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OUR PURPOSE

We exist to foster human connection.

OUR MISSION

We aim to be a force for good in the world through the development of industryleading beverages and experiences.

OUR VALUES

A curious mind leads to better living.

> EXTEND KINDNESS

Start with trust. No gossip. Give grace.

= CRAVE = = MODERATION = CURIOSITY MATTERS

In life as in beer, being balanced is best.

= MAKE IT = = LEAVE = BETTER

Whether your work or your community, make it better. The best idea wins.

= BE FOR=

Be inclusive. Advocate for equity. Extend respect.

A LEGACY

Set up your successors for success.



WELCOME FROM **OUR CEO**

We recently made the decision to add an important phrase into our Mission Statement: to be a force for good in the world. While this sentiment has been important since opening our doors in 2014, the formal adoption of this language helped solidify our aim to have a net positive impact on our region. Hence the need for transparency and accountability. Hence this report.

In the following pages, you'll learn, domain by domain, what this commitment looks like-from the ways we invest in our workforce to the ways we invest in our communities.

Here are a few high-level points of interest from 2023 alone:

- We remain a Certified B Corporation, one of 8,295 companies worldwide—and one of only 18 domestic breweries—who have achieved this rigorous distinction.
- After 10 years, we've now crested \$5 million dollars in total community impact—\$1,874,706 of which having been directly disbursed to local agencies through our flagship philanthropic campaign, Get Comfortable.
- We've invested in locality and local farms by hosting the Athens Farmers Market, sourcing select ingredients from the University of Georgia's **UGArden**, and brewing one of our core brands—Athena—using only Georgiagrown wheat.
- We earned TRUE's (Total Resource Use and Efficiency) Silver-Level Certification for our Southern Mill facility's **Zero Waste** efforts.
- We joined **Drawdown Georgia**, a statewide initiative working to catalyze a Georgia beyond carbon. Since 2020, we've reduced our CO2 emissions by 37%, with further reduction targets being mapped out for the next 10 years.

- We've partnered with Athens-Clarke County's Adopt-a-Highway program, having officially claimed a high-traffic stretch of road just around the corner from our main production facility.
- We maintain a vigorous Employee Volunteer Program through which 81% of our employees accrued 1,784 volunteer hours last year, serving **109** unique beneficiaries.

We believe that the private sector has a role to play in the vitality of our communities. As such, any efforts we expend to care for our people and our planet will never complete.

This report, then, is one way for us to publicly disclose our benchmarks and future aspirations, as well as to provide a more robust look into aspects of our day-to-day operations rarely seen by the casual consumer.

We hope you will find this annual impact report to be engaging, and maybe even a little surprising.

Cheers to another great year,



Chris Herron, Chief Executive Officer

ABOUT CREATURE COMFORTS

Our hometown of Athens, Georgia is a fiercely unique town, home of our state's flagship university, not to mention the cradle of a creative community that kicked off in the late '70s, but remains vibrant today.

When our founders selected Athens as the company's headquarters in 2013, they intended the brewery to both serve and reflect the community around it—incorporating local color and local ingredients, and exhibiting the sort of quirky curiosity for which the city had become famous.

We began our story at the <u>Snow Tire Building</u>, formerly a downtown automobile showroom and tire shop, built in the 1940s. By reclaiming much of the existing wood and fixtures from the demolition process, our space maintains its industrial functionality and flair. In 2017, we reclaimed a second historic site at the <u>Southern Mill</u> property—built in 1902—where we converted 40,000 square feet into a second production facility.

In early 2021, we commenced our expansion to the West Coast by identifying another historic property. <u>City Market South</u>, located in Downtown Los Angeles, is the site of LA's oldest wholesale farmers market, which now houses a taproom and our third major production site.





2013

Work begins on the restoration of Snow Tire, a 1940s warehouse space in downtown Athens, soon to be home to Creature Comforts.



2014

Creature Comforts opens its doors, featuring four core beers: Athena, Bibo, Reclaimed Rye, and Tropicália.



2018

Second production facility, Southern Mill, opens—a 40,000 square-foot restored factory. The new facility dramatically increases production capacity and efficiency.



2019

We expand throughout Georgia to include Savannah, St. Simons, and Jekyll Island.



2020

We announce plans to expand to the West Coast with the opening of a third production facility in the heart of LA's Fashion District.



2021

We expand our market footprint into South Carolina, beginning with Charleston and Hilton Head.



2022

Market footprint extends into Tennessee, starting in Nashville.

New markets multiply: Columbia, Greenville, and Chattanooga come online.



2023

Eastern Tennessee launches, starting in Knoxville. Western Tennessee soon to follow. Creature Comforts now in 3 full states: GA, SC, TN.

Creature Comforts West opens its doors on Georgia-Florida weekend.

6 | Creature Comforts Brewing Company



We believe that good companies are good citizens, those who take ownership for the vitality of the communities who surround and support them. This belief has taken many forms over the years: financial contributions, impact programming, in-kind donations, community partnerships, and employee volunteerism. And each altruistic activity is verified by B Lab through our B Corp Certification.

Fundraising

Whether an organization or an individual, everyone should have a plan to support the city they love. Rather than giving back only after an emergency arises, we seek to raise funds proactively and match our resources to consensus community priorities.

Initially, our primary impact fundraising came through a handful of charitable beer releases, whereby 100% of profits would be mobilized through targeted proposals. More recently, we opted to commit a minimum of 1% of annual revenue to support our core Community Impact

programming—thereby making our philanthropic efforts more sustainable and scalable over time.

Additionally, the predictability of a 1% fundraising model enabled us to transition our flagship give-back program, *Get Comfortable*, from an **input-focused** (x dollars distributed) to an **impact-focused** model—whereby program success is now tied to moving a targeted community metric from x to y during a specified period of time.

Get Comfortable

| WHAT WE SAID WE WOULD DO BY 2028 | PROGRESS | WHAT WE'RE LOOKING TO ACCOMPLISH IN 2024 |
|---|-------------|---|
| To increase the percentage of Clarke County 3rd graders reading on grade-level from 20% to 60% by 2028. | In Progress | To successfully expand the literacy program into a second school location for the 2024-2025 academic term. |

The mission of <u>Get Comfortable</u> has always been to channel the generosity of many toward the greatest local needs.

- Generosity of Many: In addition to Creature Comforts fundraising, dozens of local businesses today—from power companies to doctors' offices—align their philanthropic funds to amplify the efforts of Get Comfortable.
- Greatest Local Needs: There are many things we could do
 to serve our community; there tends to be a shortlist of
 things we should do. Working alongside local leadership
 and needs-assessment data, we assess the highest and best
 use of our limited resources.

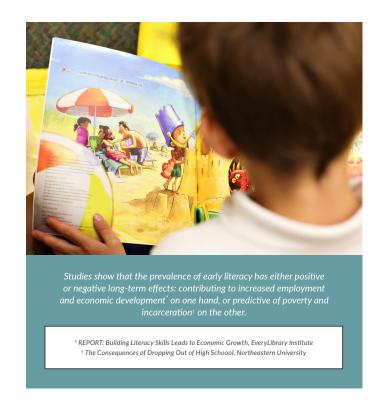
In 2021, we approached the longstanding <u>Get Comfortable</u> <u>Advisory Council</u>—a cross-sector consortium of community leaders and social services professionals—to help identify a single area of focus to which we could direct our resources and energies over at least the next 5 years, with the aim of achieving a measurable impact. With the guidance of this Council, as well as several months of focus groups, we selected <u>early literacy</u> as the first, multi-year impact area, focusing specifically on 3rd grade reading proficiency as our metric of success. Altogether, <u>31</u> community stakeholders have helped to shape this literacy intervention.

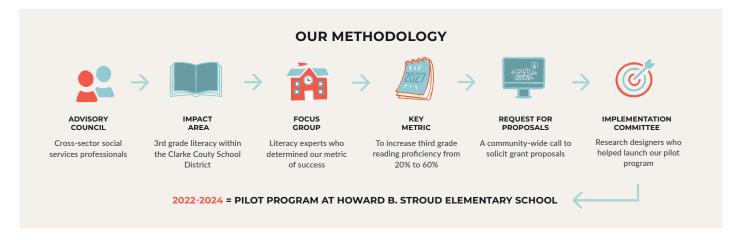
Over the next 5 years—and more, if necessary—the *Get Comfortable* campaign is committed to increasing the percentage of Clarke County 3rd graders reading at grade-level from 20% to 60%.

From 2022 to 2024, we're conducting a pilot program at H.B. Stroud Elementary, with the aim of achieving a proof of concept that we plan to subsequently roll out district-wide.

We've locked arms with <u>Books For Keeps</u>—a local agency aimed at reducing literacy loss—to launch this Literacy Mentorship program, through which community volunteers are recruited, trained, and matched with select 2nd or 3rd-graders for the duration of the school year.

Each weekly one-on-one literacy session consists of 3rd-party-developed reading games and activities. As a result, each participating student is exposed to an additional hour of literacy instruction every week, for a maximum dosage of 27 additional hours of instruction.





In the first year of this pilot, we observed the following progress:

- 100% of eligible students—i.e., those one- or two-grade levels behind—were matched with a mentor.
- **1,327** mentor visits were completed between September 2022 May 2023.
- By May 2023, the students who started the academic year two-grade levels behind decreased by 82%—as compared to a 46% reduction observed in the control group.
- When controlling for all variables, our 3rd-party research
 design team—housed at the University of Georgia—
 concluded that participating Stroud students saw 3.4 times
 the progress as their control counterparts.

| CONTROL GROUP | AUGUST 2022 | MAY 2023 | % CHANGE | |
|------------------------|-------------|----------|----------|--|
| 2+ Grade Levels Below | 189 | 91 | -45.80% | |
| 1 Grade Level Below | 67 | 99 | 66.32% | |
| Reading on Grade Level | 31 | 65 | 136.02% | |
| H.B. STROUD STUDENTS | | | | |
| 2+ Grade Levels Below | 29 | 5 | -81.67% | |
| 1 Grade Level Below | 20 | 29 | 54.05% | |
| Reading on Grade Level | 2 | 14 | 644.13% | |



DENISE SPANGLER DEAN, MARY FRANCES EARLY COLLEGE OF EDUCATION

"Get Comfortable has identified a crucial linchpin that has the potential to impact our community for decades to come: 3rd grade reading proficiency. They have rallied organizations and have committed time and fiscal resources to launch a very successful pilot program to address this crucial challenge. Research findings from the pilot year demonstrate the effectiveness of their approach and give us confidence that its expansion will be successful."



COMMUNITY SAYING?

WHAT IS THE

DAVID BRADLEY PRESIDENT & CEO, ATHENS AREA CHAMBER OF COMMERCE

"Studies show that if a student ihas learned to read by 3rd grade, they will begin reading to learn thereafter. As such, 3rd grade reading proficiency if the single most important predictor of the earning future of each student, not to mention the economic vitality of Athens as a whole over the next 10 years. The *Get Comfortable* campaign is changing lives of students today. And in fact, has become the cornerstone of Athens-Clarke County's workforce development plan moving forward."



STACIE CARSON, PRINCIPAL, H.B. STROUD ELEMENTARY SCHOOL

"There is nothing better than walking the halls of H.B. Stroud Elementary to find our students happily engaged in reading activities with their Literacy Mentors. We've witnessed profound growth in our students' reading confidence, fluency, and comprehension. We've also noted that our students cannot wait each week to hang out with their mentor! The scholars and staff at Stroud are truly thankful for the community support provided by Books For Keeps through the *Get Comfortable* campaign."

Brew For One

We are for our *community* and we're for *people*. We're for our *city* and its *citizens*. So we've devoted an impact program to each—to address community-wide priorities and to meet individual needs.

While we unfortunately cannot say 'yes' to every request that comes our way, we can do for one person what we *wish* we could do for everyone. That is the heartbeat of *Brew For One*.

The initiative began in late 2017 after the tragic loss of one of our beloved Creatures named **Bob Weckback**. Since then, *Brew For One* has been employed to build shelters and buy cars, to seed college funds and invest in startup schools. *Brew For One*, in short, works to identify a new recipient every year and to meet a pressing need.

In 2023, the story that found us once again came from inside the brewery—specifically, in the wake of the wildfires that

ripped through Maui in August 2023. The sister of one of our production leads, Jen Hendriksen, had to flee her home in the ensuing mass exodus. And when she returned weeks later, Jen discovered that her home and business, a thriving bagel company named Westside Bagel & Bakery, had been burned to the ground.

The profits from our 2023 *Brew For One* release will help Jen and her family rebuild, which we co-branded with the nationwide relief efforts that came to be known as the <u>Kōkua Project</u>. Our hopes, prayers, and dollars are going out to the Hendriksen family as they reassemble their lives in 2024.



Giving Kitchen

We remain proud advocates for <u>Giving Kitchen</u>, a Georgia-based organization that provides emergency assistance to service industry workers in crisis. This year, we again released <u>Table Beer</u>, a Belgian-style pale ale, committing 100% of its profits to support the ongoing crisis-management work of Giving Kitchen in Georgia—and now North Carolina and Tennessee too!



B Corp Certification

B Corporations (or "B Corps") are for-profit companies who leverage the power of business to build a more inclusive and sustainable economy.

They meet the <u>highest verified standards</u> of social and environmental performance, transparency, and accountability. At the time of publication, there are more than 8,295 certified B Corps, representing 162 industries and 96 countries around the world.

We're proud to share that Creature Comforts became a Certified B Corporation in 2021—only the 17th American brewery to do so. We have always aspired to be not just a great brewery, but a great company. And B Corp's high standards have motivated us to measure and elevate our altruistic aspirations.

Here's how we compare to all businesses who have completed the <u>B Impact Assessment</u>—B Corp's official certification framework. Certification is conferred when a company audit confirms 80 points.

| B IMPACT ASSESSMENT | | | |
|---------------------|------------|--------------|--|
| Assessment Area | CCBC Score | Median Score | |
| Governance | 16.5 | 18 | |
| Community | 20.2 | 17 | |
| Environment | 47.5 | 7 | |
| Workers | 24.6 | 18 | |
| Customers | 2.5 | 2.9 | |
| | 111.4* | 50.9 | |

^{*} These scores are awaiting final verification from B Lab, scheduled to take place in April 2024.

Strategic Partnerships

Being headquartered within a mile of an R1 university means there are ample opportunities for mutually beneficial partnerships. Over the years, Creature Comforts has intersected with the University of Georgia in a variety of ways—with its Bee Program for honey access, its Office of Sustainability for internships, and its Alumni Association for collaborative storytelling. Here are the highlights from 2023:

WILLSON CENTER FOR THE HUMANITIES & ARTS

We partnered with UGA's <u>Willson Center for Humanities & Arts</u> and the <u>Georgia Council for the Arts</u> to celebrate National Good Neighbor Day—commemorated in 1978 by President Jimmy Carter. Among the many community events organized over the course of that week were an onsite service project, a screening of <u>Jimmy Carter: Rock & Roll President</u>, and a post-film panel featuring UGA faculty and local political leaders.

UGARDEN

We worked alongside <u>UGArden</u>, UGA's experimental horticulture garden, to harvest their flower crops for our annual release of *Tastes Like Flowers*.

SCHOOL OF SOCIAL WORK

UGA's <u>School of Social Work</u> helped us initiate our first-ever Community Impact Internship—which we now share with the Master of Public Administration (MPA) program housed within the <u>School of Public & International Affairs</u>.

FACULTY PARTNERSHIPS

UGA faculty, <u>Dr. Grace Bagwell-Adams</u> (College of Public Health) and <u>Dr. Jessica Rodell</u> (Terry College of Business), sit on both the *Get Comfortable* program's <u>Advisory Council</u> and <u>Implementation Committee</u>.

TERRY COLLEGE OF BUSINESS

The Terry College MBA Program was once again instrumental in helping Creature Comforts achieve B Corp certification through its <u>B Collaborative Project</u>, a semester-long program whereby MBA students worked alongside a cross-functional Creature team to help us work our way towards recertification.

12 | Creature Comforts Brewing Company



Culture

At Creature Comforts, we seek to promote a culture where all are welcomed and where anyone can thrive. Our Purpose and Values aren't intended to simply live on the wall, but to be tools in our hands—ideas that are discussed, reinforced, and ultimately reflected in the daily attitudes of every team.

After all, if we can create more fulfilling jobs, impact our communities in more effective ways, and produce our products more sustainably than others, then we not only *should* grow, we *must* grow. And as we do so, we must continue to attract the sort of talent that wishes to participate in the culture we've created here.

In the pursuit of a culture of accountability, we have implemented the following measures:

#NOTME ANONYMOUS REPORTING APP

Our Human Resources
Department maintains the
#NotMe tool, an anonymous
reporting app for all employees
and taproom guests, which
creates channels of confidential
communication in the event of
misconduct.

2 BEST PRACTICE POLICIES

We maintained our Whistleblower, Non-Retaliation, and Ethical Marketing policies in the spirit of B Corporation best practices.

3 CROSS-FUNCTIONAL PEOPLE FIRST TEAM

We widened the participant list of our People First cross-functional team, charged both to achieve our 2023 KPI to increase benefits engagement—see Employee

Benefits section below—but also to serve as a standing engagement to lift up any threats to our employee experience.

4 BYSTANDER INTERVENTION TRAINING

All Taproom and Sales staff were provided training in bystander intervention.

5 EMPLOYEE ENGAGEMENT SURVEY

At the close of 2023, we once again administered an **Employee Engagement Survey** with the support of Dr. Jessica Rodell, Wiliam Harry Willson Distinguished Chair at the UGA Terry College of Business. This anonymous opportunity to provide feedback and insight into their work experiences was accepted by 101 of our 116 employees representing 87% of the company. Dr. Rodell provided the analysis and recommendations, which will be presented to the entire company at our first quarterly allstaff meeting in 2024, and which will generate some of our 2024 People First KPIs.

Diversity, Equity, and Inclusion

| WHAT WE SAID WE WOULD DO BY 2023 | PROGRESS | WHAT WE'RE GOING TO ACCOMPLISH IN 2024 |
|---|----------|---|
| Contract with at least 2 new businesses owned by individuals from underrepresented groups. | Achieved | Promote our Brewery-in-Planning Residency Program at 3 industry events. |

Creature Comforts welcomes everyone, regardless of age, race, ethnicity, socioeconomic status, sexual orientation, religious belief, or gender identity.

We're committed to maintaining a workplace in which all employees have an opportunity to contribute to the success of the business and are valued for their skills, experience, and perspective. We are extremely proud to call each of our employees a "Creature." And we believe Creature Comforts attracts some of the best in the industry.

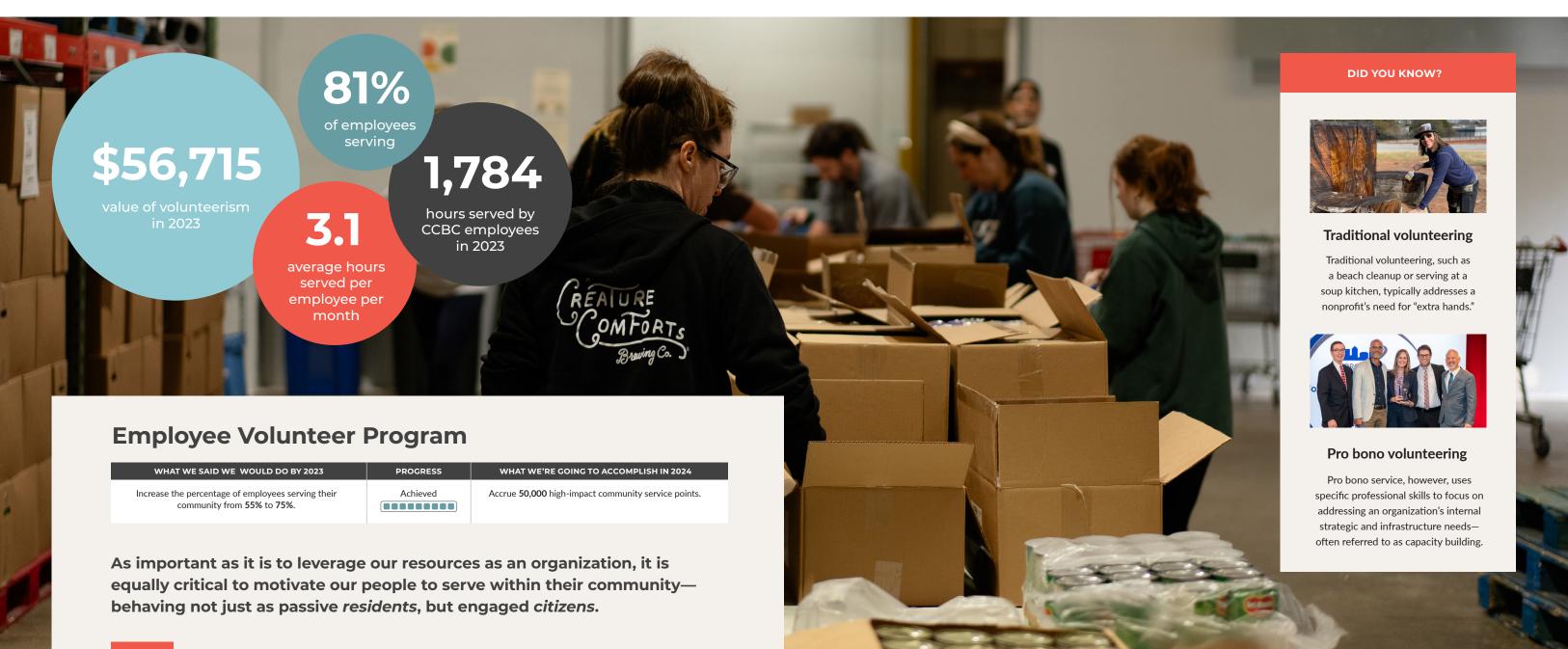


Our team continues to offer long-term pro bono consulting for Athens and Atlanta-area nonprofits and businesses, with an emphasis on BIPOC leaders—the most notable of which being our first-ever Brewery-in-Planning Residency, launched in tandem with Our Culture Brewing (OCB), a Black-owned brewery-in-planning located in Atlanta.

Over the course of 2023, counterparts from each brewery were paired into multi-week experiential learning modules, and progress was charted using a project management software. Additionally, the eventual CEO of Our Culture, Isaiah Smith, was hired as our Director of Supply Chain, an opportunity to contribute to the everyday success of Creature Comforts while undertaking an intensive, on-the-job apprenticeship as OCB prepares to open its doors

The culmination of this residency was a collaboration beer project, which OCB branded as <u>Seeds Take Up the Soil</u>. A unique style, this sweet potato ale was brewed using the fall harvest from <u>Sundance Farm</u>—located 20 miles north of Athens—and highlighted the agricultural significance of this vegetable, and its distant relative, the yam, to both Southern and African culture. While the residency proper has wound down, there will be additional touchpoints between the two breweries in the coming years as OCB works toward scaling up to a brick-and-mortar brewery.

Additionally, both Smith and Fenwick Broyard—our VP of Brand Impact—will be co-presenting on the findings of this Residency during the 2024 Craft Brewers Conference (CBC) being held in Las Vegas, the goal being to offer up a playbook for other mid- to large-scale breweries to replicate nationwide.



2023

Each year, we administer an internal survey, wherein we seek to understand our employees' existing service habits so we can organize volunteer efforts that align with their availability and interests.

Then, we launch into a robust Employee Volunteer Program, with the goal of making serving simple—creating meaningful and impactful service opportunities throughout the year, some designed as all-company projects, the majority tailored to each individual department.

With the help of our Community & Culture

Ambassadors—a 10-person cross-function committee

charged both to ideate on future service opportunities and execute confirmed projects—we completed 21 service projects in 2023, including our first-ever all-company participation in the Athens-Clarke County MLK Day of Service.

Altogether, Creatures served 1,784 hours at a total of 109 unique beneficiaries last year alone: a combination of nonprofits, corporate consultations, and long-term mentorships. 94 individual employees—81% of our 2023 headcount—dedicated time in 2023 to serve their communities, thereby outstripping our 2022 serving percentage by 47%.

2024

As we look to build upon the momentum of our Employee Volunteer Program, in 2024 we're aiming to mobilize more Creatures into high-impact service opportunities. Just as we aspire to balance how *meaningful* our financial philanthropy is with how *impactful*, so too must we strike this balance in our employee volunteerism.

To do so, we looked to thought leaders from Effective

Altruism and Points of Light to determine a method

by which we might categorize volunteerism, assigning weighted service points values to traditional hours versus *pro bono* services.

The 50,000 service points target can, of course, be achieved through a variety of service mixes. However, our lead measures are helping us give inordinate energy to motivating and organizing more high-impact (i.e. *pro bono*) volunteerism.



Employee Benefits

Without question, our employees are what make Creature Comforts the company it is. It is both our mission and our pleasure to provide a supportive environment—to invest in the people who invest so much of themselves in our brand. In everything, we strive to promote healthy, moderated, and balanced lifestyles, and we believe our benefits package and standout perks help make this a possibility.

- → 401K matching
- → 80% coverage of Medical premiums
- → 100% coverage of Dental & Vision premiums
- → Short-term and long-term disability coverage
- → Accident insurance
- → Discounted pet insurance
- → Flexible Savings Accounts
- → Dependent Care Savings Accounts
- Accrued Paid Time Off (PTO) for all fulltime and part-time employees
- → 24 hours of Volunteer Time Off (VTO) annually for all employees
- Sick time off for all employees

- → 12 weeks of family & medical leave
- → 12 weeks of parental leave
- → Bereavement leave
- → 7 company-wide holidays
- Unlimited teletherapy sessions through HealthJoy
- Employee Assistance Program, which offers counseling sessions transferable to a spouse, partner, or child
- Free financial literacy education and tools through SmartDollar
- Free professional development through GiANT Worldwide
- Company-provided Athens Farmers Market tokens
- Monthly beer allocations per employee, including limited-release cans and bottles

Safety & Compliance

WHAT WE SAID WE WOULD DO BY 2028

PROGRESS

WHAT WE'RE GOING TO ACCOMPLISH IN 2024

Maintain a 100% OSHA-compliant facility in pursuit of SHARP.

Award for exemplary health and safety practices.

Our commitment to safety and compliance has always been top of mind. After opening Southern Mill—our 40,000-square-foot production facility—in 2018, both our production scale and pace increased dramatically.

As we expanded, so did our commitment to on-site safety, resulting in the creation of Safety & Compliance staff positions and the pursuit of biannual safety audits from the Georgia Tech
Department of Health & Safety.

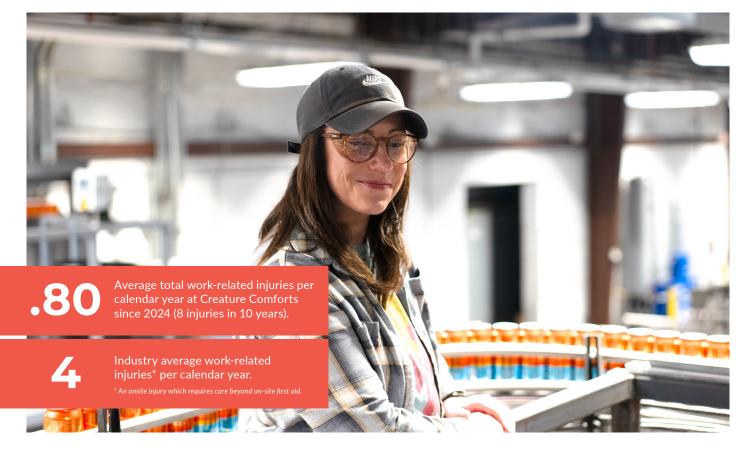
Additionally, we are inspected every
2 years by the Georgia Department
of Agriculture to ensure that we're
following Good Manufacturing Practices
and adhering to the Food Safety
Modernization Act, both established by
the U.S. Food & Drug Administration.

Finally, we've implemented several new safety initiatives in the past 2 years:

 Elevated work surfaces protocol, resources, and training to ensure every production employee is certified to access building points higher than 24 feet. This includes large tanks and machinery utilized in the brewing process.

- Confined space training and certification for employees accessing small spaces, such as tanks and hop cannons.
- We've made audiometric testing an annual safety protocol, ensuring production staff are informed about the state of their hearing.
- We broadened our #NotMe anonymous reporting system to include safety and compliance infractions.

Our Safety & Compliance Team is now coordinating its efforts with our new Los Angeles facility to implement California's OSHA-compliant protocols.



SUSTAINABILITY

Sustainable business practices have never been more important than they are today. For Creature Comforts, our dedication to ecologically-friendly procedures is critical to how we operate. We're on a mission to be at the forefront of sustainability innovations in craft beer so that we may serve as change agents within the industry.

In 2020, in partnership with the University of Georgia's Office of Sustainability, we began benchmarking our footprint into four main usage categories: water, waste, energy, and greenhouse gasses. A better understanding of each of these areas has allowed us to set stretch goals for the years ahead, and create actionable pledges to build a better future for the next generation.

Our Chief Production Officer, Adam Beauchamp, co-chairs the Brewers Association's Sustainability Subcommittee. In this role, Adam convenes leadership from breweries around the United States to share guidance and best practices for breweries looking to lessen their environmental impact.

Water

WHAT WE SAID WE WOULD DO BY 2025 Reduce our water consumption from 5.5 barrels of

water used—per barrel of beer produced—to 4.5.

In Progress 00000000

PROGRESS

WHAT WE'RE GOING TO ACCOMPLISH IN 2024

Continue auditing and updating procedures to reduce water usage.

Water is one of beer's most important ingredients. No, really. Most beer is 90-95% water. That's why we're always considering how we can optimize our water usage to best benefit our planet.

In order to reduce our water footprint even more, we pursue a number of strategies and innovations, such as:

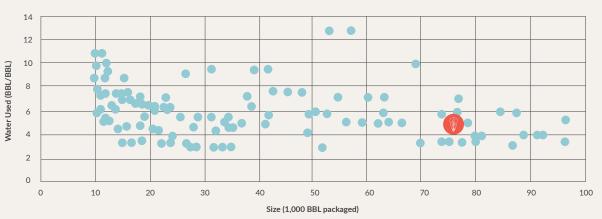
- Finding and repairing leaks in our water systems
- Utilizing meters to evaluate the amount of water used for specific applications
- Developing reduction opportunities
- Ensuring equipment using water is in peak condition

In 2022, we installed a fully custom wastewater treatment system which allows us to mitigate pH spikes and reduce the Total Suspended Solids (TSS) on our local wastewater treatment facility.

By the end of 2023, with the positive momentum we are experiencing, we set a target to land in the top 25% of craft breweries in terms of our efficient water usage.



WATER USAGE



In comparison to water usage amongst other Brewers Association breweries, you can see that Creature Comforts sits just below the median of water usage for our scale of production.



Waste

| WHAT WE SAID WE WOULD DO BY 2023 | PROGRESS | WHAT WE'RE GOING TO ACCOMPLISH BY 2025 |
|---|----------|---|
| Maintain a 99 % diversion rate at our Southern Mill facility. | Achieved | Achieve TRUE's Gold-Level Zero Waste Certification . |

We want to make beer, not waste. By prioritizing processes, operations, and actions to reduce waste and resources throughout our system lifecycle, we're prioritizing eliminating any unnecessary waste from our beer production.

Actions we're currently taking to achieve our waste reduction goals include:

- Sending spent-grain to local farms to be used as food for livestock.
 While this is an industry-norm, we're proud that our spent grain is staying local.
- Purchasing balers for scrap aluminum and cardboard.
- Participating in our county's compost collection service to ensure organic waste materials like leftover food, napkins, and paper towels are composted instead of landfilled.
- Sending hard-to-recycle items such as stretch film plastic, batteries, and used motor oil to our county's CHARM (Center for Hard to Recycle Materials) facility at the close of every month.

Because of these diversion practices, in 2021 we received the TRUE (Total Resource Use and Efficiency) Silver-Level Certification for our Southern Mill facility's zero waste efforts.

Administered by Green Business
Certification, TRUE helps facilities measure, improve, and recognize zero waste performance by encouraging the adoption of sustainable waste management and reduction practices, which contribute to positive environmental, health, and economic outcomes.

In 2023, our primary production facility achieved a 99.6% diversion rate, with less than 1% of the waste material generated across our operations heading to a landfill.



Energy

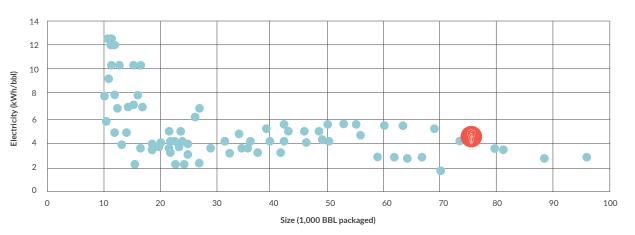
| WHAT WE SAID WE WOULD DO BY 2027 | PROGRESS | WHAT WE'RE GOING TO ACCOMPLISH IN 2024 |
|---|---------------|--|
| Decrease energy usage from 26.0 kWh per barrel of packaged beer to 23.0 . | Lost Progress | Eliminate 90% of compressed air leaks, which are contributing substantially to unwanted energy overages. |

Energy is vital to our manufacturing processes, but it's also the single largest contributor to greenhouse gas emissions for our company as a whole, so we've set an ambitious goal to lower the amount of energy we use to 23 kWh/BBL packaged.

In order to improve energy efficiency at our facilities, we have:

- Installed solar panels on both our Southern
 Mill production facility as well as our original
 downtown Snow Tire location. Together, these
 panels provide nearly 20% of our total electrical
 energy consumption in a given year.
- Partnered with <u>Climate Impact Partners</u> to purchase renewable energy credits (RECs), which now covers 80% of our electrical demand.
- Purchased a more efficient glycol chiller, resulting in a nearly 25% decrease in the amount of electricity needed to produce beer.
- Maximized efficiency by averaging 1.3 therms of gas per barrel of beer produced, placing us in the top 25% of craft breweries in America.
- Invested in a highly efficient boiler on which we perform energy-saving maintenance, as well as on our steam systems.

ELECTRICITY USAGE



In the scatter plot, Creature Comforts is represented by the yellow dot. Creature is more efficient than other comparable breweries, but there is always room for future improvements.

Greenhouse Gas Emissions

WHAT WE SAID WE WOULD DO BY 2025

Reduce Greenhouse Gas (GHG) emissions from 70 lbs per barrel of packaged beer to 40 lbs/BBL.

PROGRESS

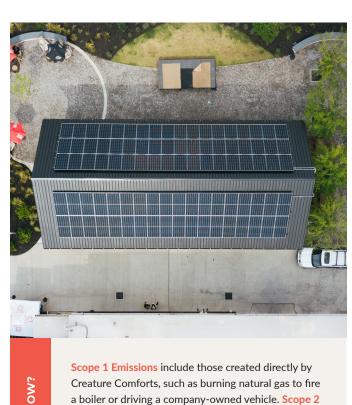
WHAT WE'RE GOING TO ACCOMPLISH IN 2024

Transition to 100% renewable electricity.

Creature Comforts is currently pursuing a goal to reduce our *Scope 1* and *Scope 2* GHG emissions by 5%. This goal is independent of our future growth, meaning we need to find ways to reduce our emissions *while* growing as a company.

This is a stretch target—challenging, but achievable—that we plan to meet through continual improvements in the coming years. To do so without relying upon carbon offset credits, we'll need to examine our entire value chain to determine where we can make improvements.

Meanwhile, one such improvement—replacing certain uses of carbon dioxide with nitrogen—we achieved in the final quarter of 2023, by installing and incorporating a nitrogen generator into our production processes. This new equipment converts compressed air into food-grade nitrogen, which we anticipate will reduce our CO2 usage by 25% in the coming year.



Emissions are indirect emissions from the utilities we

purchase, for example, the emissions created by our

that happen in a company's value chain, such as

power company. Scope 3 Emissions include emissions

emissions from a tractor harvesting barley we use, or

emissions from taking a flight to our new facility in LA.





Focus on Locality

Sustainability means more than just tracking KPIs and improving operational efficiency. We believe it's our company's responsibility to build local partnerships, which is critical to creating a sustainable future.

In addition to longstanding farm relationships with <u>UGArden</u> (*Tulsi*), <u>Rhonda's Blueberries</u> (*Rhonda*), <u>3 Porch Farm</u> (*Crop Colors: Pink Dawn*), and many other local farms, in 2021 we embarked on an ambitious project: To identify both a local farmer who could supply all of our wheat demands, and a maltster who could transform this Georgia-grown wheat into a high-quality ingredient that could match the exceptional quality of our existing supply chain.

We enlisted <u>DaySpring Farms</u> in Danielsville, GA—20 miles north of Athens—and <u>Epiphany Craft Malt</u> in Durham, NC for

the project. We sought a wheat varietal that would grow well in Georgia's warm climate, and even successfully incorporated this new, locally-grown wheat into an existing, year-round brand—Athena.

Beyond the success of creating a unique, Georgia-grown grain, this new partnership reinvests directly into our local economy, helping a nearby business boost its profit margin and establish another reliable customer. And it only makes our commitment to sustainability easier by knowing exactly where our ingredients come from and how they're produced.



A LETTER FROM OUR CPO

As we stand on the verge of celebrating a full decade of Creature Comforts, this annual reflection is not just a customary checkpoint; it's a heartfelt expression of gratitude and celebration. Back in 2014, our aspirations were humble yet bold—to brew exceptional beer and weave threads of positive impact into the fabric of our community.

Ten years on, the unexpected tapestry we've woven fills me with an indescribable sense of pride. Our commitment to environmental and social betterment, the accolades for our world-class brews, and the growth of our Creature family to nearly 150 passionate colleagues—these are the organic outcomes of a vision that has exceeded our wildest expectations.

In recognizing our progress, we remain humbled by the realization that our journey is an ongoing odyssey. There is perpetual work to be done and new avenues to explore in our service to people, communities, and the planet. Each passing day in business is a brushstroke, contributing to the everevolving masterpiece that is the legacy we hope to leave.

As we peer into the future, acknowledging the myriad challenges that lie ahead, from the climate crisis, to navigating the nuances of political landscapes, and an ever-changing marketplace, our confidence remains unshaken. Creature Comforts is evolving into the kind of company that meets challenges and is dedicated to the enduring value to Make It Better.

Reflecting on our journey, it's impossible not to express the deepest gratitude to the countless individuals who have played a pivotal role in shaping Creature Comforts. The sheer magnitude of your contributions is immeasurable, and we are sincerely thankful for your profound impact on our story.

When we founded this brewery, we never could have foreseen the meaningful impact it would have on so many lives. Today, with hearts full of gratitude, we toast to a decade of growth, community, and a future brimming with possibilities.

Here's to each of you, to the unforeseen, and to the incredible journey ahead.

Warmest regards,



Ca B

Adam Beauchamp, Chief Production Officer

