



PRIMA
[PRE-MAH]



LEE MCDERMID
MANAGING DIRECTOR

Long before I knew the name Prima, over 10 years ago, this little coffee roastery was the first in New Zealand to adopt a compostable bag to package freshly roasted coffee. There was no commercial processing available for compostable packaging, the bags were expensive and no one was really talking about packaging waste then. But the Prima team thought it was important and knew someone had to be first – start the ball rolling and we’ll figure out the details as we go.

Sustainability has always been a part of our ethos at Prima, driven by the whole team, from our founder through to our newest team members. This report is an attempt at capturing the Prima ethos and driving it forward.

First, we want to capture and celebrate the work we’ve done to build a sustainable coffee business that puts people and our earth first. It’s about communicating to you – our customer, supplier, distributor, potential employee, investor – what we’re about, the tangible actions we’ve taken and the results we’ve achieved.

And next, we want to be transparent about the impacts our business has on people and the environment. To draw a line in the sand we can use to measure improvements, focus our efforts and set bigger goals for the future. There are so many opportunities here.

The coffee industry is littered with potential for social, economic, and environmental impacts. Many of these are standard practice, built into our lives to the extent that we don’t even notice they’re there – for example the single-use coffee cup which has become the poster-child for unnecessary waste.

In some ways this is the nature of the task at hand – every cup is a challenge – we deal in organic products which continually transform with the environment and time, it requires people from different cultures all over the world to work together, there are vast distances to cover, complex supply chains to manage, it’s reliant on

the earth and the rain and the US dollar. There are just so many opportunities to get it wrong.

But that is also what’s so great about it. We have huge opportunities to make a real positive impact by doing things right (or better). For every moment of consideration or hour of work, we can get great returns on our sustainability investments.

We’re certainly not the only company in our industry thinking this way; we’re both leading and following as we work our way towards new definitions of “best practice”.

We’ve followed coffee roasters like Kōkako in Tāmaki Makaurau, Auckland and Peoples Coffee in Te Whanganui-a-Tara, Wellington who were the direct inspiration for undertaking a report of our own.

And we’ve led through the challenging times of Covid-19 lockdowns, we launched a revenue sharing programme to support our suffering café partners through our online store and inspired other roasters and suppliers in the industry to do the same.

To be honest, this report does feel a little grandiose for a small company like ours, on the other hand, sometimes being a small company can be a too-easy excuse. We’ve been able to see the scale of the impact that we can have and we hear how valuable our efforts have been for our customers and stakeholders. So we’re going for it. Settle in with a fresh cup and enjoy!

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ABOUT THIS REPORT

This report has been constructed by referencing the GRI (Global Reporting Initiative) Standards. GRI is a globally recognised reporting framework that ensures the reporting organisation (us) delivers a report that is robust, detailed, thorough and comparable. The GRI framework basically divides a report into two main parts. The first half is based on what they call 'General Disclosures'. This requires all reporting organisations to answer the same questions (aka disclosures) to give context and basic information on the business. This includes the size, location, operations, values, products and / or services sold, governance structure and more.

The second half of the report is based on what are called 'Topic-Specific Disclosures'. Topic-specific disclosures are disclosures (questions) that relate to the material topics the reporting organisation identifies through their stakeholder engagement. Basically what our stakeholders said they would like to see us report on. (You can read more about this on page 16). These disclosures require us to provide data relating to our level of impact in relation to those material topics.

The last requirement of the GRI framework is to provide our "Management Approach" - how we are, or plan to, manage each material impact moving forward. To help us follow this framework, keep us to task, and deliver the best report we could we engaged the services of Go Well Consulting.

REPORTING PERIOD

The reporting period we used for this report is the 1st of October 2020 to the 31st of September 2021. This period is as recent as we could manage while also capturing a full year of operations in our new cafe and roastery.

We intend to produce a report every two years. Our next reporting period will be from 1st October 2022 to the 31st September 2023.

PRIMA

ROASTERY



Established in 1995, in Ōtautahi, Christchurch [95 . 03] by founder Geoff Johnson. Caffe Prima was initially focused on contract roasting and wholesale with the name Prima staying hidden from view in the depths of industrial Woolston. Nonetheless, the business was successful, owing to great tasting coffee, a positive can-do culture and, even then, sustainability considerations.

Over 20 years later in 2017 with times changing and Geoff looking to retire, the business was purchased by Lee McDermid. Caffe Prima Limited, now trading as Prima Roastery is a New Zealand business wholly owned by the McDermid family. Today we operate out of our roastery headquarters at 387 Brougham St, Sydenham, Ōtautahi, Christchurch.

We supply coffee, equipment, service and support throughout Aotearoa, New Zealand. We work with around 30 cafe partners throughout the South Island. We supply home coffee enthusiasts through our website and roastery store. We also supply coffee to businesses and public sector customers through nationwide distributors – NXP, OfficeMax and Office Products Depot. And finally, we run our own roastery cafe at 387 Brougham Street where our customers can come to relax, sample our wares and chat with the team.

We roast around 1,000 kgs of coffee every week as well as supplying alternative milks, hot chocolate, chai, teas and other cafe consumables. We import and distribute a range of espresso machines, grinders, barista tools and brew gear.



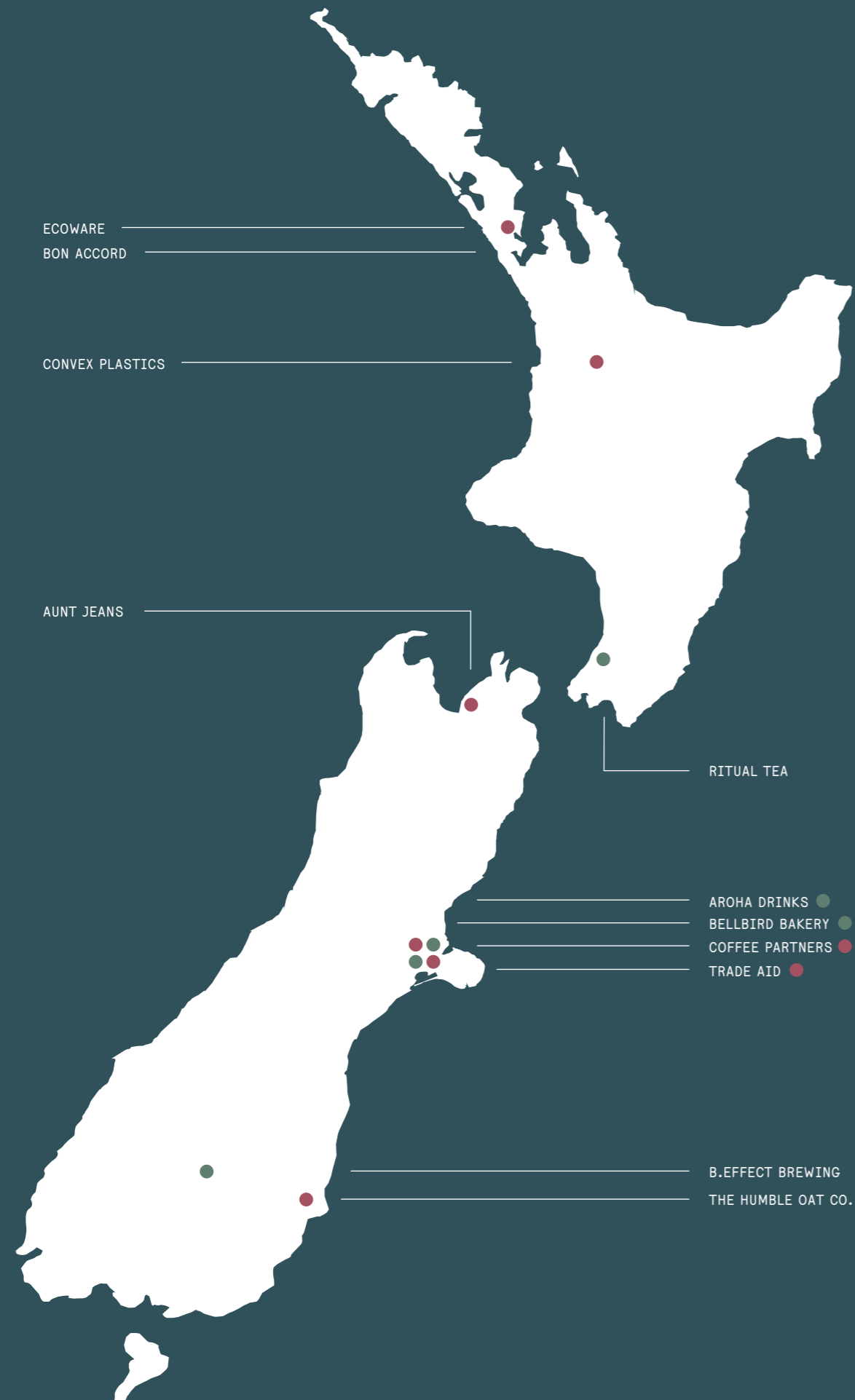
COFFEE SUPPLY CHAIN

- COFFEE ORIGINS
Kenya, Ethiopia, Indonesia, India, PNG, Colombia, Nepal, Nicaragua, Guatemala, Honduras, Peru, Brazil
- COFFEE GROWER COOPERATIVES
Peru CAC Pangoa, Ethiopia Harrar OCFCU, Colombia ASOPEP, PNG HOAC, Indonesia Kokowagayo
- EQUIPMENT SUPPLIERS
Nuova Simonelli - Victoria Arduino - Espresso Machines - Italy
Royal - Espresso Machines - Italy
Ceado - Coffee Grinders - Italy
Technivorm - Moccamasters - Netherlands
- COFFEE IMPORTERS
John Burton - Auckland
Cofinet - Auckland
Trade Aid - Christchurch
- COFFEE ROASTER
Prima Roastery - Christchurch



THE SCALE OF EACH GREEN DOT REPRESENTS THE VOLUME OF COFFEE WE PURCHASE FROM EACH ORIGIN.

LOCAL SUPPLY CHAIN



NOTABLE NEW SUPPLIERS IN 2021

BELLBIRD BAKERIES, PASTERIES & BREAD
 Bellbird Bakery is based at the Tannery in Woolston. They were an easy lunchtime walk from our old roastery site. Now the walk is a bit further but we are lucky enough to stock their fantastic baked goods in our cafe, delivered fresh every day in their electric delivery van.

AROHA DRINKS, COLD DRINKS
 Mark from Aroha produces amazing natural drinks from local ingredients (local like his neighbour's place and his mum's garden) just outside of Ōtautahi Christchurch. We serve his drinks in our cafe and he's working on a bottled cold brew coffee made from our Peru Single Origin. It's yum.

FAIRLIE BAKEHOUSE, PIES
 Franz and the team at Fairlie Bakehouse are one of our oldest cafe customers. If you don't already know, they're based a couple of hours south of Christchurch (Fairlie) and make the best pies in the country (for real: we've checked).

RITUAL TEA, TEA
 Ritual are a family-owned, Fairtrade-registered tea company based on the Kapiti Coast.

THE HUMBLE OAT CO, OAT MILK
 New Zealand owned company using local oats, processed in Sweden (they're working on a processing plant here in NZ) and 120% Carbon offset.

B.EFFECT BREWING
 Our mates at b.effect make seriously good Kombucha in beautiful Wānaka.

LONG TERM KEY SUPPLIERS

CONVEX PLASTICS, COMPOSTABLE PACKAGING
 We started using Eonic Compostable Packaging from Covex over 10 years ago. Now heaps of people use it!

TRADE AID, HOT CHOCOLATE
 Amazing people making amazing hot chocolate here in New Zealand with ingredients from Paraguay, Dominican Republic and Peru.

BON ACCORD, FRUIT PULPS AND FRAPPE
 Heaps of great beverage products made in New Zealand. Locally owned and operated.

COFFEE PARTNERS, BONSOY MILK
 The best organic soy milk around. Imported from Japan.

AUNT JEANS, A2 COWS MILK IN GLASS BOTTLES
 Aunt Jeans supply us with A2 cows milk in glass bottles, which they collect and reuse.

ECOWARE, COMPOSTABLE COFFEE CUPS
 PLA lined compostable cups, imported from Asia.

A BIT OF HISTORY



1995



2008

1995



Prima founded in Woolston.

2008



Fairtrade registration.

2011



Introduce compostable packaging.

2018



Sustainable business network awards finalists.

2017



Our founder steps back and Lee comes onboard.

- No takeaway cups in café.
- Start composting packaging at farm in Leeston.
- Re-brand and launch.

2012



60kg Petroncini purchased and installed.

2019



Started delivering wholesale coffee in reusable tins.

- Aunt Jeans milk in glass bottles.

2020



Move to new Brougham Street Roastery.

- Fit out and opened our very own Brougham St Café (still no single use cups).

2021



Composting service launched with Total Waste Solutions and Canterbury Landscape supplies.

- Engage GoWell Consulting and start preparing Sustainability report.



2011



2012



2017



2018



2019



2020



2021

STAKEHOLDER ENGAGEMENT AND MATERIALITY



An important part of developing a robust and well-rounded sustainability report involves engaging with our stakeholders and uncovering what they would like to see us report on. A stakeholder is basically anyone who has an impact on our business or anyone who we impact. The stakeholder engagement process follows a structure of identifying and weighting our different stakeholders and then engaging them in interviews, discussion sessions, and surveys.

The stakeholders we engaged with spanned all areas of our operation from staff and suppliers to retail, corporate and wholesale customers. Under the guidance of Go Well Consulting, we facilitated a staff discussion session and an anonymous survey.

Our café partners and wholesale customers were directed to an anonymous survey where we gathered 41 responses. Some suppliers and cafe partners were engaged by in-person interviews and phone calls from which we gathered a total of 6 responses.

Following the engagement process, we again worked with Go Well who helped us review all the feedback and identify our material topics. These are the topics our stakeholders identified as the most important for us to report on. These topics are listed here under three key pillars.

MATERIAL TOPICS

ENVIRONMENTAL
Materials to Landfill and Plastic Pollution
Energy
Emissions and Air Pollution
Deforestation and Biodiversity Loss

SOCIAL
Fair Trading
Working at Prima

ECONOMIC AND GOVERNANCE
Transparency
Local Economy

STAKEHOLDERS



Cofinet



REPLENISH

THE COFFEE INDUSTRY



Since 1990, the volume of coffee production has increased by 60%, and the value of total annual coffee exports has quadrupled (ICO - The Value of Coffee Report). 125 million people worldwide depend on coffee for their livelihoods - Fairtrade coffee is grown on approximately 12.5 million farms, 95% of which are smaller than 5 hectares (Coffee Barometer 2020).

Production varies year to year depending on weather, climate, pests and other factors. These effects can be harshly reflected in the price of coffee (which is set at a global commodity price) because of the concentrated nature of producing regions. In recent times, abundance of supply has resulted in extended periods of historically low prices (falling to over 30% below the 10-year average price in 2019), negatively affecting growers ability to meet their costs of production (Coffee Barometer 2020).

In 2021, concerns with supply due to climate adverse conditions in major producing countries such as Brazil, and increasing freight costs, as well as the impacts of COVID-19 lockdown restrictions on trade flows in Asia, have resulted in a 100% increase in the coffee price by the end of 2021 (ICO - August market report).

Nearly half a trillion cups worth worldwide annually consumed, over 2 billion each day (ICO). In NZ, over 10

million kgs of coffee are consumed (Stats NZ 2.2kg per person) or 0.1% of global supply. The Packaging Forum estimates that in New Zealand 295 million single-use cups (including coffee cups) are used every year.

The coffee market has become more consolidated - 70% of production comes from five countries and ten multinational roasters represent 35% of global trade in green coffee (International Trade Centre - More from the Cup Report 2020). The NZ market is comprised of many smaller roasteries who are generally focussed on a boutique or premium coffee bean.



EARTH

FIRST

AVOIDING WASTE



Avoiding waste and single use packaging has been a focus for Prima since our inception. Over 10 years ago, Prima was the first coffee roaster in New Zealand to adopt compostable packaging for our fresh coffee. You can read more about our packaging and composting journey on pages 24–27. Since then we've taken a number of steps to avoid materials from our business being sent to landfill.

We apply the Zero Waste Hierarchy to our waste minimisation efforts. We focus firstly on designing out waste, then reducing and reusing. Where that hasn't been possible we recycle or compost.



NO SINGLE-USE CUPS

In 2017 we removed single-use coffee cups from our roastery espresso bar. More recently we opened our new cafe on Brougham Street and have been single-use cup free since day one. Utilising the AgainAgain cup network system, which has been a huge success, as well as encouraging dine in and BYO cups, we have saved the use of thousands of single-use cups. We served over 22,000 waste-free cups of coffee in the reporting period.



REUSABLE TINS

In 2019 we began using reusable tins to deliver coffee to our central city cafe customers. These tins each hold 4kgs of freshly roasted coffee and upon delivery to our customers the empty tins are exchanged. By doing this we've avoided sending out 6,762 x 1kg bags. Equivalent to 162kgs of packaging.



BYO CONTAINERS

For over 6 years we've been offering \$1 off for customers who bring their own container for coffee beans. In the reporting period 1860 customers bought their own container, avoiding an additional 45kgs of packaging.

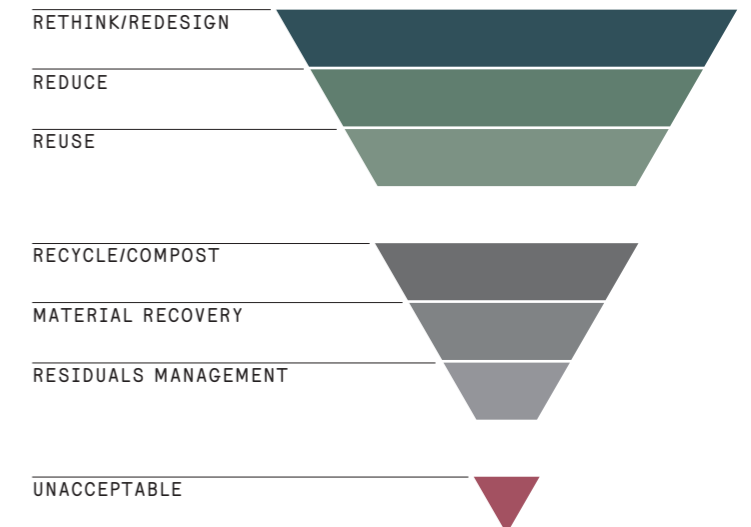


GLASS BOTTLES

We use Aunt Jeans milk in reusable glass bottles in our roastery cafe. Aunt Jeans collect the bottles weekly (including some returned by our customers) and re-use them over and over.



THE ZERO WASTE HIERARCHY 7.0



MATERIALS AND WASTE STREAMS



One of the main purposes of this report has been to find a current baseline against which to measure our future sustainability efforts. During the writing of this report, we identified several gaps in our ability to measure and track waste streams primarily due to a lack of data.

For example, we can see the volumes (litres) of Recycling, Organics and Landfill collections from our roastery. But we can't see the weights or measure the contents with the data we have. We can see total weights for our compostable collections because Total Waste Solutions weigh the bins. But we can't see how much of each bin is cups, bags or food scraps.

We can see the weights of key items dispatched by looking at sales data. But it is difficult to convert the weights into volumes (litres) - or volumes back to weights (kgs) - for comparison. And finally, for materials

with potentially mixed end-of-life outcomes like our compostable bags (composted or landfilled) or soft plastics (landfilled or recycled), we can't see what the actual end result was with the data we have.

Our plan for better visibility for our next report will be to adapt advanced inventory management to capture waste associated with different products alongside traditional stock levels and financial data. This won't solve all of the issues above but it will help provide better visibility.

Going through the reporting process also made space for us to look more carefully at our waste streams and identify improvements. A big one here was learning of the availability of soft plastics recycling bin collections in Christchurch which will allow us to recycle at least some of our Grain Pro bags and all of our pallet wrap going forward.

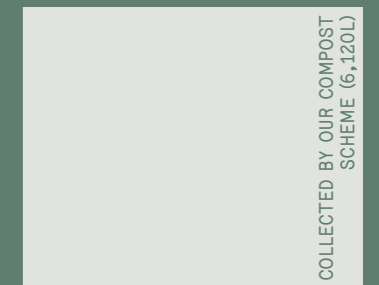
MATERIALS RECEIVED, USED & DISCARDED



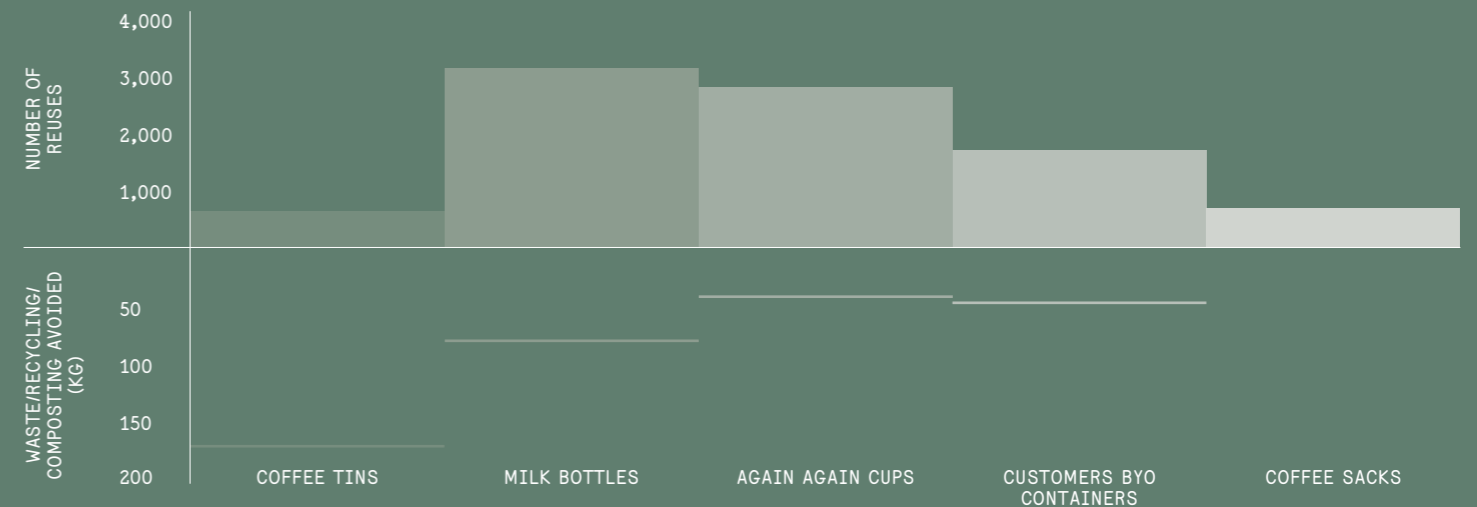
MATERIALS DISPATCHED



COMPOST COLLECTION



MATERIALS AVOIDED



1. WE TRIED TO KEEP THIS PAGE USER FRIENDLY, BUT IF YOU WANT ALL THE GRITTY DETAILS ON HOW WE CALCULATED THESE FIGURES YOU CAN VISIT - WWW.PRIMAROASTERY.CO.NZ/SUSTAINABILITY/GRITTY-DETAILS

OUR COMPOSTABLE PACKAGING JOURNEY



LEFT, RIGHT & BELOW: EARLY COMPOSTING TRIALS IN OUR 3-BAY COMPOSTING SET-UP NEAR LEESTON.



For over 10 years we have been providing our coffee to customers in New Zealand's first compostable coffee packaging¹.

Back in 2011 there was no commercial processing available for compostable packaging, the bags were expensive and the plastic packaging waste conversation was yet to reach the mainstream. But our team thought it was important and someone had to go first.

The thinking was if we adopt the packaging, the manufacturer can keep making it, then more businesses will use it, then there will be an incentive for councils and waste management to start accepting it for processing, then it can be used to replace plastic across the whole food and beverage supply chain. Simple, right?

By 2017 there had been glimpses of progress with small independent groups like Cultivate Christchurch taking on composting of certified packaging and PLA based products (the single-use coffee cup) and WeCompost with Envirofert were making good progress in Tāmaki Makaurau, Auckland on a more commercial scale.

But here in Ōtautahi, there was a growing need for a full-scale sustainable end-of-life solution for compostable single-use products. We had compostable bags, cups and lids but they all still predominantly went straight to landfill.

So we decided to muck in and get our hands dirty and started composting trials in a 3-bay system on our little farm in Leeston. It wasn't at a scale to really solve the problem but it was a starting point. We learned about the process and the inherent challenges. We learned what works and what doesn't. Having the hands-on experience meant we could open up conversations with so many knowledgeable groups across the country.

We learned from and looked for opportunities through conversations with Envirofert, Total Waste Solutions, Living Earth, WeCompost, Canterbury Landscape Supplies, Cultivate Christchurch, SIFT, Kilmarnock, Pines Resource Recovery Park, Roimata Food Commons, Christchurch City Council and Selwyn District Council.

In 2018 we were finalists in the Sustainable Business Network Awards - Transforming Food Category for our work collecting and composting packaging waste. And then in 2019, we increased our capacity with the addition of a 2nd 3-bay compost system and a wood chipper to help us produce raw materials to improve our compost mix.

For over a year we continued to take 2-5 120L bins per week of mixed food waste and packaging from our café partners - Foundation and Good Habit Cafes - as well as returned packaging from corporate and retail customers and coffee grounds from our own espresso bar. The veggie garden was thriving! By June 2019 we had accepted back for processing around 150 x 120L bins of mixed food and packaging waste which we estimate to be over 5 tonnes.



1. ECONIC FROM CONVEX IN HAMILTON - THE FILMS WHICH MAKE UP THE BAG ARE CERTIFIED TO EN13432.



This is small given the scale of the overall issue but we can attest it amounts to a lot of hard work lugging heavy bins and turning compost piles mostly by hand. And that might be the main lesson here – solving some of these waste issues isn't going to be easy and so there is a lot of value in avoiding creating the waste to begin with. Reference back to the zero waste hierarchy.

In the hope though of making it easier and scalable we had been looking for a great commercial partnership opportunity which would allow us to offer composting services to more of our customers and the wider public. In early 2021 this all came together after a visit to the new Canterbury Landscape Supplies forced aeration windrow compost site in Swannanoa and a meeting with Lee-Ann at Total Waste Solutions.

We managed to find a solution with Tony at Canterbury Landscape Supplies agreeing to accept and process certified compostable packaging like our bags and the dreaded single-use PLA coffee cups. They have the scale and the proper facilities required to do this effectively.

Next, Total Waste Solutions agreed to divert one green-waste collection truck past our cafes for collection and then out to the Canterbury Landscape Supplies compost site per week. Lee-Ann needed 25 bins to make this work and we were able to sign up the first 7, with bins at 6 of our central city cafe partners and one at our roastery cafe. This gave Lee-Ann a starting point

and from there she was able to go out to their wider customer base and quickly fill the rest of the truck!

Now with this service up and running our cafe partners are able to accept the return of compostable packaging or single-use cups in our custom collection bins. And we've been able to get 1064kg of packaging (and some food waste) composted between June 2021 and the end of our reporting period in Sept, 2021.

In addition, this service is available from Total Waste Solutions to all those that want to make use of it in Ōtautahi, Christchurch. There are compost collection points popping up all over the city and by the end of 2021 there were a total of 55 bins with lots of like-minded cafes, businesses, communities, universities and more all collecting compostable packaging for processing.

This is the kind of solution that can really help solve this problem. It's provided the scale that makes it cost-effective for us (we can provide the bins and collection as part of our coffee supply package for cafe partners) and distribution which makes it easy for people to use.

Remember to bring your bags, cups and lids to any of the following locations and look for the blue collection bins: Foundation in Turanga, Good Habit, Urban Escape, Frances Nation, Uprising, Utopia Ice Sumner & City or Prima Roastery.



LEFT: CUSTOM COMPOSTABLE PACKAGING BIN - ONE OF SEVEN AROUND THE CITY WITH MORE TO COME.
RIGHT: BEFORE WORKING WITH TOTAL WASTE SOLUTIONS WE COLLECTED FOOD WASTE, COFFEE GROUNDS AND COMPOSTABLE PACKAGING OURSELVES FROM OUR CAFE PARTNERS IN THE CITY. THESE BINS HAVE BEEN EMPTIED, CLEANED AND READY TO GO BACK OUT INTO THE CITY.

PRIMA ROASTERY, 387 BROUGHAM STREET



ABOVE: LOW IMPACT MATERIALS LIKE STRAND BOARD AND RECLAIMED RIMU, AND LIGHTING RESCUED FROM JADE STADIUM. RIGHT: THE NEW FACE OF PRIMA, STILL AN OLD WAREHOUSE BUT NOW FULL OF LIFE.

Before becoming the new home for our café and roastery, the building at 387 Brougham Street was run down and full of stored furniture. We saw that as an opportunity to take a dusty blank canvas and create something people could use and enjoy. Some of the values we wanted to incorporate into our project included; putting ourselves forward and being seen, being transparent and accessible, having minimal impact on the environment and having a positive impact on the community.

Our new space definitely ensures we will be seen, on a corner site on one of Christchurch's busiest thoroughfares. We chose to incorporate large windows through to our roasting room for complete visibility of our roasting process. Due to the layout of our building, with parking and toilets at the back and café space at the front, we created a public pathway through the middle of our packing, production and storage areas. True to our values of transparency our whole business is on display here.

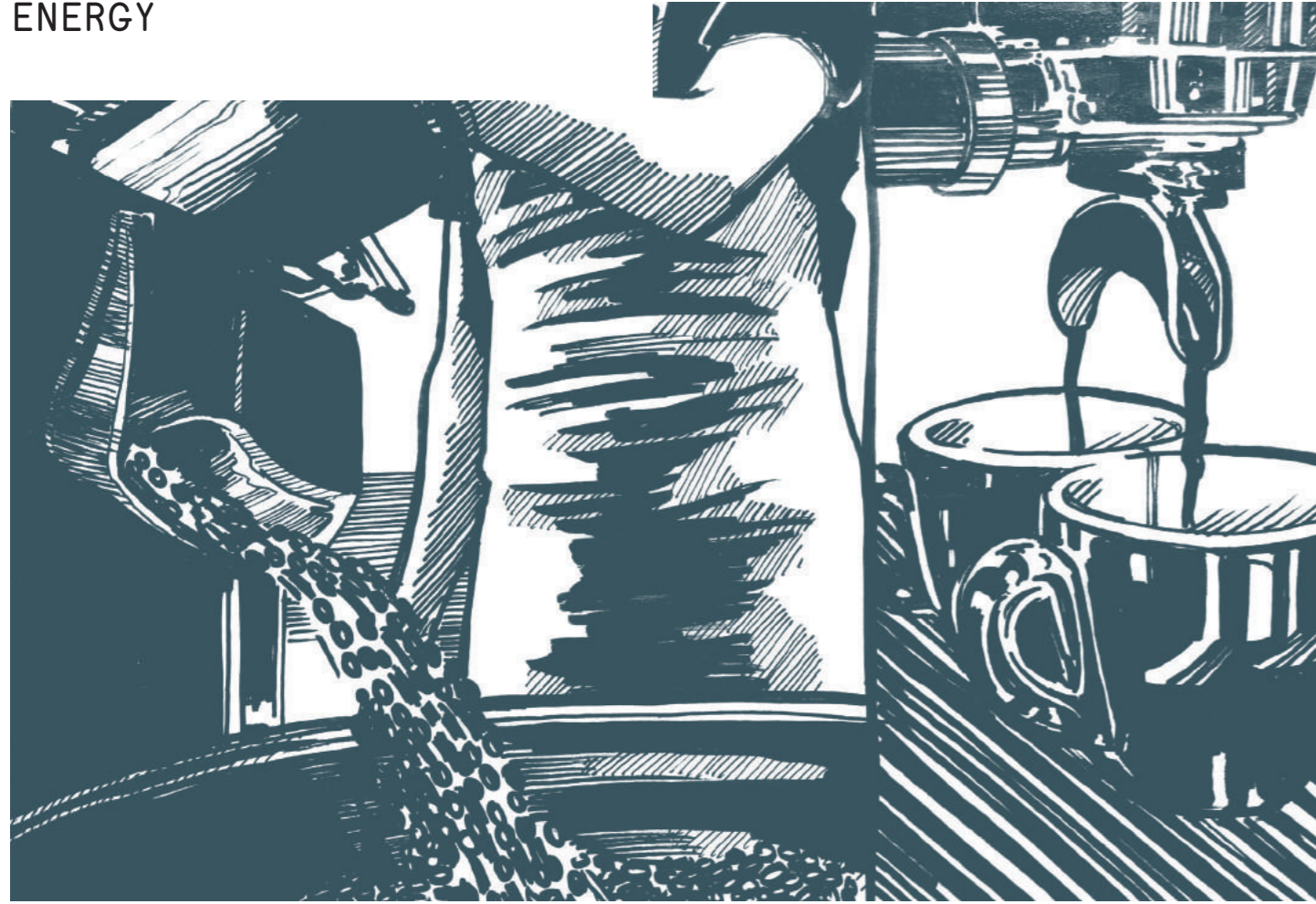
The materials we chose were intentionally simple and low impact, and we re-used as many of the materials from our Garlands road espresso bar as we could. The old espresso bar benchtops and shelving, which we made ourselves from reclaimed rimu, were reused in our café and training room. The walls, ceiling and framing from the Garlands road espresso bar were used to make our entrance ramp. Doing much of the café fit-out work ourselves allowed flexibility to incorporate reused materials on the fly. And we were able to start with a small service area and grow the space to meet demand.

For the main roastery room and cabinetry in the café we used strandboard which, while not a perfect material, is relatively low impact. And the new benchtops in the café were made to match from reclaimed Rimu by Warren Woodturners. Our interior design team (India) came across some old lighting out of Jade Stadium. And all of our pre-loved furniture, collected one piece at a time from around the city, along with heaps of plants make this old warehouse feel like home.

We had some extra space in our café and were approached by Kim from Earthlove to run a pop-up store. Her business fits so well with our ethos and the feel of our space that Earthlove has become a permanent fixture here at Prima. Our customers can get some Fairtrade Organic coffee for home as well as access the Earthlove recycling station, use our composting collection service and refill soaps and other goodies from Earthlove for home. They can even order local redistributed organic fruit and vegetables boxes from Toha Kai to be collected from the Prima Roastery Café weekly. We couldn't be happier with our new home and it's fair to say we're a little proud too.



ENERGY



As with most small businesses, energy efficiency is a strategic necessity as much as an environmental consideration. The less we consume the better. Better for the planet and the bottom line.

Roasting Machine

Roasting is our single biggest consumer of energy and the most critical use of energy for our business. We roast our coffee on a refurbished Petroncini TTS 60kg which runs on reticulated LPG. It's big and painted green and, with Jesse and Colin at the helm, it makes coffee taste really good.

Connected to the roaster is an afterburner which also runs on LPG and is used to burn off odorous smoke and particulate from the roasting process.

There are limited simple improvements we can make to our machine to reduce energy use. There are, however, some big, complicated ones. Right now they are out of reach but we will continue to research upgrades as well as alternative machines and potential fuels to find efficiency gains in the future.

One step we have been able to take is carefully setting our roasting schedules to improve efficiency. Our roasting machine takes a long time to come up to temperature and holds a lot of latent energy - (left over heat) after it has been used. So we improve energy efficiency by roasting as many batches as possible every time we start the roaster (rather than roasting fewer batches more frequently).

Vehicles

VW Caddy Delivery Vehicle and Nissan Navara Ute.

Our VW Caddy is used primarily around Ōtautahi Christchurch by our account managers for deliveries and servicing trips to customers. It is also less frequently taken on longer trips up and down the South Island for servicing and training visits. Our Managing Director, Lee, drives our Nissan Navara as a work and personal vehicle.

Our reporting has identified diesel fuel for our Navara Ute as a huge contributor to our total energy use. This is in part because all personal use has been included and in part due to the type of vehicle: a big thirsty diesel ute. This is the same vehicle that was used to lug 5+ tonnes of compostable packaging and green waste out to Leeston to be processed and has earned its worth moving machines and palletised orders as well as equipment and materials during our relocation.

But we have to acknowledge that it might not be the ideal vehicle to be doing so much daily travel in. There is an easy energy and emissions saving here that is obvious while at the same time has been easy to overlook or otherwise justify.

Now that we have a baseline for our energy usage we will continue to monitor it monthly with the aim to reduce energy use per kilo of coffee roasted and increase the proportion of clean energy use.



Electricity: 28,071 kWh¹



LPG: 59,150 kWh



Diesel: 2,039L = 22,347 kWh²



Petrol: 780L = 7,495 kWh

Total Energy 117,064 kWh
2.49kWh per Kg of Roasted Coffee



EXTERNAL ENERGY

We can't report on energy our cafe partners use to turn our coffee beans into a sweet hot cup. But we do have some control over the equipment we offer and can consider both the efficiency and longevity.

During the reporting period we installed new espresso machines - 'VA Eagle Ones' as a trial in two of our cafe accounts and have another planned install in early 2022. These machines are designed with smaller boilers and energy efficient materials to reduce energy consumption (by 1/3 compared to comparable models) over their lifespan. We're interested in longevity as well as energy efficiency so this is something we'll continue to monitor. To date the machines have performed well.

1. CALCULATED USING 53 WEEKS OF ACTUAL READINGS THAT TOTALED 28611 KWH.
2. ESTIMATE BASED ON ALL AVAILABLE FUEL RECEIPTS PLUS FUEL SPEND/AVERAGE PRICE. CONVERSION TO KWH FROM [HTTP://WWW.EAUC.ORG.UK/FILE_UPLOADS/UCCFS_UNIT_CONVERTER_V1_3_1.XLSX](http://www.eauc.org.uk/file_uploads/UCCFS_UNIT_CONVERTER_V1_3_1.XLSX)

EMISSIONS AND AIR POLLUTION



The impacts of our climate crisis on the coffee industry are significant. As well as impacting flavour, aroma, and quality of the coffee¹ some growers are experiencing decreased yields and increased incidences of pests and disease.² A 2016 report by The Climate Institute – ‘A Brewing Storm: The climate change risks to coffee’, states that “climate change is projected to cut the global area suitable for coffee production by as much as 50% by 2050.” Sobering!

Despite our awareness of the need to rapidly reduce carbon emissions globally and our desire to play our part, we have not yet mapped our carbon footprint. We’re aware there are lots of tools and calculators available to help us achieve this and we’ll make measuring our emissions and producing a plan to reduce them a priority this year.

Some actions we’ve already identified we can take to help reduce emissions include:

- Reduce freight miles by buying more coffee from producers located closer to New Zealand.
- Ensuring efficient delivery and distribution.
- Encourage our team and our customers to walk, ride or take public transport to come to the roastery.
- Review our use of vehicles internally to increase efficiencies.
- Review our options to procure electric or hybrid vehicles.
- Encourage and increase re-use in all areas of our business.
- Ensuring food waste and compostable packaging are correctly processed and not landfilled.

Closely linked to the emissions of greenhouse gases is the pollution of air. According to the World Health Organisation (WHO), “both ambient (outdoor) and household (indoor) air pollution are responsible for about 7 million deaths globally per year.”

Locally air pollution has been a historical challenge for Ōtautahi Christchurch, particularly “in winter when cold air is trapped beneath a layer of warm air and pollutants cannot rise and disperse.”³ Home heating remains the predominant cause of pollutants (57%), with industry (27%) and motor vehicles being the other two major contributors.⁴

While we are in the correct zone for our industrial coffee roasting activities, odour in the surrounding community is still an issue and as such we’ve engaged an air quality expert to assess our effects and help us minimise odour and particulate effects from our roasting process.

We have increased our stack heights and changed the stack caps to increase odour dispersion. And after an assessment process with Environment Canterbury we are, at the time of writing, the only coffee roaster in Ōtautahi, Christchurch with valid resource consent for coffee roasting over 200kg per day.

1. WWW.WEFORUM.ORG/AGENDA/2021/11/CLIMATE-CHANGE-COFFEE-PRODUCTION-AGRICULTURE/
2. WWW.ARCJOURNALS.ORG/PDFS/IJRSAS/15-111/4.PDF
3/4. CANTERBURY AIR REGIONAL PLAN – TE MAHERE A-ROHE MO TE HAU O WAITAHA

DEFORESTATION AND BIODIVERSITY LOSS



LEFT: ŌTAUTAHI, CHRISTCHURCH CITY MORNING SMOG.
RIGHT: COLOMBIAN COFFEE FARM MINGLING WITH NATURAL SURROUNDINGS.

This was a topic we were wholly unprepared to report on. Despite it being a major and obvious issue in our industry it’s also one that can feel far away and out of our control. We had no data and no clear approach to thinking about the problem, let alone solving it. But that is the point of this report: we’re identifying issues that are important to our stakeholders, reporting on them and working to improve the results year on year. So here we go.

Although it is often drowned out by our climate crisis, the health of our planet’s biodiversity is under extreme pressure. According to reports, we are living through the Sixth Mass Extinction event as the extinction rate of plants and animals is currently 1,000 to 10,000 times faster than the ‘natural background rate’ of 10% of species lost every million years.¹

A first of its kind report done in 2019 by the United Nations (‘The IPBES Global Assessment Report on Biodiversity and Ecosystem Services’), concluded: “The health of ecosystems on which we and all other species depend is deteriorating more rapidly than ever. We are eroding the very foundations of our economies, livelihoods, food security, health and quality of life worldwide.”²

This biodiversity crisis is the result of human activity. Deforestation, urban expansion, industrial agriculture, pesticides and herbicides, overfishing, and ineffective or corrupt governance of land, water and oceans, to name a few are all contributing factors and coffee production is not exempt.

1. WWW.OURWORLDINDATA.ORG/EXTINCTIONS#ARE-WE-HEADING-FOR-A-SIXTH-MASS-EXTINCTION
2. WWW.DAILY.JSTOR.ORG/THE-CONNECTIONS-BETWEEN-COFFEE-AND-BIODIVERSITY/

“The impact of coffee on biodiversity has been intensively studied, particularly in Latin America. The conclusion of most, but not all, of those studies is that biodiversity impacts increase as more intense farming techniques are used. Truly rustic coffee, where coffee plants are grown interspersed with forest trees and understory, has the least impact on vegetation and birds.”

“Shade-grown monoculture is a slightly more intensive technique, farming larger densities of coffee plants underneath the forest canopy. This impacts biodiversity more than rustic coffee, but still far less than sun coffee, which involves clearing the forest like a traditional farm, removing epiphytic plants from the coffee plants, and applying chemical fertilizers.”²

The process of writing this report has highlighted the biodiversity crisis we all face to the Prima team and has motivated us to take steps to address it.

Our plan is to identify and understand best practice, particularly for coffee farming, and look at our supply chain for opportunities to improve. One obvious approach would be to increase our Organic coffee purchases. But we might also need to consider which regions are producing more coffee with less land, the types of land being used for farming and the styles of farming taking place. It’s complex but when we can understand which coffee growing regions are doing the best job of balancing these issues we’ll be able to make more informed purchasing decisions.

Another way we can touch on this topic is by looking at biodiversity and reforestation or naturalisation here in New Zealand. Some of our team are already passionate volunteers at replanting projects around Banks Peninsula and we would like to look for ways we can facilitate and support more of this work in our region.

PEOPLE

FIRST

WORKING AT PRIMA

This topic is about the well-being of people and we reckon people are what make Prima great. In addition to our people, the work we do is made possible by hundreds of people before and after us in the coffee journey. Creating and enjoying a cup of the good stuff involves a long chain of people all the way from growers a world away to your favourite local barista. We take people and their well-being seriously and through this reporting, we found even more we could improve.

BELOW & RIGHT: YOU CAN'T MAKE COFFEE WITHOUT PEOPLE.



GENDER SPLIT
At the end of the reporting period we had 5 female staff working a total of 163 hrs/week, and 4 males working a total of 133 hrs/week.



AGE SPLIT
4 of our staff are aged under 30, and 5 are aged between 30 and 50.



NEW HIRES
3 representing a 50% increase in team numbers and 30% increase in hours.



EMPLOYEE TURNOVER
0



GENDER PAY RATIO
Women 50.2 : 49.8 Men



COMPENSATION
Living Wage - \$22.75+ (not accredited)

Ownership and Structure

We are an owner-operated business with a flat structure and high team input. Decision making is pretty democratic and even our interviewing process for new employees is collaborative with the entire team sitting in on shortlist candidate interviews.

Work & Life

We aim to be flexible with hours for staff to work around family and other life interests. During the reporting period we had three new people join the team to allow other team members to reduce their hours and make more time for family. This resulted in a 50% increase in people, and 30% increase in hours worked.

As a small business, demonstrating the ability to remain stable, weather a global pandemic and protect our team's livelihoods is a huge source of pride for us. The Covid 19 lockdowns impacted us significantly and many sacrifices were made to ensure we came out with a functional business and our entire team intact.

Compensation and Benefits

Although we haven't pursued the accreditation, we pay all staff above the New Zealand Living Wage (\$22.75 as of 1 September 2021). Excluding shareholder salaries our gender pay ratio is - women 50.2 : 49.8 men.

When we came to report on employee benefits, apart from all-you-can-drink coffee, we had none. We came to realise there were lots of possibilities we hadn't considered and one item in particular, health insurance, is due to be implemented as part of our employee benefits package.

Diversity

In a small business these statistics can be volatile but what's important to us is equal opportunity to obtain roles and compensation regardless of gender/age/race/ religion.

Hiring in our current environment has been challenging and we often aren't getting a choice between multiple candidates to fill a role. However, ensuring we take the time and effort to advertise open roles effectively can minimise some of these issues.

Professional Development

Learning, improving and growing is part of being a professional and building a great team. Plus it makes work fun. Unfortunately, we found ourselves to be sorely lacking in this category.

We do provide plenty of informal internal training such as coffee cupping (tasting), roasting and barista training but it's pretty unstructured.

We have put some of our team through a variety of formal training programmes (like NZSCA Train the Trainer for Barista training) but in reality it has been few and far between. Let's just say there's room for improvement.

FOR INFORMATION ON HOW WE CALCULATED SOME OF THE STATISTICS ON THIS PAGE PLEASE VISIT PRIMAROASTERY.CO.NZ/SUSTAINABILITY/GRITTY-DETAILS

FAIRTRADE



39% of our coffee was Fairtrade certified.

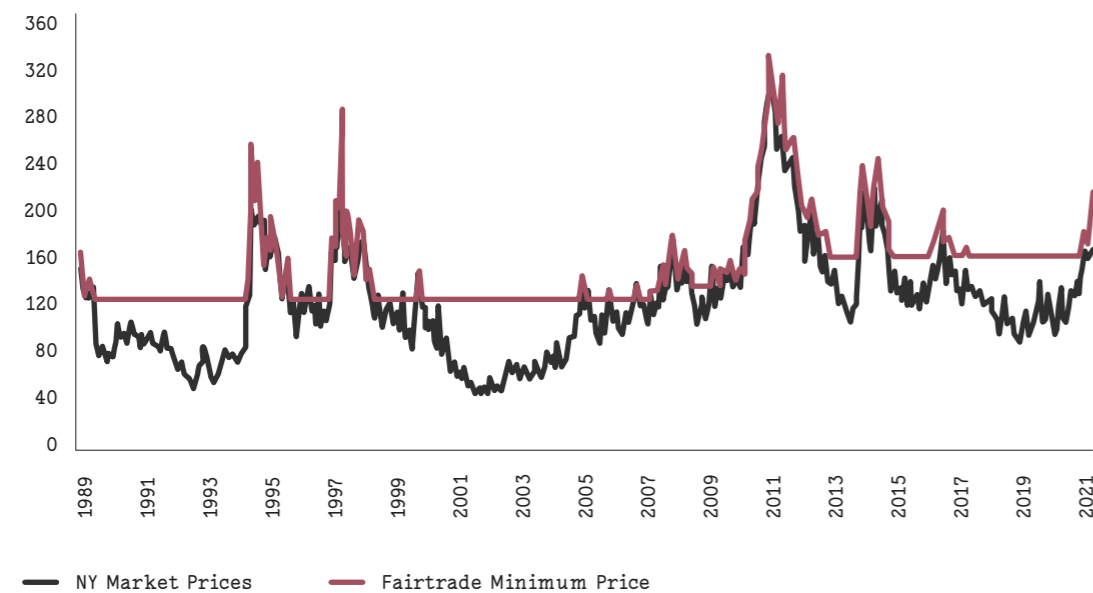


Total Fairtrade Premiums generated - \$5,589.00 ex gst.



Total Fairtrade License Fees - \$9,700.25 ex gst.

The Arabica Coffee Market 1989–2019 (March):
Comparison of NY Market Prices and Fairtrade Minimum Price



Coffee is an extremely volatile commodity on the open global market with price fluctuations a common occurrence. As is illustrated in the graph above showing the historical coffee prices back to 1969 in USD per pound.¹

Around 125 million people worldwide depend on coffee for their livelihoods, and 80% of it is produced by 25 million smallholders.² These small farmers have limited market information and bargaining power, which can mean they are not able to get a fair price for the coffee they produce and the dramatic fluctuations in price cause huge levels of uncertainty.

Fairtrade “certified coffee producer organisations are guaranteed to receive at least the Fairtrade Minimum Price for their coffee, which aims to cover their costs of production and act as a safety net when market prices fall below a sustainable level.”³ Fairtrade farmers and growers are also paid a premium for their products which can be invested back into their lives and communities. 25% of this premium must be spent to “enhance productivity and quality, for example by investing in processing facilities.”⁴

Fairtrade also set core conditions of production and trade which help us be better global citizens and fair trading partners in a way that would otherwise be impossible with our resources. By outsourcing the responsibility of managing our Supplier Code of Conduct to Fairtrade we can be assured of the best outcomes for our coffee growers and suppliers worldwide.

So Fairtrade is a win-win situation that benefits both us and the growers. In uncertain and volatile times both buyer and seller enjoy relatively calm seas. Prima have been registered with Fairtrade for the last 6 years.

1. WWW.MACROTRENDS.NET/2535/COFFEE-PRICES-HISTORICAL-CHART-DATA
2/3/4. WWW.FAIRTRADE.ORG.UK/FARMERS-AND-WORKERS/COFFEE/

FAIR TRADING



While we are registered with Fairtrade and supply Fairtrade products to many of our key customers, we are not 100% Fairtrade. There are some valid reasons for this and the Fairtrade system is not the only way to ensure fair trading. Some producers, for example, grow highly coveted coffee which is sold far above the fairtrade minimum in all market conditions. They have no incentive to be part of the Fairtrade system and we don't want to miss out on being able to buy their great coffee.

Another is direct trading where fair trading is achieved by having direct relationships with a grower in person and ensuring they are supported, appropriately paid and their source of income is secure through contracts to purchase. We don't currently buy any direct trade coffee but it is an aspiration.

But that is only a small part of the story and we have a significant portion of our sales coming from non-fairtrade coffees. While we source these from the most reputable importers in New Zealand we do have to consider whether our Fairtrade sales target should be higher. Let us know what you think!

COFINET – COLOMBIA PLANADAS/ASOPEP

In 2018 we starting working with Cofinet, purchasing some delicious Colombian coffees to run as single origins through our cafe and also adding their Colombian ASOPEP into one of our Fairtrade blends.

Cofinet are a Colombian owned and operated green coffee exporter specialising in specialty lots of natural and fermentation processed coffees. Many of these coffees are very high value and so Fairtrade is not typically a useful programme for the farmers of these coffees.

But Cofinet also export coffee from a growing co-operative in Planadas known as ASOPEP. The ASOPEP co-operative are registered with Fairtrade and we wanted to buy some of their coffee for one of our blends. But in order to ensure the Fairtrade system was being honoured, we needed Cofinet (the importer/exporter) to also register with Fairtrade and pay levies locally in NZ to complete our supply chain traceability.

Cofinet agreed to work with us and Fairtrade AUS/ NZ to register and allow us to ensure a complete Fairtrade supply chain for our Epiphany and Verde blends.



THINK LOCAL, ACT LOCAL

We value thinking and acting local because it helps us build resilient and vibrant communities by supporting those working around us, in the same way many of our customers choose to buy local and support us. There are big environmental benefits to buying local, from low food miles to minimal packaging for fresh products. New additions to our suppliers list in 2021 related mostly to products for our new cafe opening. 3 out of 5 of these were existing Prima Roastery coffee customers/partners and our cafe opening was an opportunity to promote some of their products (Bellbird Bakery, Fairlie Bakehouse and Aroha Drinks). All of these businesses are locally owned and operated - that's really important to us too and makes working with them all really fun.

Aroha

If you visit the Aroha bottling plant near Coes Ford, just a few minutes out of Ōtautahi, Christchurch, Mark from Aroha can point across the paddock to the Elderflower trees, or to his Mum's garden where the rhubarb for his amazing drinks range comes from. He's adding to the range with a two cold brew coffee drinks using our Fairtrade Organic Peru.

Bellbird Bakery

Bellbird are just a few kilometres away in Woolston and bring us fresh pastries every morning in their awesome electric delivery van. They also serve our coffee through their filter machine in their Tannery store. We send them a different blend or single origin every week to keep things fresh.

Fairlie Bakehouse

The famous Fairlie Bakehouse is one of our oldest wholesale customers, serving our espresso for over 7 years. We've been lucky to witness their rise to cult status in the New Zealand pie scene and we're also lucky we get to serve their pies in our own cafe. The pies are a 2 hour drive away, so we buy bulk (with no wrapping, just for us) and keep a good stock in the freezer.

Coffee Locality

Unfortunately, New Zealand is lacking the conditions to grow coffee locally¹ and so all of our coffee has to be imported. We decided it would be interesting to see what the food miles on our coffee imports looked like and whether there were opportunities to reduce them. You can get an idea of the proportions of coffee we get from different origins on pages 10 & 11.

Espresso Equipment

Espresso equipment is another category for which New Zealand-made options aren't available. So most of our equipment comes from Italy, either directly from Ceado and Royal Espresso or through international distributors like Suntory Coffee for Victoria Arduino Espresso Machines.

SUPPORTING EACH OTHER DURING A GLOBAL PANDEMIC

There are other important elements to fair trading closer to home too. Thinking about suppliers, customers and partners as a team and looking for opportunities to work together or help out.

There were lots of opportunities for this in the hospitality industry during the Covid lockdown periods. Our contribution came about due to our status as an essential service (supplying food and beverage to supermarkets and online) which meant we were able to operate while most of our cafe partners were required to shut their doors for extended periods.

We saw that we had an opportunity to make the best of a bad situation and so we launched a small (Prima sized) campaign to help. The idea was to encourage people to purchase coffee for home on our website, nominate their favourite Prima cafe and we would send 25% of the order value to the nominee. The cafes were able to promote this to their regular customers and gain a little bit of coffee-related revenue all while their doors were shut. We were able to raise \$830 for our cafe partners.

It's not much in the scheme of things but it was still great to see loyal customers supporting their local.

We had some of our awesome suppliers do the same for us, like b.effect brewing from Wānaka who sent us some cases of Kombucha on the house because they knew we were all doing it a little bit tough. Again, the value was low but it feels really good!

During the more recent Omicron outbreak many of our cafe partners faced significant staffing issues as personnel isolated. Prima was lucky to not be significantly impacted by staff shortages and we were able to lend some of our cafe experts to help staff shifts at other cafes to help them stay open and trading during this challenging period.



1. WITH THE EXCEPTION OF PEKERAU HILLS COFFEE FARM IN THE FAR NORTH, CHECK THEM OUT.

TRANSPARENCY

Being transparent is about being real. It's important to us to be able to stand behind what we do and what we say.

We've used this approach in designing our café and roastery. Physically building transparency into our space with huge windows from the street through our café and into the roasting room, open service and food preparation spaces and public access through our packing and dispatch areas. Our whole operation is on display and while this can bring some challenges, it feels good and authentic. Our customers can talk shop with the roastery team, passers-by can see our roaster in action and our supply chain is on display with green coffee and other products stored for public inspection.

Transparency is also a critical requirement for all businesses to deliver on sustainability too. Writing

and publishing this report has been a huge task for our business but it is necessary to back up our own sustainability promises. This work will be publicly available and holds us accountable which is the whole point.

We have learnt through this process that being transparent without good data is not very useful and a little embarrassing. If we don't have good data on our GHG emissions, or where our waste goes, then all we can be transparent about is our own ignorance. So a huge lesson from this reporting process has been the value and importance of good data. This report is about taking responsibility for the effects of our business, internally and externally, and to do that we need to understand them.

Improving the range and quality of the data we collect is a key commitment for us moving forward.



GOALS AND COMMITMENTS

One of the major benefits of completing this reporting process was identifying some really great opportunities for improvement that might have otherwise been overlooked. We had been busy trying to solve some quite difficult sustainability problems, like dealing with compostable packaging products, and had overlooked some simple improvements.

Completing this reporting process has also been inspirational. By bringing together all of the work we've done so far and highlighting opportunities to do more and go further.

The final part of this report – Goals and Commitments – is about taking these lessons and inspiration and setting ourselves some ambitious but achievable targets for our next reporting period.¹

ENVIRONMENTAL

Increase our proportion of certified Organic coffee from 39% to 75% by the end of our 2024 reporting period.

Introduce improved methods for tracking and measuring waste volumes and weights.

Upgrade our recycling service to include a dedicated soft plastic recycling bin.

Measure our GHG emissions during the next reporting period.

Reduce combined vehicle petrol and diesel use by half.

Maintain or reduce internal energy use per Kg of roasted coffee.

Undertake some level of carbon offsetting by physically planting trees in our community and local environment.

Increase our compostable packaging bin service to 10 bins and collect over 3 tonnes annually.

SOCIAL

Increase our proportion of Fairtrade certified coffee from 39% to 75% by the end of our 2024 reporting period.

Introduce Health Insurance for all employees working over 25 hours per week and look for further opportunities to improve our employee benefits package.

Improve formal professional development opportunities for all team members.

Work to encourage travel to work by bike or public transport by providing good facilities and incentives.

Continue to provide a flexible, happy and healthy working environment.

1. OUR NEXT REPORTING PERIOD WILL BE 1ST OCT 2022 – 31ST SEPT 2023.

PRIMA

COFFEE ROASTERY
03 • 95

PRIMAROASTERY.CO.NZ

387 BROUGHAM STREET