MADTREE
Impact
Report
2020

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What MadTree is All About

When MadTree started in 2013, we were driven to craft great beer, but more importantly, to build something bigger than ourselves.

Since the beginning, we have cared deeply about creating meaningful connections with our communities. We embrace our name MadTree and work to celebrate and protect nature, while reducing our impact on the environment. We are proud members of **1% FOR THE PLANET**, with a commitment to donate 1% of our sales to non-profits focused on environmental sustainability.

The craftspeople at MadTree wake up every day to connect people to nature and each other.

Letter from the Owners

It's been over eight years since MadTree sold their first keg, known then as Batch One. While much has changed, much remains very familiar, like our commitment to our community. Our excitement for the future of this business remains as strong as it was in 2013. Our passion for our people and our products continues to grow stronger every day. What has morphed and shifted is our focus. As a young company, our ever-changing business and environment drove us to have a more tactical focus. Our impact program followed suit as we initially spread our resources across varied and ever-changing pursuits. As we've matured, we've taken a much more focused and sustainable view of our business and our impact.

This journey towards more focus began in 2018 with answering a simple question in one simple sentence; "Why does MadTree exist?" This company means many different things to many different people, and that's okay. However, if we are going to unite and build community, we need clarity and focus. That clarity came from looking deep within ourselves. We built this company to create and cultivate connection. We built this company to leave this world better than we found it – which means taking care of each other and taking care of our natural environment. To that end, our purpose crystalized. We exist to connect people to nature and each other. Nothing in this world brings more joy and purpose to our lives than connecting with loved ones and connecting with the natural environments that we cherish. MadTree has, and will continue to, cultivate and deepen connections that give meaning to our lives.

MadTree's purpose, has fueled our vision and impact work. Our 2030 vision is to build a sustainable purpose-driven company our kids will be proud of. Those lessons you want to impart upon your kids and future generations also serve as the lessons for how we conduct business—a business that values growth, connection, and giving a fuck.

To that end, we are putting our money where our mouth is by **COMMITTING TO DELIVER $5M OF IMPACT BY 2030**. We hired Rhiannon Hoeweler as our Strategic Impact Director to guide the work; a role not often seen in businesses of our size. Through **1% FOR THE PLANET**, we are committing to giving 1% of our revenue to local non-profits who celebrate and protect nature. We are investing and working side-by-side with local non-profit partners – requiring and paying employees for 16 hours of volunteer work annually. We are investing in becoming B-Corp certified, the highest standard of performance that guides decision-making to balance profit and purpose.

The path to $5M of impact will not be easy, but nothing worth the sacrifice is. The next generation is looking to us to do our part and set an example for what living in a connected world looks like. This first **IMPACT REPORT** is our guide to show and continually challenge ourselves to keep giving a fuck. Thank you for continuing to support this mad little dream.

- BRADY & KENNY

Defining the Impact Strategy

As our purpose and vision have been more clearly defined, our impact work has followed. We are a company laying out a strategic future with impact playing a central role in every layer of the business.

Put simply, we go deep to reduce the impact of our core operations, we strengthen our impact through our people, and we branch into community to grow our impact. We are also extremely proud members of **1% FOR THE PLANET**, with a commitment to donate 1% of our sales to non-profits focused on environmental sustainability.

MADTREE BREWING 2020 Impact Report

EXECUTIVE SUMMARY

Roots

DIGGING DEEP TO REDUCE OUR ENVIRONMENTAL IMPACT

Make beer, not waste – sustainability beliefs that go deep to reduce our impact.

2020 Last year we recycled 236,400 of all PakTech toppers we sent into the market.

2021 GOAL Recycle as many PakTechs as we put out, approximately 900,000.

2020 Our taproom uses 100% compostable material and diverted 73,900 lbs of waste from the landfill last year.

2021 GOAL Remain committed to composting 100% of the waste generated in the Taproom.

2020 This past year we repurposed 100% of our spent grain to feed cattle at a local farm just 29 miles away from our brewery.

2021 GOAL

Maintain our commitment to repurposing 100% of our spent grain and keep cows happy.

Trunk

STRENGTHENING OUR IMPACT THROUGH OUR PEOPLE

"A company is only as good as its people. The hard part is actually building the team that will embody your company's culture and propel you forward."

KATHRYN MINSH

2020 Our team volunteered 626 hours in 2020 despite the pandemic. That's just over fifteen 40-hour work weeks.

2021 GOAL Have our team collectively volunteer 1,200 hours.

2020 Created an advisory group in 2020 composed of leaders in business, non-profits, and sustainability to give guidance & perspective to amplify our impact immediately and into the future.

2021 GOAL To build out the Advisory Group and begin to plug their area of expertise into how we grow our Impact program inside and outside of MadTree's four walls.

Canopy

BRANCHING INTO THE COMMUNITY TO GROW OUR IMPACT

The lens through which we view the opportunity to partner with non-profits in our community and how we align ourselves annually.

2020 Planted a total of 2,193 trees through a number of partnerships.

2021 GOAL

Drink trees. Plant trees. Repeat. This year we want to plant 4,000 through our partnerships.

2020 Invested $107,683 of time and money into the Cincinnati Community through our **1% FOR THE PLANET** commitment last year.

2021 GOAL Increase our investment of time and money to $139,544 through our **1% FOR THE PLANET** commitment.

Roots

Digging Deep to Reduce our Environmental Impact

- Reducing our footprint
- Sustainable efforts around the taproom
- Engaging with customers through recycling

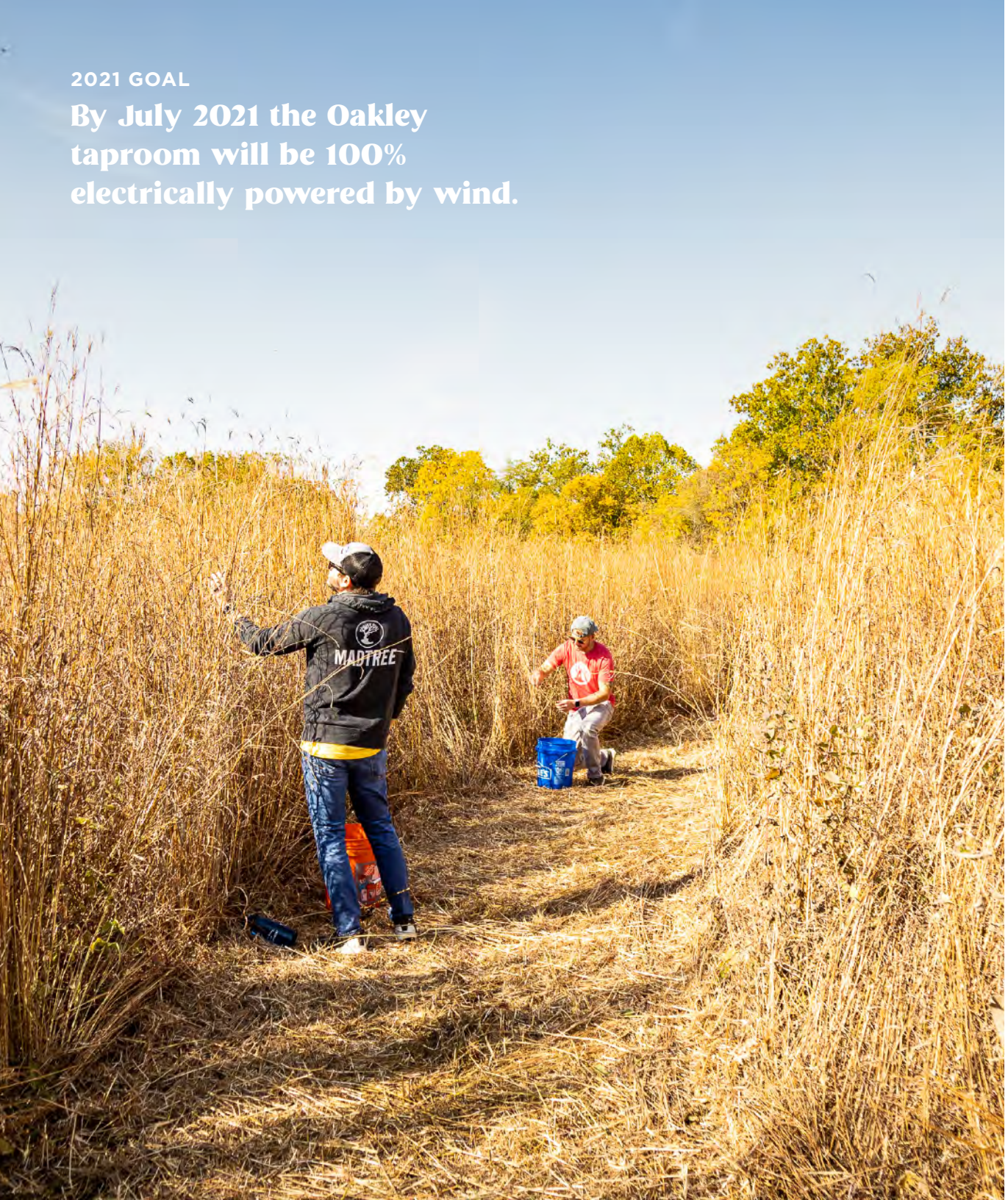
Make beer, not waste – sustainability beliefs that go deep to reduce our impact.

At the very heart of our work, we make great beer and create great experiences, but we won't let that stop us from planting our roots in sustainability and lightening our footprint. That work starts by weaving that belief throughout our entire operation and relentlessly focusing on reducing, repurposing, or recycling at every step along the way.

In 2020 we began by benchmarking our data to gain an understanding of the resource use, waste streams, and associated expenses of our operations. Understanding each of those areas has allowed us to set goals for 2021 and guide the work ahead.

2021 GOAL

$10,000 in utility reduction savings across the operation.



Renewable Energy

Collectively, sewer, natural gas, and electricity made up 77%, 74%, and 73% of our annual spend on utilities in 2018, 2019, and 2020, respectively. In each of these categories, the cost per unit has also continued to rise annually. We are actively looking across all areas of the business to reduce, repurpose, or reuse resources. Initially our focus will be tied to driving down use and becoming more efficient in these three categories.

In 2020 we took a step towards driving cleaner energy choices by working with our utility provider. As of November 2020, our original brewery location is now powered 100% by wind-generated electricity.

Go Zero Composting

Annually, as we celebrate Arbor Day and Earth Day, we put a stake in the ground and commit to new sustainable endeavors. In 2018 that stake in the ground was to compost in the taproom for Earth Day. That one day led to a permanent change in the taproom, and we now only use compostable items.

2021 GOAL

100% diversion of waste in the taproom from the landfill equating to about 56,000 lbs.

We require our third-party food partner, Catch-A-Fire to utilize compostable flatware, plates, and napkins when not utilizing non-disposables. Ninety percent of our private events are catered by Catch-A-Fire. However if our clients wish to utilize an outside caterer, we also require them to utilize compostable wares in all of our spaces.

In 2020, there was a significant uptick in compost coming from the taproom, ending the year up 17,962 lbs compared to 2019. Much of that increase was due to COVID-19 and moving from glassware to compostable cups in the taproom for eight months of the year (April-November). We expect to see levels return to 2019 numbers in 2021.

Spent Grain Diverted

In 2016 we committed to keeping 100% of our spent grain out of the landfill by partnering with a local farmer from Reinhardt Beef Farm located 29 miles from the brewery in Okeana, OH. This partnership has led to 9,986,638 lbs (or 4,993 tons) of spent grain being diverted from the landfill and ultimately feeding happy cows at Reinhardt.

While this practice is standard for the industry, we are still extremely proud that we are able to give new life to a byproduct of our production process and that our spent grain is staying so close to the brewery.

2021 GOAL

100% of spent grain diverted from the landfill (about 2,150,000 lbs) – growing our total to over 10M lbs diverted since 2016.

Sustainable Accomplishments

73,901 lbs (36.95 tons)
COMPOSTABLE MATERIAL DIVERTED FROM THE LANDFILL IN 2020

134,017 lbs (67 tons)
TOTAL COMPOSTABLE MATERIAL DIVERTED FROM THE LANDFILL FROM 2018 - 2020

1,775,600 lbs (877 tons)
SPENT GRAIN SENT TO A LOCAL FARM IN 2020

9,986,638 lbs (4993 tons)
TOTAL SPENT GRAIN SENT TO A LOCAL FARM FROM 2016 - 2020

PakTech Recycling

PakTech's are the final touch in the beer canning process. They provide an easy way for consumers to carry a six-pack, grocers to stock shelves, and packaging to neatly organize beer cans. PakTech's are made of 100% recycled HDPE. HDPE is indefinitely recyclable so it's great to use in topping off our product, but also an excellent way for us to engage with our consumers in a positive and impactful way.

We started focusing on recycling PakTechs at MadTree in 2020. In 2020, we put approximately 830,496 PakTech's into the market and of those about 29% (236,400) were recycled.

2021 GOAL

Recycle as many PakTechs as we put into the market, approximately 900,000.

2021 GOAL

Recycle 300,000 PakTech's or 33% of the PakTech's we put out into the market in 2021.

Trunk

Strengthening Our Impact Through Our People

- Staff makeup
- Pay equity
- Giving back to the community through volunteering

"A company is only as good as its people. The hard part is actually building the team that will embody your company's culture and propel you forward."

KATHRYN MINSHEW

As our company culture evolves, not only are we investing in our employees, but also hiring to realize the culture we want to see. We are committed to establishing a benchmark around our employee diversity and pay equity data.

Through establishment of a benchmark, we can begin to understand how and where we want to activate different people and strategy levers to move the culture needle.

We are firmly dedicated to giving employees the time, space, and structure to volunteer together in the community. We are convinced this adds up to happier employees and a healthier company.

Finally, we know that bringing outside expertise, in the form of an advisory group, will only help challenge us and provide perspective, making us stronger.

Diversity in the Industry

It's no secret the brewing industry is light on diversity and we aren't unique relative to our peers. In 2021 we will take some foundational steps, looking at and understanding where we are, as well as focusing on connecting to diversity within our community. When we look at our own stats; 4% of our staff identify as people of color and 38% of our staff identify as women, with our production team comprised of 13% women.

2021 GOAL

Partner with Cincinnati State to establish a mutually beneficial way of supporting each other's efforts as well as work with Cincinnati Chamber of Commerce Workforce Innovation Center to understand and internalize the recommendations and data analysis they supply.

Investments

We are looking to make two key investments in 2021:

First, we are putting our dollars to work through partnership with Cincinnati State, the local community college with a brewering science certification and degree. Through this avenue we are looking to offer a scholarship focused on women and people of color, where we will financially commit to approximately 50% of that student's school expenses annually. The other facet of the scholarship will focus on sustainability and affording us the opportunity to connect with each and every scholar heading through the program. This will give us an opportunity to share MadTree's purpose, get students excited about sustainability.

Second, we are committed to partnership with the Cincinnati Chamber of Commerce and their Workforce Innovation Center. The Chamber will help us analyze our existing talent base and will provide recommendations to meet our business needs with more inclusive practices. This partnership also affords us the connection to like-minded businesses, a resource for new sources of talent, and a seat at the table as the region focuses on this issue.

Staff Makeup

A DIVERSE FOREST IS A HEALTHY FOREST. WHEN WE LOOK AT THE DIVERSITY OF OUR MADTREE FAMILY, WE REALIZE WE HAVE SOME WORK TO DO. HERE IS OUR CURRENT BREAKDOWN OF OUR PEOPLE:

4%
PEOPLE OF COLOR

38%
WOMEN

13%
WOMEN IN PRODUCTION

2021 GOAL

Further dig into the data to grow our understanding and knowledge of each layer/tier of the organization related to pay equity.

Pay Equity Through Both a Gender & People of Color Lens

In 2017, the Greater Cincinnati Foundation commissioned a study by the UC Economics Center to examine pay disparities in our region. The report concludes that women across the Greater Cincinnati area make on average $0.80 for every $1.00 earned by men.

As we look across MadTree as a whole, we employ 96 people, with 36 of those identifying as women and 60 of those identifying as men. To make sure we were capturing the essence of pay equity across the organization, we had to narrow our focus to regularly scheduled part-time or full-time staff. This dropped our total from 96 staff to 78 with 24 identifying as female and 54 identifying as male. If we look at just those employees, on average, women are making $1.00 for every $.97 earned by men within the company. We are extremely proud that across the organization women are equitably paid.

Numbers Behind the Effort

626
HOURS VOLUNTEERED IN 2020
$16,054 MADTREE SPENT ON THOSE HOURS

559 HOURS FOR 1% FOR THE PLANET

$15,314 CONTRIBUTED TO 1% FOR THE PLANET

67 HOURS FOR NON-1% FOR THE PLANET MEMBERS

$740 CONTRIBUTED TO NON-1% FOR THE PLANET MEMBERS

Giving a Fuck

Our 2020 volunteer commitment to our community was condensed to a very small time frame due to COVID-19. However, we madly embarked upon giving back in October, November and December.

2021 Expectations

Full Time Employees will fulfill 16 hours of **GIVE A FUCK** opportunities in 2021, with a minimum of 12 hours falling within the **1% FOR THE PLANET** network and up to 4 hours with any out of network non-profit. Part-Time Employees will fulfill somewhere between 4-8 hours of within the **1% FOR THE PLANET** partner network.

2021 GOAL

1,200 hours with 100% Employee Participation!

$32,904
TOTAL INVESTMENT

$26,543
1% FOR THE PLANET INVESTMENT

$6,361
NON-1% FOR THE PLANET INVESTMENT

Impact Advisory Group

In keeping true to the 2020 tagline that we are stronger together, we have recruited a small but mighty team of advisors to help provide guidance, outside perspective, and expertise, while making the load a little lighter for our growing company.

GOAL 2021

To build out the Advisory Group and begin to plug their expertise into how we grow our impact program inside and outside of MadTree.

Our advisory team is made up of thought leaders from the business and non-profit community who are helping to amplify our impact immediately and into the future.

Branching into the Community to Grow Our Impact

- **1% FOR THE PLANET** partnerships and beyond
- Carbon offset investment
- Goals for planting more trees and its added value

The lens through which we view the opportunity to partner with non-profits in our community and how we align ourselves annually.

In 2020, we committed to join **1% FOR THE PLANET**. Through that commitment, we infused the local Cincinnati community with $107,683 and 626 volunteer hours. Our philanthropic dollars were allocated to Cincinnati Parks Foundation (and Cincinnati Parks), Wasson Way, Cincinnati Zoo & Botanical Garden, Go Zero, and One Tree Planted.

We are fiercely dedicated to $5 million of impact over the next 10 years. A large percentage of how we focus those dollars is through our philanthropic giving to the **1% FOR THE PLANET** non-profit network.

2021 GOAL

Investing $139,544 into our non-profit partners in the *1% For the Planet* network, through philanthropic giving and 1,200 volunteer hours.

Carbon Offsets

During a typical year at MadTree we execute approximately 245 events. In September 2020, MadTree began asking our community to join us in our efforts focused on sustainable impact within our physical footprint. For every event (personal, wedding, and corporate) hosted at MadTree, we are including an optional carbon offset donation.

SEPTEMBER – DECEMBER 2020 DATA

Out of all events, 84% opted-in for offsetting their footprint, raising $545.

We are currently in discussion with a local non-profit about how to tie those carbon offset dollars back into the community. The goal is to get more trees planted in the city of Cincinnati, by keeping those dollars in the local economy and focusing our impact closer to home.

A financial goal of $10,000 is built on the assumption that business returns to a relatively normal cadence by July of 2021 and that 75% of our corporate, 50% of our wedding, and 25% of our personal events join us in our commitment to carbon offset donations.

2021 GOAL

Through our private events, we hope to raise $10,000 with carbon offsetting.

Planting for the Planet

Planting trees helps sequester CO2, avoid stormwater runoff, reduces energy usage when planted close to buildings/houses, and subsequently reduces emissions from those buildings/houses while increasing property values.

2021 GOAL

Partner with Cincinnati Parks Foundation ReLeaf program by planting trees in one of the 52 neighborhoods of Cincinnati in the fall.

The City of Cincinnati's Office of Environment & Sustainability pulled together data on urban heat islands, these are urbanized areas that experience higher temperatures, with structures (buildings, roads, and other infrastructure) that absorb and re-emit the sun's heat more than natural landscapes like forests and water bodies.

Laurel Park falls within one of the heat island pockets, and where people are more at risk during extreme heat waves. MadTree planted 107 trees at Laurel Park in the fall of 2020

The City of Cincinati Parks Urban Forestry put together an informational guide to help the city with efforts on where trees would be most beneficial to address environmental issues like excess heat and storm water. (As the 2020 data is compiled and analyzed, the third iteration of the map will be populated and it will be overlaid with the heat island data to develop and implement targeted planting plans in communities with the greatest need.)

Working with Cincinnati Parks and the Cincinnati Parks Foundation allows us to target these areas together as we partner in 2021 and beyond.

Trees Dontated & Planted

850
TREES DONTATE IN 2020 WHILE PARTNERING WITH RELEAF

1,343
TOTAL TREES PLANTED IN 2020
- **65 WITH WASSON WAY**
- **107 WITH LAUREL PARK**
- **301 WITH ONE TREE PLANTED**
- **870 WITH CONSCIOUS STEP**

2,193
COMBINED TOTAL TREES PLANTED AND DONATED IN 2020

Here's What We Look for in a Partnership

Let's be partners!

PURPOSE
Does the partnership align with our purpose — to connect people to nature and each other?

1% FOR THE PLANET
Does the partner organization celebrate and protect nature? Is the partner organization part of the **1% FOR THE PLANET** network? If not, would they be interesting in joining?

STORYTELLING
Can we tell great stories through the partnership to help build emotional connections to our work? Does it help us inspire our staff? Does it inspire our avid beer fans or future fans?

BE A PRIMARY PLAYER
Through relationship building, can we be recognized in the community as a strong partner organization with the non-profit? We don't want to get lost in a sea of brands.

BUILD ABILITY TO GROW OUR IMPACT
To increase our impact we have to build our business. Does the involved work grow our business so that we may grow our impact?

OTHERS TO THE TABLE
Is there potential to bring other non-profit and for-profit partners to the table to help leverage and grow the impact?

GIVE A FUCK
Are there volunteer opportunites for our staff? Can we invite others to volunteer with us outside of our team and grow the impact and connection?

DEI FACTORED INTO THEIR WORK
Does Diversity, Equity, and Inclusion (DEI) reside in their mission statement? Does it reside in their strategic plan? Or does it come through in how they describe their work?

Current Partners

CINCINNATI PARKS FOUNDATION
To build broad-based private/public partnerships which support the conservation and enhancement of our city's parks and greenspaces through education, advocacy, and fundraising.

WASSON WAY
Promote and sustain Wasson Way. A beautiful, accessible, and sustainable urban greenway trail for the benefit of the residents of Greater Cincinnati.

GO ZERO
Committed to building a nonprofit business from the ground up in order to best ensure the longevity and expansion of the environmental, community, and economic benefits created through its products and services.

CINCINNATI ZOO & BOTANICAL GARDEN
Creating adventure, conveying knowledge, conserving nature, and serving community.

ONE TREE PLANTED
As an environmental charity, we are dedicated to making it easier for individuals and businesses to give back to the environment, create a healthier climate, protect biodiversity and help reforestation efforts around the world. All by planting trees!

ROTHENBERG SCHOOL ROOFTOP GARDEN
Enhance students' development of critical thinking, science, math, and literacy skills through hands-on application of classroom curriculum and increased community involvement in the Rothenberg Rooftop School Garden.

GREAT PARKS OF HAMILTON COUNTY
Preserve and protect natural resources and provide outdoor recreation and education in order to enhance the quality of life for present and future generations.

GROUNDWORK: OHIO RIVER VALLEY
Bring about the sustained regeneration, improvement, and management of the physical environment by developing community-based partnerships that empower people, businesses, and organizations to promote environmental, economic, and social well-being.

ADVENTURE CREW
Open the doors of nature for city teens to strengthen their connection with self and others and create the next generation of healthy outdoor enthusiasts and environmental stewards.

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