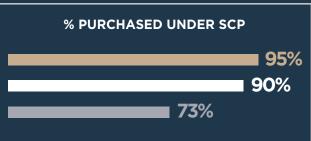
GREEN COFFEE PURCHASED

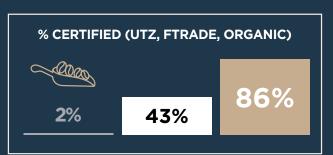














WHERE WE BUY OUR COFFEE

		SUSTAINABLE COFFEE PROGRAM								
		TOTAL KGS PURCHASED		PERCENT OF TOTAL		SUSTAINABLE COFFEE PROGRAM (SCP)				
	774	2019	2020	2021	2019	2020	2021	2019	2020	2021
	BRAZIL	1,138,880	2,005,561	1,754,873	42 %	46%	44%	69%	85%	99%
	HONDURAS	117,192	779,951	1,150,091	7%	18%	29%	100%	84%	96%
COUNTRY OF ORIGIN	COLOMBIA	897,450	938,842	535,861	33%	23%	13%	100%	98%	98%
COUNTRY	PERU	149,871	201,998	191,287	5%	5%	5%	100%	99%	99%
	INDIA	326,400	298,430	134,400	12%	7%	3%	100%	100%	100%
	VIETNAM	117,192	779,951	104,160	7%	18%	3%	100%	84%	100%



OUR PEOPLE: ENGAGEMENT

Like many others, 2021 saw us once again navigating lockdowns, COVID restrictions, staffing shortages and supply pressures. The COVID fatigue had well and truly set in; however, there were still plenty of silver linings. Our people-first approach did not waiver, the objective the business set at the start of the pandemic has remained; To retain our permanent staff, key talent and IP.





Engagement 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.

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 organization. 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.

NOMAND COFFEE GROUP EMPLOYEE ENGAGEMENT RESULTS

YEAR	RESULT
2019	82%
2020	84%
2021	82%

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

TO ACHIEVE THIS OBJECTIVE WE;



 Launching an industry-leading Parental Leave offering to our employees which covers not only paid leave but superannuation, to help close the gap between what females retire with in superannuation vs males.



 Through the development of our people, 9% of our employees were promoted into new roles within Nomad Coffee Group in 2021, further supporting our talent strategy of recruiting from within wherever possible.



• Continued to redeploy staff into high demand areas, rather than significantly reduce our headcount;



 Launched a paid volunteering program allowing employees to work in employee nominated charities on Nomad Coffee Group Paid time.



 Invested in training and development of 34 of our employees in through our Future Leaders Program.
 Through these modules, employees learned skills in presenting, people and time management and collaboration, to support their career aspirations.



• We embraced working from home, implementing a policy that supports ongoing flexi work arrangements in a post-pandemic world maintaining a high employee retention.



 Packing and Roasting Pathways were developed, providing clear and relevant career pathways for operational staff.



• Staff events while in person were paused, we still managed to host wine tastings, trivia nights, Friday beers and learnt to cook remotely with Gary Meghan.

OUR PEOPLE: INTERNAL PROMOTIONS 2021



FRAN LEE

Social Media and content specialist

A budding entrepreneur,
experienced coffee
professional, Fran moved
from our Richmond Café
team across to manage our
social media channels.



KAREN CLARKE

People & Culture
Co-Ordinator

Ever versatile, reliable and ou longest serving employee, having worked across many departments within her time, Karen has embarked on her first tenure into People &



EMMA MOORE

Business Analyst

Having worked within our customer service department and developing an extensive knowledge of our Business Management Software over the past 4 years, Emma has now moved into a full time role within our Finance team.



MICHAEL TAYLOR

National Sales Manager

Joining in our business in 2020, and quickly being elevated to managing our national street sales channels customer service and training departments, Michael brings 25 years of structured sales coffee experience to our team



JADE JENNINGS

National Retail Manager

An integral part of our business for more than 11 years, across many facets of the business, Jade is now lending her many years of retail experience to leading our team of retail store managers.



HEBE DALY

People & Culture Advise

With a well earned recognition of expanding of duties and responsibilities, saw to an elevation in job title.



DAN FINN

Marketing & Partnerships Manager

Hired in 2020 to run our digital campaigns, Daniel quickly showed a distinctly new skills set for the business, and now heads up the team



SHANE HAROLD

National Account Manager

After working for within our specialty street sales business for 4 years, Shane has now moved into managing our large scale private label customers.



BEN ROMERIL

Chief of Operations

Ben has been a key part of our business' growth, after joining the business 12 years go. Ben now holds a key seat on our Executive Leadership Team.



OUR PEOPLE

We understand the importance of diversity and the breadth of experience and opinion it brings to our workplace and 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.

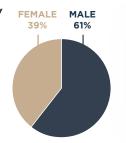
We continued to work to improve all forms of diversity across our organization. However, regarding gender equality, we believe there are many facets to improvement. For this reason, we look at gender equality metrics more deeply, such as gender split in management and decision-making roles and the engagement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

EMPLOYEE MOVEMENT

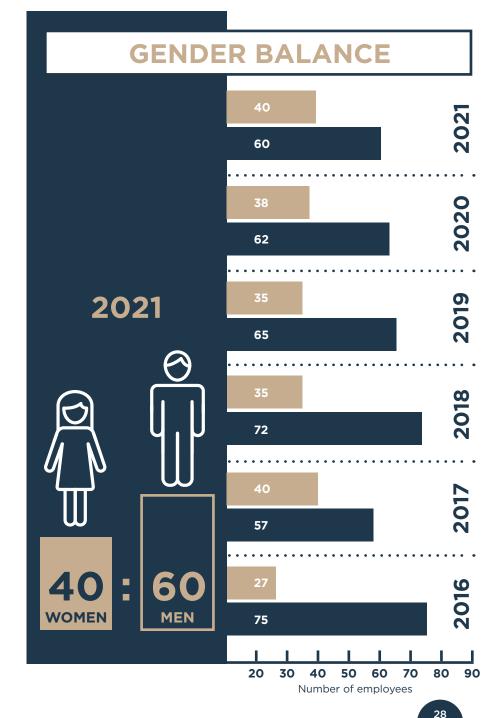
	2019	2020	2021
TURNOVER	17%	10.24%	18%
PROMOTIONS	4%	6%	9%

Employee Movement reflects both internal opportunity and employee satisfaction.

GENDER SPLIT/ PEOPLE MANAGERS







BASIS OF PREPARATION AND GLOSSARY

REFERENCE	DEFINITION	SOURCE
RAP	Reconciliation Action Plan - an independent not-for profit organisation who promote and facilitate reconciliation by building relationships, respect and trust between the wider Australian community and Aboriginal and Torres Strait Islander Peoples	Reconciliation Australia
Net Zero	Net Zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance.	UN - Net-Zero coalition terms
GHG	Greenhouse gases (GHGs) - The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO2), methane (CH4) and nitrous oxide (N20). Less prevalent - but very powerful - greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6).	UN - Glossary of climate change acronyms and terms
Climate Active	An Australian Government backed organisation, promoting voluntary climate action	www.climateactive.org.au/
Carbon Neutral	Carbon neutral, or net zero, refers to achieving an overall balance between carbon emissions produced and carbon emissions taken out of the atmosphere.	Ndevr Environmental definition
Carbon Inventory	A list of emission sources, and associated emissions quantified using standardized methods. In NCG's case, this includes everything within our Operational Boundary	
Operational Boundary	Refers to the activities that occur that we either directly pay for, and have some control over, including freight and employee travel.	
Ndevr Environmental	a climate change and human rights advisory firm, focused on accelerating the economy's transition to a sustainable, net zero future. Used to set our Operational Boundary and measure our Carbon Footprint.	Ndevr Environmental
GHG	Stands for Green House Gasses The atmospheric gases responsible for causing global warming and climate change.	
REDcycle	RED Group is a Melbourne-based consulting and recycling organisation who has developed and implemented the REDcycle Program; a recovery initiative for post-consumer soft plastic.	REDCycle
Noa & parker	A circular economy business, focussed on reducing single use waste in the foodservice sector	Noa & Parker
Long term reduction strategy	A long term strategy, to decarbonize operations and to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.	
SCP	Stands for Sustainable Coffee Program, our internal framework for building long term, mutually beneficial relationships	
People Managers	Indicates anyone who manages one or more staff members.	
GreenPower	GreenPower is a government-managed program that makes sure the GreenPower individuals and businesses buy from GreenPower Providers supports greater renewable energy generation in Australia.	GreenPower

