

SUSTAINABILITY REPORT & CORPORATE SOCIAL RESPONSIBILITY 2022





MESSAGE FROM OUR CEO

This year marks a milestone for us as we celebrate two decades in business. Among our proudest achievements is our unwavering commitment to sustainable business practices. This commitment has culminated in a significant accomplishment: being accepted as a B Corp partner following a rigorous external audit. This confirms our compliance with the stringent standards demanded by B Corp certification; how we impact the environment, the people and communities around us, and our governance processes for addressing these critical sustainability issues.

While the COVID-19 pandemic posed challenges to some of our sustainability projects, we are now focused on the future. This year sees us embracing new horizons with the opening of our private label roasting facility in Melbourne's north-west. With the capacity to roast an impressive 200 tonnes per week, we're now better equipped than ever to provide our valued customers with increased volumes of fresh, high-quality coffee.

State of the art equipment in brand new premises, combined with B Corporation status gives our stakeholders confidence, clarity and trust that they are the partners, employees and investors with the most sustainable coffee roaster of our size in Australia today.

With our post-Covid supply issues slowly resolving we are continuing to work with our suppliers and customers to keep improving on sustainable options at all stages of coffee manufacture and consumption. In 2023/24 we plan on major projects in packaging, green coffee purchasing and logistics and look forward to updating you on our progress in these areas.

In closing, we extend our heartfelt gratitude for your ongoing support and partnership. We hope you enjoy reading the results of our ESG impacts in this report. Here's to the next chapter of our journey together!

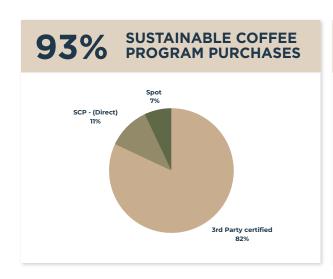
Craig Dickson, CEO - Nomad Coffee Group

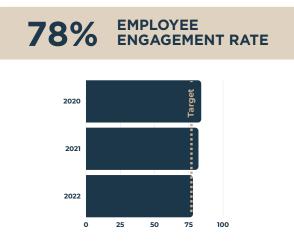
CORPORATE SOCIAL RESPONSIBILITY EXECUTIVE SUMMARY 2022

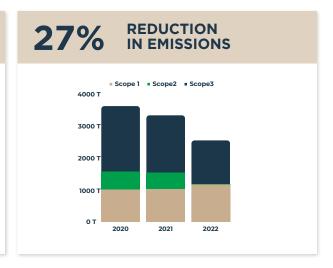
POSITION STATEMENT

WE WILL EMBED SUSTAINABILITY IN DECISION MAKING, SO 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.'

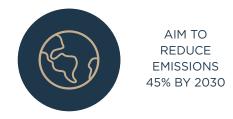












THE NOMAD COFFEE GROUP



















LOCATIONS







HEAD OFFICE



ROASTERY

TRAINING STUDIO

AUSTRALIA



EORA NATION

352 BOURKE STREET. SURRY HILLS, 2010





RICHMOND, VICTORIA

WURUNDJERI COUNTRY

16-18 RIVER STREET. RICHMOND, 3121









QUEENSLAND

MEANJIN

369 MONTAGUE ROAD, WEST END, 4101









KAURNA COUNTRY

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





TRUGANINA, VICTORIA

BUNURONG COUNTRY

41 PAULJOSEPH WAY, **TRUGANINA, 3029**



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



20 YEARS, AT A GLANCE









THE START

Rocky Veneziano opened the first small roastery, in Bond Street, Abbotsford, Victoria. Craig Dickson joined shortly after.

COFFEE HIT

The first Coffee Hit store opened in Doncaster, Victoria.

FLIGHT COFFEE

Expansion and investment into established New Zealand brand Flight Coffee, in New Zealand.

TRUGANINA

A new home for Black Bag Roasters, and an investment of over \$11 Million, to build a state of the art contract roasting facility.

2002 2004 2008 2015 2019 2022 2023 2023

NATIONAL EXPANSION

A warehouse was established in ACT, shortly followed by a second roastery and the first retail outlet in QLD.

RICHMOND

With investment, came growth, and a new home was found in Richmond, Victoria, and Black Bag Roasters was born.

CARBON NEUTRAL

We officially became a carbon neutral organization.

B CORP

The Nomad Coffee
Group, and its subsidiary's
officially became a
Certified B Corporation.









Corporatio





SUSTAINABILITY AT NOMAD

The end of 2022 came with an audible sigh of relief for many, chalked up as one of the more difficult years in recent memory. A year finally free of lockdowns, we were now faced with floods, war in the Ukraine and the soaring oil and gas prices that came with it, not to mention the skyrocketing interest rates putting strain on households. We also saw Australia legislate it's emissions reductions targets, which although later than most, is still an important step forward.

It was also the year that has really started to show the yields of the hard work and changes we have made as a business over the past 3 years. A significant drop in carbon emissions, better waste practices, and a raft of initiatives to improve the wellbeing and livelihoods of not only those that work here, but those that we interact with throughout the year.

As always, there is still more to do, but as a group we are definitely proud of what we have achieved so far.

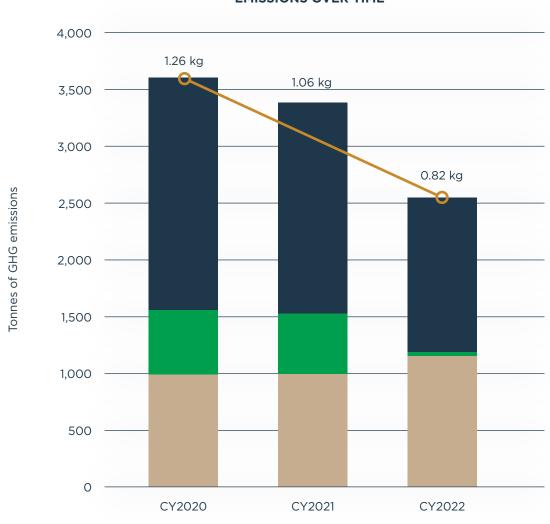
Nick Percy, Sustainability Manager - Nomad Coffee Group





EMISSIONS PROGRESS

EMISSIONS OVER TIME



COMPARED TO 2020 WE:

- Are now producing 35% less emissions per kg of coffee sold.
- Have reduced our overall emissions by 27%.
- Have avoided 1,000 metric tonnes of carbon, equivalent to the emissions of approximately 217 passenger cars for one year.

YEAR	2020	2021	2022
Scope 3	2030.90	1778.76	1356.25
Scope 2	568.37	515.06	26.44
Scope 1	997.66	1015.21	1148.40
Emissions intensity (kgCO2e/kg of coffee sold)	1.26	1.06	0.82

SCOPE 1 Direct emissions from natural gas use, company vehicle fuel and refrigerants SCOPE 2 Indirect emissions from electricity use Indirect emissions from all other business activities



BENEFIT CORPORATION

After more than three years of dedicated work, we are thrilled to announce that our long-awaited project has reached a significant milestone. In March 2023, we officially became a certified B Corporation, a momentous achievement for our company.

The journey towards this certification has been thorough and enlightening, prompting us to examine our governance, employee management, and sourcing practices in great detail. This process not only facilitates our future planning and aligns with our commitment to continuous improvement but also reinforces the positive impact that has been ingrained in our organizational DNA for the past two decades.

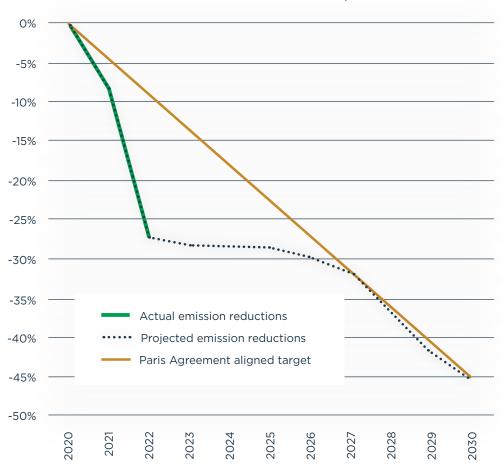
To learn more about our B Corp certification, head to: www.bcorporation.net





LONG TERM REDUCTIONS STRATEGY

REDUCTION PATHWAY SCOPE 1, 2 AND 3



Our long-term emission reduction strategy is aligned with the goals of the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius above pre-industrial levels.

We aim to reduce our scope 1, 2, and 3 emissions by 45% by 2030, compared to our baseline year of 2020. These reductions will not include the use of any offsets.

Performance against this pathway will be tracked and reported yearly. We will adjust the projected emissions as any significant changes to our business occur or as new technologies that may help us reach our target earlier become available and viable.



LONG TERM REDUCTION ACTIVITIES



Carbon Neutral Suppliers

Favour carbon neutral suppliers to support our long-term reduction plans for Scope 3 emissions.

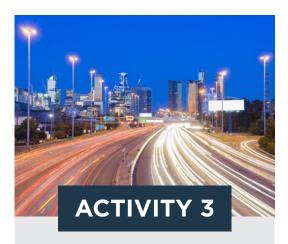


De-carbonise Fleet

Plan for a fleet vehicle change-over from combustion engines to electric or hybrid as life-cycle programs allow.

Investigate incentives for employee-owned electric vehicles.

Investigate on-site EV chargers for all sites - including viability, cost considerations and revenue opportunities.



Low Impact Freight Partners

Review of inbound and outbound freight providers with preference for those that provide a carbon neutral service or use renewable fuels as part of our commitment to reduction of Scope 3 emissions.



SUSTAINABLE DEVELOPMENT GOALS

ENVIRONMENT

To decrease and minimise our impact on the environment.

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





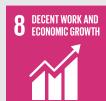


SOCIAL

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

- Continue our long term supplier relationships
- Expand our focus on avoiding Modern Slavery issues within our business to include our entire supply chain, including supplier screening policies and implementing a whistle-blower procedure
- By giving back to 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

ENVIRONMENT	COMMITMENT	KEY INDICATOR PERFORMANCE	2020	2021	2022
CLIMATE CHANGE, ENERGY AND EMISSIONS	We aim to achieve and maintain 100% renewable electricity across our business.	Percentage of kWh procured or generated from renewable sources.	0%	12%	100%
	By 2030, we aim to reduce the emissions intensity by 45%.	Percentage of reduction of CO2 equivilent emissions per kg of coffee sold.	N/A	16%	35%
	By 2030 we aim to reduce our absolute emissions by 45%.	45% Reduction in scope 1, 2 and 3 emissions by 2030.	N/A	8%	27%
PACKAGING	We aim to avoid at least 50,000 single use items per year.	Number of items either reused or captured and recycled via a bespoke recycling stream.	1,695	41,065	31,836
	By 2025 we aim to reduce our primary packaging material by 15%.	Percentage of packing reduced, by size or thickness.	0	0	7%
WASTE	We aim to achieve and maintain 75% diversion.	Waste re-used or recycled at 75% of total waste. Maximum landfill usage no greater than 25% of total waste.	28%	53%	73%



NOMAD SOCIAL KPI PERFORMANCE

				A M	
SOCIAL	COMMITMENT	KEY INDICATOR PERFORMANCE	2020	2021	2022
FAIR PRICE PAID TO FARMERS	We aim for 95% of our coffee purchases to be 3rd party certified, or purchased under our Sustainable Coffee Program.	Percentage of total coffee purchases, that is either Rainforest Alliance, Fairtrade or from a direct relationship.	90%	95%	93%
	We aim to have 100% of our key suppliers commit to our Supplier Code of Conduct.	Percentage of key suppliers that have signed and agreed to our Supplier Code of Conduct.	N/A	N/A	40%
	We aim to keep our supply chain free of all modern slavery cases.	Number of occurrences of Modern Slavery, identified via our whistleblower channel or otherwise reported.	N/A	N/A	0
COMMUNITY	We aim for at least 700 volunteering hours, or equivalent donations PA.	Number of person hours, or the equivalent monetary donation, the equivalent monetary value of 1 person hour is \$50.	N/A	N/A	612



NOMAD GOVERNANCE KPI PERFORMANCE

GOVERNANCE	COMMITMENT	KEY INDICATOR PERFORMANCE	2020	2021	2022
STAKEHOLDER EDUCATION ON SUSTAINABILITY	We aim to have each of our teams have at least one sustainability-aligned KPI's.	Number of active goals, reported on quarterly.	N/A	N/A	o
	We aim to deliver training to all of our hiring managers on topics in diversity, unconscious bias and reconciliation annually.	Percentage of total hiring managers that have completed all initial or refresher training.	N/A	N/A	53%
GENDER EQUALITY, DIVERSITY AND HEALTH AND SAFETY AND WELLBEING	We aim to achieve and maintain an engagement score of 78% or higher.	Percentage of engaged employees, as collected from our anonymous engagement survey.	84%	82%	78%
	We aim to limit Lost Time Injuries to no more than 38 hours per year.	Number of hours taken due to injury.	N/A	16	38



PACKAGING

Flexible packaging remains a challenge for our business, and the recent liquidation of the REDcycle system has caused some delays in our goals to increase our packaging capture rate.

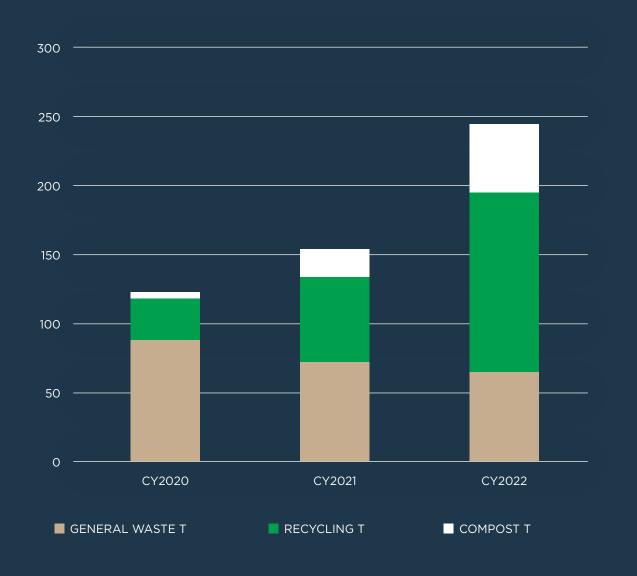
However, during this time, we have worked on two key initiatives regarding our bags; firstly, by reducing the length of our 1kg bags by 25mm, we expect to eliminate the need for more than 80km of packaging each year. Extensive shelf life testing has also been completed on new materials, allowing us to remove the aluminium layer and improve the end product's long-term recyclability. Expected completion of project, end 2023.







WASTE MANAGEMENT PROGRESS



WASTE DIVERTED FROM LAND-FILL



YEAR	2020	2021	2022
GENERAL WASTE (Tonnes)	97.52	79.42	72.00
RECYCLING (Tonnes)	33.08	68.81	143.43
COMPOST (Tonnes)	4.64	22.23	54.60



WASTE DIVERSION SNAPSHOT

SOFT PLASTIC

2021 ----

POLYPROPYLENE, BULK BAGS 3.8 TONNES 2022 ———

POLYPROPYLENE BULK BAGS, GRAIN PRO BAGS, PALLET WRAP, BUBBLE WRAP, PALLET STRAPPING DIVERTING 31 TONNES

CHAFF (BY PRODUCT OF ROASTING GREEN COFFEE)

2021 ——

22 TONNES OF CHAFF COMPOSTED

2022 ----

55 TONNES OF CHAFF COMPOSTED

OVER 77 TONNES COMPOSTED SINCE 2020

COFFEE GROUNDS

2021 ----

6 TONNES

2022 ——

6.7 TONNES

20 TONNES SINCE 2019

SINGLE USE COFFEE CUPS

2021 ----

SIMPLY CUPS 41,065 TAKE AWAY CUPS DIVERTED FROM LANDFILL

2022 —

30,836 CUPS DIVERTED

OVER 72,000 CUPS RECYCLED SINCE 2019





TECHNOLOGY

During the design phase, careful consideration was given to selecting sustainable equipment options for Black Bag Roasters' new facility. Notably, the facility features a 600kg Brambati BR-6000 roasting machine, renowned for its innovative Eco-Afterburner technology. This cutting-edge system, combined with an efficient burner, drastically reduces gas consumption while maintaining production volume. Additionally, the facility incorporates an inline Rovema case packing system, known for its exceptional energy efficiency, consuming less than 25% of the energy used by comparable equipment in the market. By prioritising sustainability through these equipment choices, Black Bag Roasters demonstrates their commitment to becoming one of the most environmentally conscious coffee businesses in the Australia/New Zealand region.



OUR FLEET OF ROASTERS						
	VICTORIA				QUEENSLAND	NEW ZEALAND
TRUGANINA	RICHMOND	RICHMOND	RICHMOND	RICHMOND	WEST END	WELLINGTON
BRAMBATI	DIEDRICH	DIEDRICH	DIEDRICH	DIEDRICH	DIEDRICH	LORING
BR - 6000 600KG ROASTER	IR - 280 280KG ROASTER	IR - 140 140KG ROASTER	IR 15 - 5 15KG ROASTER	IR - 5 5KG ROASTER	IR - 70 70KG ROASTER	S70 70KG ROASTER
GAS USEAGE (MJ P/KG)						
2.80	4.00	7.90	10.30	21.40	5.32	3.37



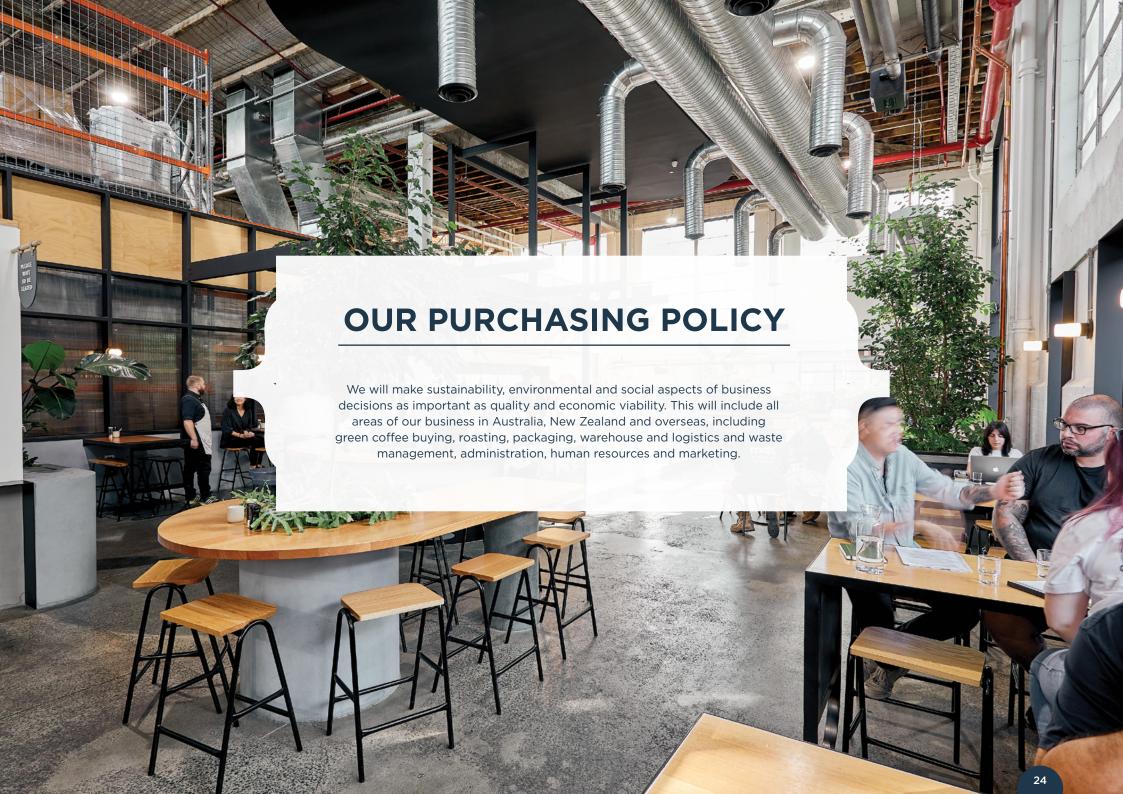
2022 was another crazy year in the coffee world. Most of the year saw highs over \$2US per pound with pricing spiking in February with rising global demand, poor weather conditions in Brazil and general supply chain disorder.

The war in Ukraine brought further pressures to fertiliser production driving up the cost of production. We've seen reports of contracts being defaulted for physical coffee, forcing traders to offset the lack of physical coffee with further future positions, leading to more wild swings and volatility. Amidst the chaos however, coffee still finds a way.

Thanks to the strong, long term relationship we've been able to continue supply of tasty coffee and are looking forward to the next 12 months and beyond. We will begin travelling again in 2023, visiting many of our friends in producing countries we haven't seen in a few years and the outlook for next crop year looks strong. We'll continue to build on our relationships with work around our Supplier Code of Conduct. With open communication, we believe the Coffee industry is in a stronger place than ever.

Jack Allisey, Head of Procurement - Nomad Coffee Group







KEY 2022 PROJECT SUPPLIER CODE OF CONDUCT



As per our plan for the calendar year, a Supplier Code of Conduct was drafted and submitted to our key suppliers for review and signing. This document (found here) includes ethical standards and human rights standards and aligns with the UN Guiding Principles for Business and Human Rights. This is a valuable first step; however, this has identified the need to do more, dig a bit deeper, and reframe our Sustainable Coffee Program, which will become the focus moving forward.

MODERN SLAVERY - MATERIAL ISSUES

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



SUSTAINABLE COFFEE PROGRAM

FAIRTRADE PREMIUM HAS PROVIDED:



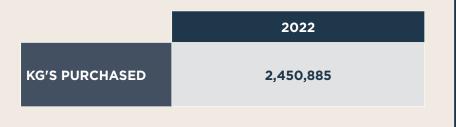
- Improved payment terms.
- · Funding for community development activities.
- Training and agricultural tools infrastructure.

	2019	2020	2021	2022
KG'S	29,200	137,000	101,129	137,832
FAIRTRADE PREMIUM (AUD)	\$18,313	\$87,128	\$58,172	\$57,842

RAINFOREST ALLIANCE PRODUCERS BENEFIT FROM:

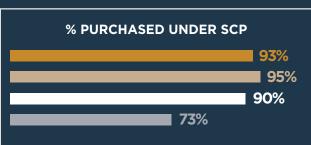


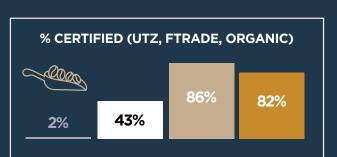
- A mandatory Sustainability Differential, paid on top
 of the market price at the first point of purchase.
- Sustainability investments from buyers of the certified product.



GREEN COFFEE PURCHASED -







2019 2020 2021



WHERE WE BUY OUR COFFEE

_		
	SUSTAINABLE COFFEE PROGRAM	
	TOTAL KGS PURCHASED	
	2022	
	BRAZIL	1,974,814
	HONDURAS	1,093,957
	COLOMBIA	502,648
NIS	VIETNAM	293,380
OF OR	INDIA	164,880
COUNTRY OF ORIGIN	PERU	73,561
COU	TIMOR	26,832
	BURUNDI	26,160
	ETHIOPIA	17,520
	OTHERS (INCLUDING MICROLOTS, SPOT COFFEES, AND PURCHASES UNDER 1 CONTAINER)	59,289



As they say, "Culture eats strategy for breakfast," and that's precisely what shaped our focus in 2022.

The inauguration of our new Truganina contract roasting facility brought forth fresh and promising prospects for our people. We take immense pride in the fact that we were able to internally recruit dedicated staff members from our Richmond facility to join the new site. This not only provided our talented and valued people with growth opportunities but also allowed us to leverage their depth of knowledge they had honed over the years within our business. Retaining these talented and valued individuals within our organisation was of utmost importance to us.

Recognising the post-pandemic burnout issue prevalent across all industries, we took early action by implementing a range of initiatives to support the well-being and mental health of our teams. We believe that taking care of our employees is vital for maintaining a thriving and successful business.

Amie Jacobson HR Director – Nomad Coffee Group & Minor DKL



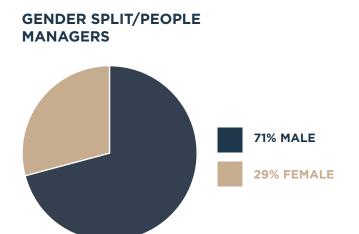


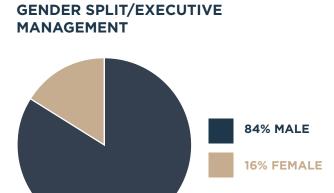
OUR PEOPLE

EMPLOYEE MOVEMENT

YEAR	2019	2020	2021	2022
TURNOVER	17%	10.24%	18%	14%
PROMOTIONS	4%	6%	9%	8.5%

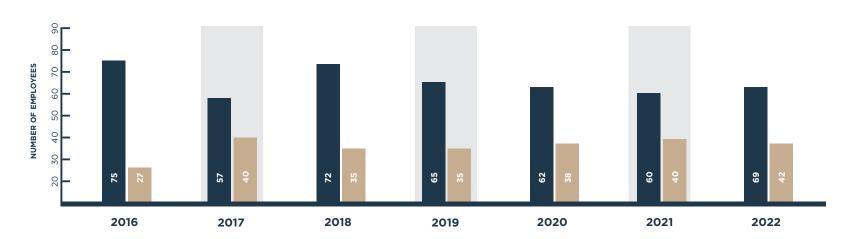
Employee Movement reflects both internal opportunity and employee satisfaction.





GENDER BALANCE







ENGAGEMENT AT NOMAD

We take a multifaceted approach to engagement, regularly surveying our employees on their satisfaction and engagement. Using this insight and data, we have undertaken a number of initiatives to improve our employee engagement and satisfaction.

TO ACHIEVE THIS OBJECTIVE IN 2022 WE;



 A new subsidised fitness opportunities, giving our team access to a wide variety of classes through the ClassPass app.



 Created an R U OK committee and participated in R U OK Day, designed to give people an outlet to talk to one other.



 Continued the training and development of 35 of our employees in through our Future Leaders Program.



 Weekly deliveries of fresh fruit supplied to our team via Fruit2work.



 Monthly free massage sessions in our facilities delivered by Healthify.



• Conducted crucial training such as OH&S, Fire warden training and First Aid Training.

EMPLOYEE ENGAGEMENT RESULTS

YEAR	2020	2021	2022
RESULT	84%	82%	78%

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)



VOLUNTEERING AT NOMAD



As part of our Volunteer Policy, our people contributed to a number of causes, including Clean Up Australia Day, Love Your Street, Clint and Matt's Great Ocean Road Relay. Not only did we dedicate over 450 volunteer hours to causes like these, but our people raised an additional \$8,000 by participating in events a Biggest Morning Tea event, R U OK.







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.	<u>UN - Net-Zero coalition terms</u>
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.	
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.	
GHG	Stands for Green House Gasses The atmospheric gases responsible for causing global warming and climate change.	
Noa & parker	A circular economy business, focussed on reducing single use waste in the foodservice sector	
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.	
Paris Agreement	A legally binding international Treaty, facilitated by the United Nations.	Paris Agreement
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

