

# PUKKA

## Sustainability Highlights 2019

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## 100% of our herbs

are certified organic – always  
have been, always will be

## 50,000 new members

joined the Pukka Collective in 2019,  
advancing Pukka's mission to nurture  
healthier, happier lives through  
powerful organic plants

## 645 million cups

of Pukka tea were brewed  
around the world in 2019, 78  
million more than in 2018

## 14 universities

partnered with us in 2019  
to conduct herbal research.  
We also funded four PhDs &  
Masters degrees and published  
two research projects

## 100% of Pukka employees

have joined Pukka's herbal  
education programme

## We planted 146,000 trees

with TreeSisters in 2019,  
tripling our 2018 impact

## 15,624 tonnes CO<sub>2</sub>

offset from crop to cup in  
2019 - the equivalent of  
driving 39 million miles in a car

## £592,000 given back to people and planet

through environmental and social initiatives in 2019,  
of which £253,000 went to farmers as FairWild  
and Fair for Life premiums

## 35 social impact projects

contributed to through Fair  
for Life and FairWild in 2019

## 94% renewable or recyclable

materials used to make our packaging<sup>1</sup>

## 98% of packaging

used for our products sold in  
2019 was widely recyclable

## 71 tonnes

of raw materials were saved by  
reducing the weight of our tea  
packaging by 6%

## Zero operational waste

sent to landfill and we reduced our volume  
of waste and recycling by 56%

## 93% of employees

say Pukka is a great place to work

## 1,290 hours

of volunteering completed  
by Pukka employees in 2019

## 100% of Pukka employees

are paid the Real Living Wage or above

<sup>1</sup>This is an average figure, calculated from each  
category: Tea: 96%, Supplements: 26%, Lattes: 82%,  
Advent Calendar: 99%, Selection Boxes: 99%.



## We are Pukka Herbs

We were founded in 2001 by ethical entrepreneur Tim Westwell and practicing herbalist Sebastian Pole, whose original ambition remains our purpose today - to nurture healthier, happier lives through powerful organic plants.

Our herbal creations are crafted to connect as many people as possible to the beauty and power of nature. We share our knowledge and campaign for a healthier world, always trying to lead by example.

As a certified B Corp, using business as a force for good, and member of 1% for the Planet, contributing 1% of annual turnover to environmental causes, we recognise the urgency of the climate and biodiversity emergency.

**We must act to protect our precious planet and communities.**

It's our privilege to work with dedicated organic farmers and sustainable wild-harvesters who are all committed to a better future for our ecosystem, for biodiversity and for life. The superior, practitioner-grade herbs they grow and collect for us means we can provide people with some of the best quality herbs in the world.

**The climate is becoming more and more unpredictable and is affecting farmers and collectors in our value chain, not in the future, but right now, today.**

That's why we are standing up and taking a lead on the climate emergency.



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"The inextricable link between *human health* and its dependence on a *healthy planet* is clearer than ever"



Looking back to 2019 - a year of climate activism - and fast-forwarding to the global health pandemic we are facing now, the inextricable link between human health and its dependence on a healthy planet is clearer than ever.

Whilst we would love to see more political leadership addressing the global climate and biodiversity emergency, it is reassuring to see a growing movement amongst businesses taking climate action. Another reassuring movement giving us inspiration and motivation, is the call-to-action from the younger generation. I was moved by Greta Thunberg imploring world leaders not to fail the next generation by letting the planet warm by more than 1.5°C at the UN Climate Action Summit in 2019. Most Pukka employees joined the youth climate strikes and we are continuously encouraged and motivated by the younger generation to take purposeful action.

Pukka's purpose is to nurture healthier happier lives through powerful organic plants and we choose to operate in a regenerative way to benefit people, plants and the planet. Organic farming, paying premiums to benefit farming communities, collecting our wild plants sustainably through FairWild and stitching our compostable teabags with organic cotton string are just some of the ways in which we do this.

We know that we only have until 2030 to make fundamental changes to the way companies and governments function and the way we live as humans. In 2019 we were among the first businesses to declare a Climate Emergency and we made significant investments in achieving carbon neutrality for the year. Within this report we have chosen to focus in on three key areas we addressed in 2019 in our bid to take urgent action: responding to the climate emergency, sourcing organic and fair herbs and sustainable packaging. In our 2020 report, due to launch next year, we'll share the full impact of Pukka across our organisation, as well as our longer-term ambition.

As always, there is much more to do and we continuously stretch ourselves to improve our social and environmental impact in the world. We invite you to join us on our mission.

*Karel Vandamme*



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# Climate Emergency

## At a glance



We declared a climate and biodiversity emergency in 2019



We are working towards 1.5°C science-based targets



We are releasing our climate manifesto sharing how we're taking meaningful action



We offer our employees a fossil fuel free ethical pension



We empowered our team to take personal climate action through training, attending protests and Do Nation campaigns



We have less than ten years to respond to the climate emergency. As time runs out, more and more people from around the world are taking action. There is much to be done. We are here to play our part.

*"The climate crisis has already been solved. We already have all the facts and solutions. All we have to do is to wake up and change."*

Greta Thunberg

Many Pukka people took annual paid volunteering days to join in with the global climate strikes in September 2019, led by school students, to demand urgent action on climate breakdown.



## Taking action

**We declared a climate and biodiversity emergency.** For humanity and business to thrive, we must protect and give back to Mother Nature. This is central to our mission. In 2019, we became one of the first UK businesses to formally recognise and act on the climate and ecological crisis.

We are using our voice to make a difference. We are advocating for other businesses to join us in declaring a climate emergency and taking action. Our sustainability team speak at events and business forums to share insights about working towards science-based targets. We are also working with Unilever Climate Pioneers to share best practice and promote activism in business.

Transparency doesn't go far enough. We believe in active communications. We will actively share updates, learnings, successes and failures – not just in our impact reports but across our communications, so that information on climate action is readily available.

*"Pukka's role in the Unilever Climate Pioneers Group has brought valuable insight and guidance for Unilever's latest actions to fight climate change, and protect and regenerate nature"*

Thomas Lingard -  
Global Sustainability Director, Unilever



## Our carbon emissions

*Our carbon emissions, from crop to cup*



Value chain  
26%



Logistics  
12%



Pukka offices  
2%



Distribution  
2%



Kettle boiling  
43%



End of life  
15%

Our total carbon footprint has dropped by 26% per million teabags (or equivalent) since 2017.

In light of the latest IPCC report, we have set new, more ambitious science-based targets which are in line with the 1.5°C warming scenario. Based on our current growth projections, that means we need to cut our scope three emissions by 89% per million teabags by 2030, from a 2017 baseline\*. This is an absolute reduction of 43 % less emissions than in 2017.

\*We are in the process of resubmitting this target to the Science Based Targets initiative for validation.

## Value chain



We have mapped our herbs and identified ways to reduce emissions through climate and biodiversity friendly farming practices, such as compost-making, water stewardship and cover cropping.

## Logistics

We will continue to work with our logistics providers to reduce carbon impacts from transport.



## Pukka offices

Powered by 100% renewable electricity.

## Distribution

Not an immediate focus for action, we're tackling our bigger impacts first.



## Kettle boiling



The decarbonisation of the UK electricity grid since 2017 has cut our kettle boiling emissions from 51% to 43% of our carbon footprint. We want to work with others to accelerate this transition.

## End of life

We've set ambitious new packaging targets which will help cut our carbon footprint, see page 24





## What we've been working on

Introducing our Climate and Biodiversity Manifesto, which is built on five key areas:



**Business direction:** setting ambitious science-based targets to lead our business towards a 1.5°C future

**Product innovation:** mapping the carbon impact of every new product we launch and ensuring it fits with our targets



**External engagement:** joining with fellow B Corps, suppliers and industry partners to work together for radical change

**Internal engagement:** helping our employees understand their impact with company-wide climate emergency training and behaviour change campaigns



**Value chain:** working with farmers, herb suppliers and logistics partners to support climate-friendly practices and cut emissions from crop to cup



## Taking climate action in our own operations and beyond

We were carbon neutral from crop to cup in 2019

When we declared a climate emergency, we committed to being carbon neutral in 2019. We did this by offsetting our complete emissions (Scopes 1, 2 and 3) for the year, which was 15,624 tonnes CO<sub>2</sub>.

We aren't satisfied with reducing our net impact just by offsetting. Going forward we have made a commitment to reach net zero, which means we must work on reducing our emissions to be as low as they can before offsetting what is left.

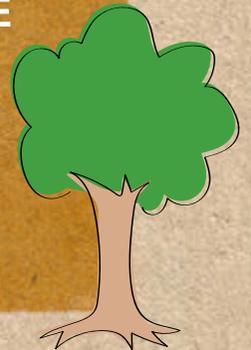
We have reduced our Scope 1 and 2 carbon emissions from our own buildings by 95% in line with limiting warming to 1.5°C. We did this largely by switching to 100% local renewable electricity from [Good Energy's Selectricity](#). The remainder of the emissions are from our gas used for heating, which we also offset with a green tariff, and we do not run any company vehicles.



We ran our second Do Nation challenge to encourage Pukka people to reduce our collective carbon footprint – which we linked to our company bonus. Over 100 colleagues made 915 pledges, saving over 2 million cups of tea worth of carbon or 122 tonnes.

## BUY A TEA, PLANT A TREE

As part of our commitment to reducing carbon, we wanted to involve our shoppers by planting a tree for every box of Pukka tea they bought with Ocado or Waitrose online from September to December 2019. This pilot contributed to us planting 144,082 trees with TreeSisters, helping shoppers to be part of restoring the planet through reforestation.





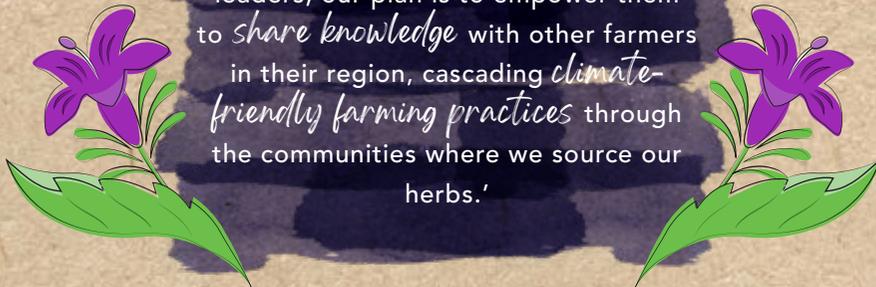
With support from specialists at Soil & More, we have developed a mobile app adapted from the Cool Farm Tool, which allows us to calculate greenhouse gas emissions at farm level. Using this tool, we can collect data to understand how different farming practices impact emissions and sequestration. So far, we've used the tool to gather data at six farms in India and Turkey.

Alongside this, we have developed a risk-modelling tool, which we've used to map 56 sourcing locations against future climate scenarios.

Using a combination of these tools along with field knowledge, we are able to identify the areas and crops most impacted by the climate crisis, so that we can help farmers develop innovative solutions to boost yields, combat climate breakdown and maintain a viable way to make a living.



'Our app is helping us to have entirely *new conversations* with the farmers we work with – and is revealing which farms are performing best from a greenhouse gas perspective. As we identify the leaders, our plan is to empower them to *share knowledge* with other farmers in their region, cascading *climate-friendly farming practices* through the communities where we source our herbs.'



Jon Haines, Agricultural Standards Specialist at Pukka Herbs

## Next Steps



- By 2030, we will reduce our Scope 1 and 2 emissions to absolute zero, and our Scope 3 emissions by 89% per million teabags, in line with our 1.5°C science-based targets.
- In 2020, we will train three suppliers in our value chain on gathering farm data with our app, so that we can access data remotely, make our data collection process more reliable, and reduce our sourcing team's visits to farmers.
- In 2020, our risk-mapping data will help us pinpoint the areas most affected by climate breakdown, so we can identify ways to help farmers adapt and build resilience.

*A positive action you can take for climate today...*

Whether you're a business or an individual, switching to a renewable energy tariff is one of the quickest, easiest and most impactful ways to cut your carbon footprint.





## Organic and Fair Herbs

### At a glance



All Pukka creations are made with organic, practitioner-grade herbs



We are setting up projects to support farmers adapt to a changing climate

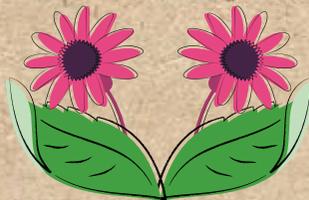


We ensure premium prices for farmers in our value chain



We are pioneering certified ethical sourcing of plants grown in the wild

Due to human activities, around 60% of the world's wild animals have been lost since the 1970s, and more than 40% of insect species now face extinction. Pukka has always sought to do right by people, plants and the planet. And now the stakes have never been higher.



## Taking action

*Organic farms support 50% more wildlife than non-organic farms. That's why all ingredients we source for our herbal creations are 100% certified organic*

Source: Soil Association

We are an organic business. Always have been. Always will be. More than a third of the world's land is used for farming. But much of this is done in a way that doesn't work in harmony with nature and wildlife. We see organic farming as one of the best tools to protect and restore mother nature.

### ORGANIC FARMING

- Can help mitigate climate change\*
- Respects nature and boosts biodiversity
- No GM and virtually no pesticides\*\*
- Nourishes soil

\* If Europe's farmland all followed organic principles, agricultural emissions could drop by 40-50% by 2050, with plenty to feed the growing population healthy diets. (Soil Association, 2020)

\*\* In organic farming, all weed killers are banned. A very limited number of naturally occurring fungicides and insecticides are permitted but their use is severely restricted (Soil Association, 2020).



## What we've been working on

**Regenerative organic agriculture:**  
We are focusing on the places where farmers need our support most.

As well as making regular visits to farmers in our value chain, we have risk-mapped our key herbs to understand which regions are most vulnerable to extreme weather events and a changing climate.

This revealed some hard truths, including that 14 of our key herbs are at risk of water scarcity by 2040 – with many already affected. We are using these insights to set up a number of regenerative organic agriculture pilot projects in the coming years, focusing on the regions and farmers that need it most.

### WHAT IS REGENERATIVE ORGANIC AGRICULTURE?

For us at Pukka, this means working with nature, not against her. It is a way of farming that promotes nature's recovery, limits climate change, protects and builds our soil and ensures thriving livelihoods for farmers.



## Tales from the field

### Farming for high rainfall

Abnormally heavy summer rains in Turkey during 2019 caused excess weeds to grow at the farms where we source some of our sweet fennel seed, leading to devastating crop loss.

In response, we set up a three-year pilot project, working closely with the farmers in Turkey, to grow a crop of clover under their sweet fennel plants. This naturally prevents the weeds from germinating during wetter summers and improves soil health. We will be closely monitoring the results and exploring how to share successes with other farmers in the area.

We can't change the weather, but we can try to help the farmers in our value chain find natural and regenerative solutions as the climate changes.

### Farming for water scarcity

Mrs Jenivarakoppalu grows Pukka's Fair for Life organic turmeric in Karnataka, India. Our modelling revealed that this area is already at risk of soil erosion and by 2040, it will be at high risk of water scarcity.

In 2019, Pukka Fair for Life premiums were used to plant 19,800 specific plant species - such as jackfruit, cinnamon trees, vanilla vines and roses - on farms across Karnataka. These plants reduce soil erosion, improve the soil's ability to hold water, increase nutrient cycling and provide additional income for farmers like Mrs Jenivarakoppalu.





## Ethical and sustainable sourcing from the wild

We are pioneering a new standard for wild-sourced plants. Many of the powerful, practitioner-grade organic plants we use in our creations like elderflower and licorice aren't grown on farms; they grow naturally in the wild.

But without careful management, these plants can become depleted and the people collecting them can be unfairly exploited. As we grow our business, we need to make sure

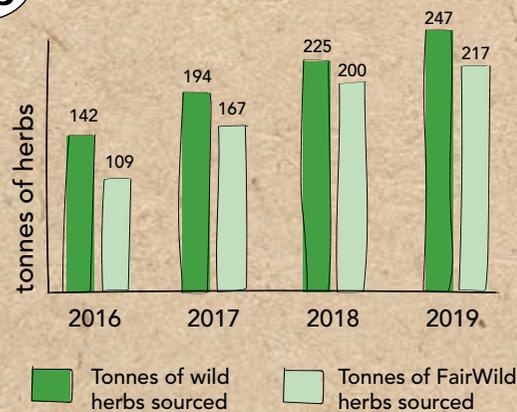
we never take more wild plants than can grow back – and that the people who harvest them receive fair pay and ethical working conditions.

The best way for us to do this is to buy sustainably-harvested, traceable, and ethically-traded wild plant ingredients, independently audited by FairWild, giving us peace of mind that our wild-sourced plants meet the highest standards available.

*FairWild herbs sourced in 2019*



As we grow, securing increasing volumes of certified FairWild herbs will be an ongoing challenge. Whilst the amount of herbs we bought in 2019 increased, the percentage of FairWild certified herbs went down by 1%. To address this, we're working to raise awareness of the FairWild standard with industry and the wider public - and help it grow.



FairWild nettle collection site in the wilds between Georgia and Turkey for our Cleanse tea. FairWild protects plant species and local wildlife from the effects of over-harvesting.

## Supporting fair livelihoods and social justice

It is in our power to promote social equality and justice for all the people in our value chain. All our tea blends are certified Fair for Life, which is one of the fairest, most equitable and transparent fair-trade systems in the world. Fair for Life enables us to develop long term relationships with our

suppliers and ensure we are paying farmers premium prices for their harvest. This gives farmers the support and financial security they need to play their crucial part in nature's recovery as well as funding specific projects that benefit the whole community.





## How Pukka Fair for Life premiums are spent



Haritaki and bibhitaki fruit  
natureconnect, India

Funding scholarships for children in the community to go to school, providing education and opportunities to those who may otherwise miss out.

Conserving 500 acres of watershed forest providing jobs, sustainable income and clean water for local people whilst protecting natural habitats, enabling wildlife to flourish.



Sweet fennel naturenorm, Turkey

Funding composting and wormery equipment for farmers, supporting them to use natural organic solutions to improve soil fertility.



Field mint, tulsi, turmeric and ginger.  
Phalada, India

Funding a rainwater storage system and additional tree crops which provide extra income to farmers whilst enhancing biodiversity on the farm.



Field mint. Phalada, India

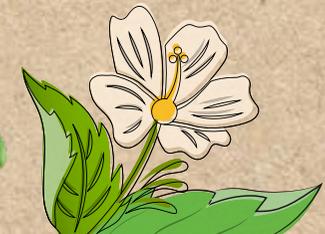
## Next Steps



- By 2030, we want to have launched a series of pilot projects which identify ways to create long term positive change for farmers in our value chain.
- In 2020, we are developing a Theory of Change to identify our desired positive outcomes with our farming projects
- In 2020, we will launch three regenerative organic agriculture projects in line with our Theory of Change

*A positive action you can take for nature today*

Buy certified organic, fair products that provide a positive step towards nature's recovery





## Sustainable Packaging

### At a glance



Our tea packaging is 100% recyclable



On average per unit, 98% of Pukka packaging sold in 2019 was widely recyclable



Our tea bags can go in your food waste bin



Our tea selection box won the 2019 Luxury Resource Efficient Pack award



We have reduced the weight of our tea packaging by 71 tonnes (saving trees and carbon emissions)

Humanity is using natural resources too quickly - we need 1.75 planets to sustain today's demand.

Our vision is a world in which sustainable packaging is the norm and will all form part of a truly circular economy. The time has come for bold action – and radical collaboration.

## Taking action

### Sustainability at the heart of every pack

Right now, 98% of our packaging is widely recyclable in the UK and recycle-ready around the world - and we're working on the remaining 2%\*. We are committed to working together with our industry partners to find scalable solutions.

### Towards a circular economy

By designing circularity into our packaging, we can maximise the potential of our herbal creations and contribute to sustainable economic growth.

\*Based on 2019 sales. Widely recycled means it's collected at kerbside by at least 75% of local councils



## What we've been working on

### A new set of Pukka packaging goals to inspire conscious living

We have made bold, stretching commitments for our packaging towards 2025. Our new Packaging Policy outlines our goals, vision and mission and how we plan to work with others to get there.

## Our Global Packaging Goals



**We will only use plant-based or circular packaging by 2025:** By 2025, all packaging will be recyclable or compostable and a minimum of 50% of our packaging will come from renewable or recycled materials.

**No single-use plastic by 2025:** By 2025, we will eliminate single-use plastic from our material stream, only using plastic where evidence shows it is environmentally advantageous.



**We will join global efforts to ensure that our packaging is recycled, reused or composted by 2025:** We are committed to working with our customers and the wider industry to reduce waste and promote recycling.



## Ensuring zero waste goes to landfill

**We have completed our first year with widely recyclable sachets.**

We wrap our organic herbal tea bags in individual envelopes to protect the practitioner-grade organic herbs from light and moisture, and to preserve the high essential oil content which is crucial for the delicious flavours and health benefits.



After four years of research and development, we made a sachet that can go into your paper recycling bin after use.

## Cutting emissions with responsible design

**We have reduced the weight of our packaging to cut emissions**

We reduced the amount of cardboard we use for each carton of tea and the thickness of our sachets so that each carton is one gram lighter, saving paper and minimising emissions.





## Next Steps



- In 2020, we will introduce our Packaging Policy to all our teams and embed sustainability requirements into our new product development process
- In 2020, we will set clear KPIs and targets to measure our packaging progress
- We will work to ensure that all of our creations will display clear recycling instructions by 2022

*"It's time to think big – and we can't do this alone. We want to collaborate with other companies, customers and the whole packaging value chain as we set out towards our sustainable packaging goals."*

Vicky Murray, Sustainability Manager at Pukka Herbs



## What you can do

### Recycle in practice



#### Tea Sachets

**Where to recycle:**  
in your recycling bin at home

#### Tea Boxes

**Before recycling:**  
squash them

**Where to recycle:**  
in your recycling bin at home



#### Supplements Bottle

**Where to recycle:**  
in your recycling bin at home

#### Supplements Box

**Where to recycle:**  
in your recycling bin at home





# PUKKA

## Contact details

tel: +44 (0) 845 375 1744  
fax: +44 (0) 117 964 0804  
email: [sales@pukkaherbs.com](mailto:sales@pukkaherbs.com)

@pukkaherbs  
[pukkaherbs.com](http://pukkaherbs.com)

