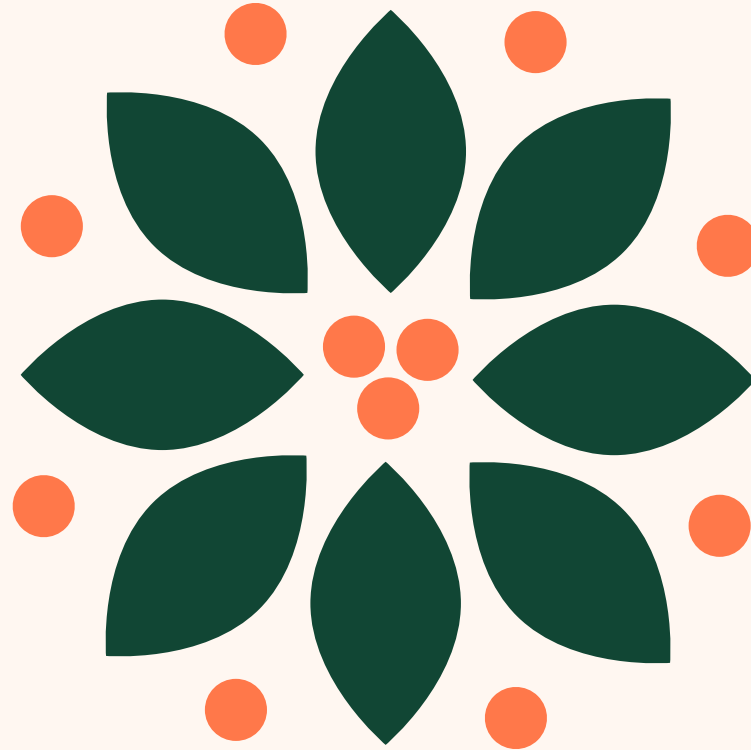


Have a brew. Have an impact.



North Star Impact Report 2023



# Introduction.

Our impact has always mattered to us here at North Star. When we started the business in 2013 fresh out of university, we knew that all we had to offer was passion and a genuine desire to positively contribute to the coffee industry. To help push it forward and safeguard its future. At times, we have been called naïve - but we feel this optimistic outlook on the world has helped us to gently question the status quo of running a for-profit business.

Questioning the status quo has really defined the early years of our business. Getting to grips with the problems that lie within the coffee industry (from bean to cup) and understanding the dynamics and context of our supply chain has been in as much focus as defining our customer base and finalising our product and offer. There are an array of problems with how coffee as an industry works, many of them legacy issues from colonialism and the resulting power imbalances and exploitative procurement practices. Throw climate change into the mix and the facts are that we are going to have to work very hard to try and turn things around, to remove the question mark that genuinely exists over coffee's future.

The North Star mission from day one has been to build a coffee industry that works for everyone. Not only because coffee is such an important part of our lives, but because it is a no brainer if we are to build a business for the long term. This purpose has directed our journey to date, so much so that our strategy for growth has been written through the lens of our strategy for impact (captured in our Theory of Change which you can see later on in this document). Making a positive difference to the world around us has been our guiding North Star right from the get go, so why become a B Corp I hear you ask?

We first became aware of B Corp in 2015. We really admired the guidance that the framework provided but we did feel a degree of suspicion given our understanding of certification schemes in the coffee industry. However, as the years have ticked by, as our team has grown, as our potential for impact has increased, it felt like a natural step to submit our application in order to safeguard our purpose as the business continues to evolve.

We received notification of our B Corp status in July 2022 - just as we took some time out of the business to welcome our daughter into the world! This initial impact report is therefore a little late to the party, but nevertheless, I am delighted to be making it available to you all so you can not only take a look at the inner workings of North Star, but most importantly so that you can hear about what we intend to focus on for the year ahead. The past 12 months have been the most challenging of our 10 years in business so far. The cost of living crisis and the continuing impacts of the global pandemic have really made their presence felt in our industry and we have had to continuously come back to what we are here to do, at times to give us the strength to carry on. But there have been some hugely positive highlights for us too in that time which I look forward to sharing with you all.

This report is the first in what will be an annual publication moving forwards in which we will critically and honestly review how effectively we are achieving this mission alongside the impact we have closer to home on our team, our customers and on how we govern our business. All of this is important to us because our idea of success rests not on where we get to, but on how we get there.

**Hols\* (CEO, Co-Founder)**

# Our story so far...

We are a coffee company and family united by a love for great coffee and a desire to protect all it supports. Our journey began over conversations with small scale coffee producers in Kenya as we asked them about their experiences of Fairtrade. This opportunity was life changing and inspiring but also deeply emotive, displaying the deep seated issues in this global supply chain and showing us that the industry does not work for all those it serves and specifically, for those it relies upon.

North Star Coffee Roasters was founded in 2013 to prove that an approach based on quality and impact can improve the viability of business models across the coffee supply chain. We have a vision of a more certain future for coffee, free from the volatility of the commodity market and resilient to the impacts of climate change.

Ten years on and we have since established two of our own retail sites (North Star Coffee Shop Ltd) and have co-founded a neighbourhood bakery focused on creating an alternative economy for farmers that regenerate land with diversity (Nova Bakehouse Ltd). Our B Corp Certification is therefore applicable to North Star Coffee Holdings Ltd which is the parent company of our coffee roastery, coffee shops and bakery.



Certified

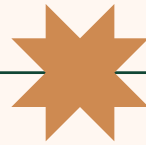


Corporation

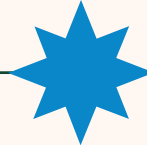
EST.  
2013



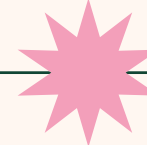
# Our impact journey.



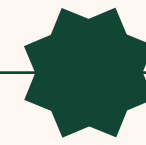
2013  
North Star established  
as the first coffee  
roastery in Leeds



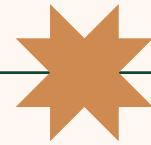
2015  
We won the Young  
British Foodie Award,  
being recognised as a  
business that was going  
to create positive  
change for the industry.



2017  
We established our  
first coffee shop  
using recycled  
materials and a zero  
waste philosophy.



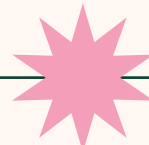
2019  
We switch our packaging  
to be 100% recyclable  
with the introduction of  
the first single material  
packaging to the market.



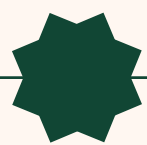
2019  
We switch our  
roasting machine to  
one that generates  
80% less emissions.



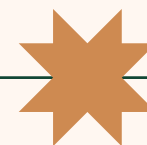
2019  
We co-establish Nova  
Bakehouse, a  
neighbourhood bakery  
committed to  
regenerative agriculture  
and UK grown grain.



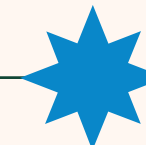
2019  
We establish the first  
ever North Star impact  
project with Maria Zoila  
Piñeda, our producing  
partner in El Salvador.



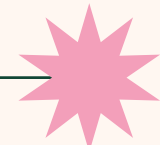
2021  
We become the first  
coffee roastery to  
launch home  
compostable  
packaging in the UK.



2021  
We establish our  
second impact project  
with the Cyato washing  
station in Rwanda,  
supporting the next  
generation of coffee  
farmers in the area.



2022  
We become a  
certified B Corp



2022  
Our second retail site, the  
North Star Coffee Kiosk  
opens using innovative  
cork flooring, limewash  
paint and a cardboard bar  
to explore the possibilities  
when it comes to  
sustainability in design.

# Our B Corp profile

85.9

The highest scoring areas for the business were Governance, Workers and Community with the Environment identified as an Improvement Area for us.

North Star Coffee Roasters makes up the majority of overall company turnover and was identified as having an 'Impact Business Model' due to the purpose of using its position within the coffee supply chain to generate positive impact.

Certification Date: 21st July 2022

It is our hope that this financial year, with some of the changes we are making, that our B Impact Score will rise to 90 points with improvements made predominantly in the Workers and Environment sections.

## Last year in Numbers

**\*Coffee Roasted: 90,300kg**

**\*Sourced From: 14 countries**

**\*Origin Project Count: 2**

**\*Coffee Shops: 2**

**\*Team members: 27**

**\*Team demographic: 51.6% identifying as female, 0.04% identifying as non-binary and 48% identifying as male.**

## Community

Diversity, Equity, & Inclusion 2.2  
Economic Impact 2.6  
Civic Engagement & Giving 1.9  
Supply Chain Management 4.8  
+ Supply Chain Poverty Alleviation 17

31.3

## Workers

Financial Security 7.1  
Health, Wellness, & Safety 4.0  
Career Development 2.5  
Engagement & Satisfaction 6.3

20.6

## Governance

Mission & Engagement 2.6  
Ethics & Transparency 3.0  
+ Mission Locked 10

15.7

## Environment

Environmental Management 3.1  
Air & Climate 3.2  
Water 1.0  
Land & Life 6.6

14.5

## Customers

Customer Stewardship 3.6

3.6

# Our Strategy for Impact

To effectively communicate what we have focused on so far, it is necessary to first introduce you to our Theory of Change (our business strategy). This has been designed to organise how we work and guide decision making going forwards building meaningful impact wherever we can. It has become our working blueprint for the further development of North Star to be referred back to and to sense check our direction of travel. It is very much a work in progress designed to support continuous learning and development as we strive to prove a quality, impact-led approach improves the viability of business models across the supply chain, creating a more certain future for coffee.

## What do we mean by...

\*Quality - we source, roast, sell and serve specialty grade\* coffee designed to delight our customers. By serving the extraordinary, we hope to draw them closer to the producer. This approach runs through all of our business activities, products and services to maximise the potential to provide an outstanding cup (coffee, equipment and training provided). It results in an approach focused on long term partnerships/customer loyalty and added experiential value.

\*Specialty coffee is a term for the highest grade of coffee available, thought to make up around 5% of global production. Coffee is deemed specialty grade when it achieves a score of above 80/100 using the Specialty Coffee Association system that assess attributes such as aroma, flavour, balance, acidity, body, aftertaste, uniformity, cleanliness and sweetness.

\*Impact-led - In a nutshell, it is an approach that considers the potential to create positive outcomes for community, the environment and customers alongside the potential to make profit and bring the two into balance.

By prioritising these concepts, we feel it is possible to grow an interest and genuine care from the consumer perspective about the future of those they rely on for the supply of their coffee, contributing to the development of viable business models right the way from the coffee producer to the coffee shop. Business models built on profitability, engagement, resilience and therefore longevity.

The Problem →

Business models in the coffee supply chain are unstable and at risk.

Our Approach →

- ★ We use our own coffee shop to develop a best practice example for quality, impact-led business models within the coffee shop sector.
- ★ We create wholesale relationships based on longevity, support and community which enable mutual success and business viability across the supply chain.

Outcomes →

1. More coffee shops adopt and succeed with a quality and impact-led approach.



- ★ We make it easy for consumers to understand the problem and buy quality, impact-led coffee.

2. Consumer demand for quality, impact-led coffee increases.



- ★ We purchase coffee at a sustainable price that covers the costs of production and enables the producer to make a profit.
- ★ We supplement our purchases with support for initiatives focused on climate change resilience or youth/female empowerment in the communities we buy from.
- ★ We work to empower coffee farmers with market knowledge they can utilise to negotiate and to create a viable business model.

3. Producers more motivated to stay in coffee.



Our Solution

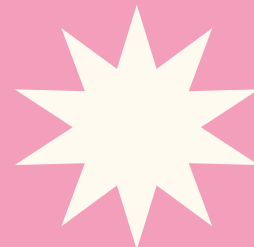
A quality, impact-led approach improves the viability of business models across the supply chain, creating a more certain future for coffee.



# About this report.

Alongside the 5 areas assessed for B Corp certification (Governance, Workers, Community, Environment, Customers) the outcomes we are striving for in our Theory of Change also need to be reviewed and measured as part of our annual impact report. We have therefore combined our TOC outcomes and also our B Corp areas for focus under 3 headings: Healthy Business, Healthy Community, Healthy Planet.

We will outline our key areas of focus from our last financial year (1st June 2022 - 31st May 2023) and set out our intentions for the upcoming year.







Healthy  
Business



# What we've done this year:

## B Corp - Governance



We legally changed our articles of association to state that North Star exists for the interest of all stakeholders and not just shareholders. This was of huge importance to us, locking in our mission for the future to ensure it is safeguarded.



We introduced formalised and regular team meetings in which we disclosed our full financial statement (along with the provision of basic financial literacy training) to empower our managers with the knowledge they require to contribute meaningfully to the business strategy.



We updated all job descriptions across the business to formalise responsibilities and highlight opportunities to improve social and environmental performance.



We published our Theory of Change, delivering it across our teams and showcasing it on our website, to pull together a strategy for future decision making based on our identification of the main social and environmental issues in our industry. As a result, we now have a way of measuring and managing the impact we have through the outcomes we hope to generate rather than simply reporting on numbers.

# What we've done this year:

## TOC outcomes



### **Consumer demand for quality, impact-led coffee increases.**

We changed our website provider to Shopify to access much more reliable data and to unlock our online presence, helping us to make quality and impact-led coffee more accessible. In spite of rising costs of living, we managed to maintain our online customer base achieving a 5% increase in sales on our online shop.



### **More coffee shops adopt and succeed with a quality and impact-led approach.**

This financial year has been our most challenging of all with a number of external factors really impacting our industry. In spite of this, we have been delighted to see a 6% growth in the number of wholesale customers who buy North Star coffee.



### **Viable coffee shop business model.**

For our own coffee shop at Leeds Dock, this year has by far been the most financially challenging yet. Rising costs in energy, wages and ingredients has made it immensely difficult to achieve profitability and at the end of this financial year, we did make a loss.

However, we also opened our second retail site, the North Star Coffee Kiosk, on the 5th December 2022. This has been a key contributing factor to our aim of achieving the outcome of a viable coffee shop business model on our Theory of Change - multiple site openings which deploy a quality, impact-led approach. This secondary site achieved profitability by month 5.

# How we will build these areas over the next 12 months

## B Corp - Governance



We have introduced a Senior Leadership Team to North Star helping to govern our operations and contribute to our strategy development for the future. This includes both founders along with representatives from our Sales, Marketing and Operations teams along with a Financial Director. We have already commenced monthly and quarterly meetings which are really helping to build momentum in achieving our goals.



With our new organisational structure, we want to develop a system for supervisors and managers in the business to be able to confidently communicate our social and environmental goals to their team and hold them accountable for how their performance can contribute to those goals.



We would like to build upon the financial literacy training previously offered to have this company-wide, upskilling our team and ensuring everyone working for North Star can understand how the company operates.

# How we will build these areas over the next 12 months

## TOC outcomes



### **Consumer demand for quality, impact-led coffee increases.**

We have hired a Content Creator and developed a complete marketing strategy helping us to best identify and communicate with our customer base. We are also exploring alternative routes to market to make our coffee more accessible.



### **More coffee shops adopt and succeed with a quality and impact-led approach.**

Our newly appointed Sales team have been taking a look at our customer journey and experience to ensure it is as supportive as possible to help build viable business models that are quality focused and impact-led. We are working hard on our customer engagement with regular monthly events, increased newsletters and a full time coffee trainer. We want to maximise the opportunity we have to inform our wholesale community about the role they can play in building a coffee industry that works for everyone.



### **Viable coffee shop business model.**

We have been working hard to implement changes to our processes and operations in our flagship coffee shop at Leeds Dock to help create a more viable business model. We are hopeful these changes will help us increase turnover and profitability whilst not compromising our values. quality, impact-led approach. This secondary site achieved profitability by month 5.





Healthy  
Community

## What we've done this year:

### B Corp - Customer Satisfaction & Engagement



In the last 12 months, 86% of our total sales were repeat customers. This is the first time we have collected this information and we will be utilising it to set benchmarks for the future.



Our average product review on our online shop was 4.9/5.



Our subscriber numbers increased over the year by 20% - we have not yet pursued any form of paid advertising for our online shop and therefore believe that this growth has come mostly from word of mouth.

### B Corp - Customer Satisfaction & Engagement



On our quarterly anonymous survey, our team scored an average of 8.84/10 when asked 'Are you happy at North Star?'



To the statement, 'I understand the direction of the business', the team answered an average of 8.87/10.



We invested heavily in the services of a leadership coach to develop the core skills of our Roastery team and engage them in the development of our business strategy. This resulted in a series of workshops exploring personal skill development in areas such as feedback, teamwork and communication as well as ongoing 121 coaching to support the absence of NS founders as they took parental leave.



“Joining North Star has been nothing short of amazing! From day one, I felt not just an employee, but a vital contributor, actively involved in shaping our shared purpose. I didn’t just join a company; I joined a team where my ideas count. The unrivalled access to strategy and leadership training has been a huge part of my experience at work, helping me to foster a deep connection with, and shape, our vision. This isn’t just a workplace; it’s a community where innovation is nurtured, and every voice is heard. I’m not just part of a company - I’m part of a meaningful movement. As a result, I’m incredibly motivated to give it my all.”

- Matt Andrews, joined September 2022



Attending Vava's event, the new website, the opening of the kiosk, Castleton Mill, B Corp certification, new Loring on the horizon... all ridiculously exciting developments! The general feeling of positive growth and working in a pleasant environment. It's easy to moan about small things sometimes but it's important to have perspective and remember that I'm working in a business that truly cares and get to work with a load of really lovely people.

I am very grateful to be part of the team and feel good about the way we all work as a team and welcoming new members. I also feel good about the opportunities I have working for North Star and my personal growth within the business. I am grateful for all the training I have been given and all the knowledge I have gained.

It's one of the friendliest, most supportive work environments I've ever been in.

I think everyone is a team of do-ers. North Star has a more sophisticated start-up feel where anything is achievable and we're encouraged to have a go.

My understanding of the organisation and the Industry is far deeper than it was before. I think I'm really getting a grasp of what North Star wants to achieve and where they want to make an impact.

A little better communication across all teams would make dispatch life a bit easier.

I feel we are going through minor growing pains and adapting to fast growth. Communication is still a little bit of an issue amongst the team and some processes/systems are still not quite running efficiently. I'm certain it'll come together as I know we're an awesome bunch who are all moving in the same direction. The management team is really taking shape now which is exciting but I just think it's important to prioritise nailing everything down so we can all work more effectively together.

Quotes taken from our anonymous quarterly team survey.

# What we've done this year:

## TOC outcomes



### **We make it easy for customers to understand 'the problem' (Coffee business models are unviable and at risk).**

We had a total of 4259 page views of the relevant pages on our website which describe 'the problem' with the coffee industry. This is the first year we have collected this sort of data and it will be used to inform how we progress this outcome in the next 12 months.

The videos of our El Salvador and Rwanda Impact Projects have amassed a total of 604 views so far.



### **ToC - Producers more motivated to stay in coffee due to a more viable business model.**

On average, we paid \$4.73/lb for our green coffee in comparison to the average global C market price which was \$1.93/lb (between 1st June 2022 - 31st May 2023).

We completed our first North Star funded impact project in collaboration with our export partners (and fellow B Corp) Caravela and Maria Zoila Piñeda (producing partner in El Salvador) to construct raised beds and fermentation tanks on her farm, Finca Margarita. This has effectively given Maria the ability to retain all of the income from her coffee and have more control over the quality and cup profile. We spoke to her recently to try and ascertain how much more viable her business model is as a result of the work we have done together:

# Producer partner, Maria Zoila Piñeda

### **Do you feel you have a market for your coffee that enables you to make a profit?**

Yes, because I can sell to North Star through Caravela, and that is very important to me. I believe the farm sustains itself, provides employment, and with what's left, we work on making improvements each year, as much as is possible and that the circumstances allow.

### **Has this improved since the installation of the infrastructure?**

Yes, because the process is now much more hygienic, which can contribute to quality, achieving the expected results, and delivering a cleaner tasting product.

### **Are you able to reinvest any profits back into the development of your business?**

Yes, we are already working on it. Currently, the focus is on improving conditions for our farm employees. We are working on building a kitchen for our employees to have a place to have their meals, and we are also constructing sanitary facilities for them to ensure better conditions. This will ultimately enable us to produce a better product.

### **Do you feel more motivated to continue in coffee farming?**

Very motivated, mainly because I feel supported, I sense that my product is well-received, and the farm is my favourite place to enjoy the beauty of nature. At the same time, I can appreciate the diversity it offers and the fruits I can cultivate.

### **Why?**

Because my farm is also a source of employment, and it's gratifying to feel that one can support people in this way while contributing to the environment by maintaining the biodiversity of flora and fauna. Being a part of the coffee forests in the country, and, being a bit ambitious, why not think that it could become a tourist attraction in the future? These are just thoughts that time will decide



Maria Zoila Piñeda,  
Finca Margarita



# What we've done this year:

## TOC outcomes



### **ToC - Producers more motivated to stay in coffee due to a more viable business model.**

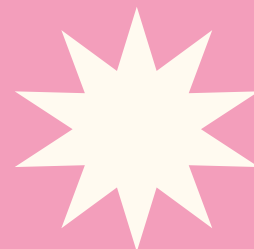
Our second impact project is underway with our partners in Rwanda - Tropic Coffee, owners of the Cyato washing station. We have sponsored the preparation of 8 hectares of land which has been planted with 20000 coffee seedlings which have been distributed amongst 20 young people from the local community. The participants are then receiving agronomy training, organic compost and harvesting support when it comes to the first crop which we are expecting in May 2024. We are immensely excited about the potential this project has and will be capturing the impact it has generated in our next report.

**“In the 6 years spent working with North Star Coffee Roasters, it has been an incredible journey filled with passion, purpose and the joy of making a positive impact. We have turned our dreams into reality, initiating the youth coffee project which has opened our eyes and brought our mind to think more about sustainable agriculture. Action supported by North Star to prioritise environmental conservation and ensure future generations can continue to enjoy the benefits of coffee production. I'm not only grateful for the moments we've shared but also inspired by the collective hope and determination we carry.”**

- Chris Rugira, owner of the Cyato washing station.



Chris Rugira, Cyato  
Washing Station



# How we will build these areas over the next 12 months

## B Corp - Workers



We currently offer a health plan to all employees which entitles our team to contributions that can go towards dentistry, optometry, physiotherapy, consultations etc. We currently have no system in place for tracking the uptake of this scheme so that we can see how much it is valued or utilised. We would like to make this a formal part of employee 121s so that management can track usage and incorporate wellbeing into performance reviews.



We are introducing a new approach to feedback at North Star and will be delivering this through training sessions with all North Star managers in the first half of 2024. This will see us review the entire employee journey with us from recruitment to exit to ensure we are highlighting any opportunities to further engage our team in social and environmentally responsible ways of working.



We have dreams of North Star operating as a sort of 'Academy' in which hospitality professionals can join us to develop their careers by accessing all parts of the business from roastery operations to sales to marketing and this is something we will be starting to map out next year.



We are going to be reviewing the leave we offer at North Star from Parental/Paternity Leave to sickness and annual leave.



We would like to outsource our employee surveys to ensure we can benchmark our results against industry standards.

# How we will build these areas over the next 12 months

## TOC outcomes



**We make it easy for customers to understand 'the problem' (Coffee business models are unviable and at risk).**

In June 2023, we developed a marketing strategy specifically designed to engage our customer base (both B2B and B2C) in the North Star mission. We are hoping to generate some desired goals as a result of the data we have collected in this area so far to ascertain how successfully we are achieving this outcome.



**ToC - Producers more motivated to stay in coffee due to a more viable business model.**

Whilst we know the price we paid for our green coffee to be landed in the UK, we are not yet able to get hold of accurate farm gate pricing (i.e. the price the producer actually received) for our entire range. What's more, it is currently immensely difficult to confidently ascertain how profitable that transaction is for the producer as costs of production remain challenging to collate. We have spent the last 10 years asking for this information from the export partners we work with and we will continue to do so. Where possible, we intend to collect qualitative data from the producers we work with to ascertain how successfully we are achieving this outcome and how much of that is a result of the approach we take.

We intend to sign up to the Transparency Pledge - a movement publishing a common code for transparency reporting in green coffee - which will see us making the price paid for our green beans visible on our website.

We are exploring the possibility of supporting the Farmer Thriving Index organised by 60 Decibel to help gather reliable and unbiased information about a producer's perception of their position and future within the coffee industry.





Healthy  
Planet



## What we've done this year:



Food waste is responsible for more than 10% of total gas emissions. By partnering with Too Good to Go, we have managed to save a total of 1190kg of CO2 by re-directing waste food from our coffee shops.



We have officially partnered with Scrap Leeds (a centre of creative re-use), who collect all of our hessian coffee sacks, redistributing them for art/play/education run by local groups/students/individuals etc. This year, they helped us save 690kg of hessian going to landfill.



We were the first coffee roastery in the UK to launch home compostable 250g bags in 2021 but as a result, we did experience some issues Year 1! We had some bags splitting in transit which caused a fair few issues for both our team and customers. Happily, these issues have been resolved and we have been able to continue using this material which has seen us switch out 17,000 bags per year from plastic to a home and industrially compostable material.



We have collected data to measure our energy and water usage across all of our sites so that we can proceed with reduction planning in the next year.

NS\* KIOSK - ENERGY USE  
25 GIGAJOULES ELECTRICITY- only January-May 2023  
(opened on 5th December 22)  
HAVEN'T YET BEEN BILLED FOR ANY WATER

NS\* LEEDS DOCK  
90 GIGAJOULES ELECTRICITY  
WATER - 393,000 litres

NS\* ROASTERY  
47 GIGAJOULES OF ELECTRICITY  
121 GIGAJOULES OF GAS  
28,000 litres of water

## How we will build these areas over the next 12 months



We are introducing an initiative for our local wholesale customers to switch the plastic 1kg bags their coffee is currently packed into to reusable metal cans that will hold 4KG's of coffee.



We want to contribute our voice more to local initiatives and infrastructure we rely on for the responsible processing of waste, ideally lobbying for better, more accessible composting to become more widely available.



We will be taking our first steps in our journey to Net Zero which will very much start with the measurement of our Scope 1, 2 and 3 activities. This will highlight which parts of our business generate carbon to inform our reduction strategy.



“We have been on the hunt for a reusable packaging alternative for our 3kg LDPE bags for a while now. We’ve experimented with plastic, cardboard fibre and metal containers. We found the plastic tainted our coffee, the cardboard wouldn’t keep our coffee fresh. The metal pails seemed like the best solution, they kept our coffee fresh, looked good, are light and durable, and when they’ve been used to death they can be easily recycled. We’re so excited for our customers to start using these containers so that they can cut down on the amount of single use plastic they’re using.”

- Marcus Reading, Head of Roastery Operations



NORTH STAR 

Thank you.

[northstarroast.com](http://northstarroast.com)   [hello@northstarroast.com](mailto:hello@northstarroast.com)