LIABILITY BREWING COMPANY

2024

ANNUAL IMPACT REPORT



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Introduction

Our Annual Impact Report is our way of staying true to our mission, keeping our stakeholders in the loop, and holding ourselves accountable for the promises we've made—to the environment, our employees, and our community.

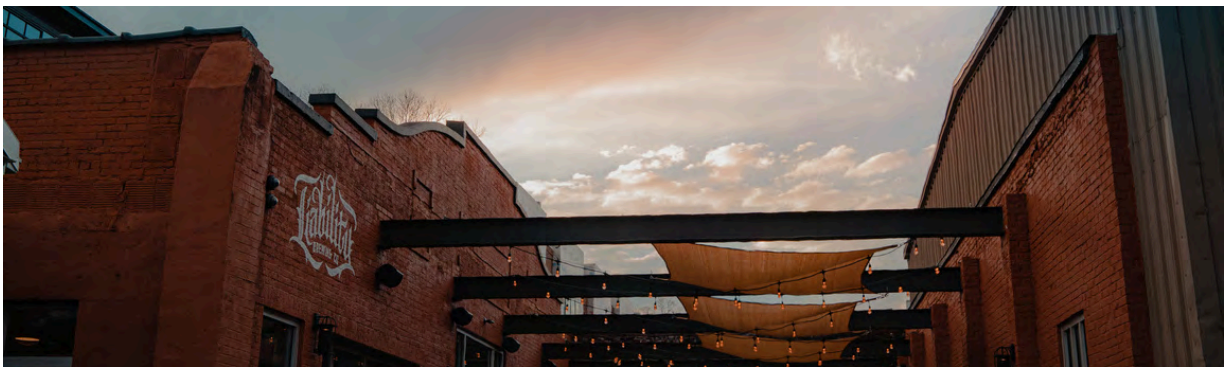
At Liability Brewing Co., our mission goes beyond crafting exceptional beer. We are deeply committed to creating a positive impact on our employees, community, environment, and the broader ecosystem we serve. This Annual Impact Report reflects our dedication to transparency and accountability as a Certified B Corp and a registered South Carolina Public Benefit Corporation.

This report is an opportunity to review and celebrate our efforts over the past year to fulfill our public benefit mission. Through thoughtful environmental practices, meaningful employee support, and active community engagement, we strive to lead by example and foster lasting change.

Aligned with the five key areas of the B Impact Assessment—Community, Environment, Workers, Customers, and Governance—this report highlights our accomplishments and details our progress.

You'll also find an overview of our journey, values, and culture that serve as the foundation of everything we do.

We invite you to explore this report and join us in celebrating the progress we've made while acknowledging the opportunities that lie ahead. By sharing this report, we aim to reinforce our commitment to transparency and inspire others to join us in building a more sustainable and equitable future. Thank you for being a part of our journey!



Our Story

It all started in a garage. Err, or was it the back porch?

Like many underdog stories, it started in a garage. Err, or was it the back porch and then the garage. Yeah, the back porch came first, the garage, later. Two neighbors sharing craft beer. From that day forth Dustin shared his craft beer knowledge, and almost every bottle of craft beer he purchased with his new neighbor, Terry. A friendship forged in hops, malt, and more barrel aged brews than we care to count — it led to the founding of Liability Brewing Co., first as the moniker that encapsulated our homebrew exploits, then as the name we ended up dubbing our 10 BBL brewery and taproom on West Stone Avenue in Greenville, SC. There's a more than 99% chance that if you see Dustin and Terry deep in conversation, that the conversation is about beer. Or movies. Sometimes comics. Or Star Wars. But probably, most likely, eventually, about beer.

We like to have fun, and we don't take ourselves very seriously. Life is too short, yadda yadda, and we just want to brew and drink great beer and have a good time with those around us. Our branding and taproom experience are meant to put a smile on your face. Take a second to think about the best experiences you've had with craft beer. Is there a common thread? For us, it's that craft beer more times than not elicits a visceral reaction. Walking into a taproom, seeing the equipment that brewed the beer you're about to drink just feet away. The tastes, the smells, the clever names of the beers. The great beer. The terrible beer. Your friends laughing and enjoying everyone's company. To us, this is what it's all about. We want to drink and laugh with you. We want to hear your snark. We want you to connect with our creativity and our flavors. We want the emotion you associate with craft beer to be something you feel in your bones! But don't feel it too much though, you don't want to become a liability...or maybe you do?

Yes, we're fun loving and irreverent, but don't let that fool you. We are serious about our craft and our quality. We believe that the current demand for fresh, local beer is not a trend, but an American desire with far reaching impacts. We stand as an antagonist to macro produced, high-on-marketing, low-on-flavor beverages. We think that you want a product that is equal parts art and science, and not just about maximizing shareholder profit. We're on a never ending search for the best ingredients to make the greatest beer we possibly can. And we are maniacally focused on creating an experience that you and your friends will enjoy for decades to come. You're going to see things from us that make you shake your heads, things that make you laugh, and sometimes, things that don't make sense. But trust us, we have a plan. And we need you to help us bring it together. The community in Greenville is special, and this brewery is our way of contributing to an even more fun and enjoyable future.

What's In A Name?

Were you lawyers? Accountants? Insurance agents? Nope, none of the above.

Li·a·bil·i·ty

noun

1. the state of being responsible for something, especially by law.
2. *a person or thing whose presence or behavior is likely to cause embarrassment or put one at a disadvantage.*

We didn't realize it at the time, but the influence of the second definition was at play in our lives on almost a daily basis. Sometimes even on an hourly basis depending on the events of the day — we're guessing it's at play in your lives all the time too. A friend put themselves in a bad situation because they drank too much. A character in a movie did something dumb and made us laugh and cringe at the same time. We forgot an ingredient so the original recipe we wanted to brew had no chance of ever turning out how we hoped. A crazy uncle did crazy uncle things. A friend walked head first into a light post because they weren't watching where they were walking. The list goes on. We found ourselves calling these people, situations and experiences "liabilities," because they were. We used the word so often that it stuck in our vernacular like an inside joke. Naturally, during one of the aforementioned "research and development" tasting sessions, Dustin suggested that we should name our homebrew experience Liability Brewing Co., and here we are. Really, we just wanted a singular location that we could use to check-in on Untappd because everything around us was lame.





Our Mission

Through both the art and science of producing craft beer, we strive to:

- Make high-quality beer in a sustainable manner that reduces our impact on the environment by emphasizing the use of American ingredient suppliers focused on sustainability, capturing and reusing our natural production of carbon dioxide and generating our own nitrogen, focusing on reducing our water usage, and maintaining a recycling program.

- Give back to our local community via partnerships with charities focused on improving our region's environmental footprint, educational attainment levels, and the personal and economic impact of our citizens.

- Provide people regionally with an enjoyable drinking experience and remind our guests that liabilities make for better adventures.

Our Values



QUALITY
We will deliver the highest quality beer to our guests in a sustainable manner. We will live our brewing doctrine.

SERVICE
We will deliver a guest experience that exceeds their expectations. We will work to correct any negative issues in a timely manner.

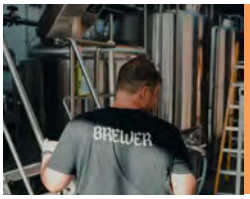




FUN
We will live our mantra! We encourage staff and guests to find their inner liability and (responsibly) let it out.

COLLABORATION
We will collaborate with members of the brewing community and with local and state leaders to advance our common goals.





HONESTY
We will be honest and not spread any falsehoods. We will be transparent and share information as appropriate to the relationship.

EMPATHY & COMPASSION
We will understand the viewpoints of others and show sincere compassion for those in positions less fortunate than ours. We will give back to our local community.



Ownership Team

Terry Horner - Majority Ownership
Shane Horner - Minority Ownership
Jeremy Schwendeman - Minority Ownership

Our Growth

2018

Opened with:
- 4,953 sq ft taproom and production facility
- 10 BBL Brewhouse
- 3 Fermentation Vessels and 1 Brite Tank

2019

- Hired internal salesperson
- Started limited SC distribution
- Added 2 Fermentation Vessels
- Purchased a canning line

2020

- Operated safely and retained staff during a global pandemic
- Added 2 Fermentation Vessels

2021

- Became a SC Benefit Corporation
- Expanded SC distribution
- Added 4 Fermentation Vessels
- Upgraded canning line

2022

- Became a Certified B Corp
- Expanded SC distribution
- Hired additional production staff
- Purchased a refrigerated van

2023

- Hired additional sales and production staff
- Expanded SC distribution
- Began a white label partnership with a SC restaurant group
- Added 2 Fermentation Vessels and 2 Horizontal Lagering Tanks

2024

- Added two distribution partners to further expand SC distribution market
- Current equipment maxed production capacity in this facility
- Added a 1 BBL Fermentation Vessel for experimental brewing

2025

- Recertifying with B Lab
- Expanding our white label partnerships with a SC entertainment complex
- Anticipating growth in the Upstate SC market in retailers and restaurants

2024 Awards

Taking quality and service to heart in everything we do

We founded Liability Brewing Co. to bring craft beer lovers together and share our passion for both traditional styles and bold, experimental flavors. Every award we win is a testament to the care and attention to detail we pour into every step of the process—from brewhouse to pint glass.

U. S. Open Beer Championship - 2024

- Silver in Tequila Barrel Aged Beer for Tequillin Me Salty
- Bronze in Barrel Aged Breakfast Stout for 2023 Barrel Aged Evil Shenanigans





SC Brewers Cup

- Gold in European Beer for The Twelve No. 010 : Sword & Thistles (ESB)
- Gold in Hazy IPA for Every Other IPA with Styrian Wolf and Idaho 7





Benefit Corporation

Making business a force for good

At Liability Brewing Co., we are proud to operate as a Certified B Corp and a South Carolina Benefit Corporation, holding ourselves to the highest standards of social and environmental responsibility. In compliance with both those standards, outlined below are our public benefit statements, the contact information for our Benefit Director, and the Director's Statement.

General Public Benefit

Liability Brewing Co.'s general public benefit is to deliver a material positive impact on society and the environment taken as a whole, as assessed against a third-party standard, from the business and operations of a benefit corporation.

Benefit Director

Kathy Horner
General Manager
109 W Stone Ave, Suite D
Greenville, SC 29609

Director's Statement

Liability Brewing Co. and its leadership team acted in accordance with its general and specific public benefits and complied with Section 33-38-400 of the South Carolina Benefit Corporation Act. The remainder of this report outlines Liability Brewing Co.'s specific actions taken toward meeting those purposes as assessed against the Third-Party Standard.

Specific Public Benefit

Liability Brewing Co. adopted the following specific public benefit:

- To produce our craft alcoholic beverages in a manner that promotes environmental sustainability through the selection of like minded supply chain partners and utilizing innovative manufacturing techniques that seek to reduce the impact of our operations on energy usage, water consumption, greenhouse gas emissions, and waste.

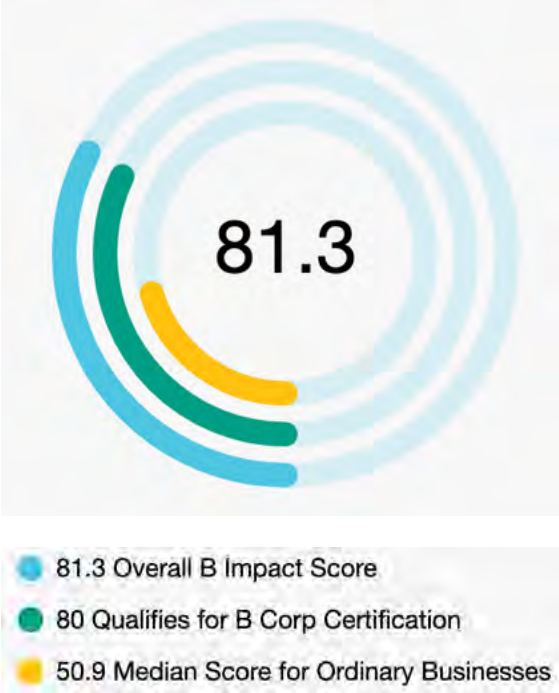
- To establish a professional workforce by providing livable wages, healthcare and other insurance to eligible employees, paid time off, continuing education opportunities, and discounts.

- To give back to our local community via partnerships with charities and organizations that focus on improving our region's environmental footprint, health and wellness levels, and the personal and economic impact of our citizens.

B Impact Assessment

Overall B Impact Score :
Must score 80 or above for certification

We utilize the B Impact Assessment (BIA) administered by B Lab as our third-party standard to evaluate our progress on meeting our specific public benefit. Companies that achieve a score of 80 or above and pass their risk review are awarded the "B Corp Certification." As defined by B Lab, "B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials."



The BIA also provides benchmarking tools to evaluate our performance against other B Corps as well as a platform to identify and track opportunities for improvement.



AFFILIATION TO STANDARD

There is no connection or relationship between Liability Brewing Co., its ownership, or its benefit director/officer with B Lab or the B Impact Assessment.

B Impact Assessment

In May 2022, we earned the official B Corp Certification from B Lab with a score of 81.3 on the B Impact Assessment

In 2025, we will re-certify under the same standards utilized in 2022.

Looking ahead, B Lab is developing a new standard for certification moving away from the five impact areas listed below and toward Foundational and Impact Topic Requirements.



COMMUNITY

“Evaluates a company’s engagement with and impact on the communities in which it operates, hires from, and sources from. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management."



ENVIRONMENT

“Evaluates a company’s overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes the direct impact of a company’s operations and its supply chain and distribution channels."



WORKERS

“Evaluates a company’s contributions to its employees’ financial security, health & safety, wellness, career development, and engagement & satisfaction."



CUSTOMERS

“Evaluates a company’s stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels."



GOVERNANCE

“Evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency...[and] the ability of the company to protect their mission and formally consider stakeholders in decision making...”

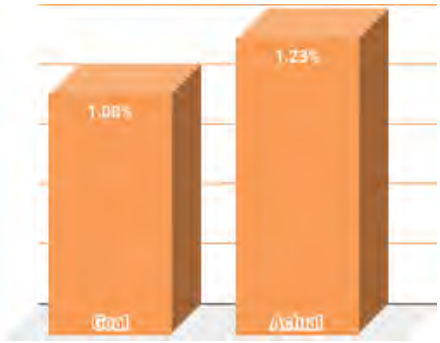
Measuring Progress: Community

Goal - Donate 1% of annual revenue

Our charitable giving and partnerships primarily focus on the values listed below.

Giving efforts and partnerships may include any of the following:

- Free use of our space to host a private event to support the charity's mission.
- Public event to engage the community and our customers in the mission of the charity.
- Donation of a portion of sales or a set donation.
- Shared promotion of the charity on our social media and email channels.



Percentage of Revenue Donated

Value	Description	2024 Percentage
Sustainability & Environmental Protection	Organizations that are focused on protecting the environment and reducing our collective negative impact	3%
Health & Wellness	Organizations that are focused on improving the health and wellness of individuals and animals in our community	72%
Personal & Economic Impact	Organizations that are focused on education, advocacy, or improving individuals' access to economic opportunities	25%

Measuring Progress: Community

Providing the community with more than just dollars



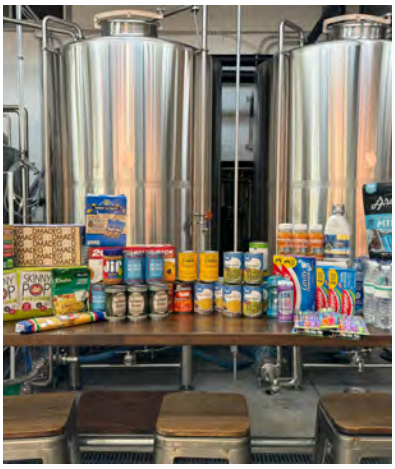
Staff took part in spring and fall environmental events—Earth Day Unity Park Cleanup with Greenco Distributing and Upstate Circle of Friends community garden composting day.

Partnered with the Freehub Bicycles Racing Team to collect donations and host a silent auction at the Anniversary Party, with all proceeds ($1,256) benefiting Ride to End ALZ SC.









On September 27th, Hurricane Helene devastated Upstate SC and Western NC, claiming lives and destroying communities.

We collected $700 in goods for the United Way of Greenville County and joined the Pouring for Neighbors WNC Hurricane Relief drive, with proceeds to be donated in 2025.



Measuring Progress: Community

Supporting local, independent, and like-minded businesses

The B Impact Assessment's Community Impact area also evaluates supply chain management—how we engage with our local economy and support like-minded businesses that prioritize more than just the bottom line. Here are just a few highlights from our supply chain.



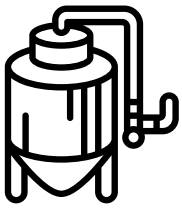
Local Within 200 Miles	Average Length of Suppliers Relationships	Independently Owned	B Corp Certified	Hold Other Certifications
34%	41 months	53%	6%	15%

- Based on Significant Supplier classification.

Measuring Progress: Environment

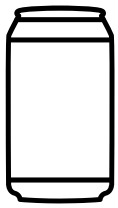
Utilizing responsible practices and environmentally friendly products

We're on a never ending search for the best ingredients and best processes to make the greatest beer we possibly can with the lowest environmental impact possible.



Heat Exchanger, HLT, CLT, & Spunding Valves

Purposeful equipment choices to conserve water, energy, and to capture CO2 naturally



Package Exclusively in Aluminum Cans

Package in infinitely recyclable aluminum cans (made of 67% recycled materials)



Recycled Cardboard Flats

Made from 41% recycled fibers -- Remaining fiber is 100% sourced from responsibly managed forests



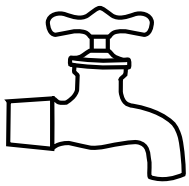
PakTech Handles

Made in the US from 100% recycled plastic and are 100% recyclable -- collected from customers for reuse or recycling



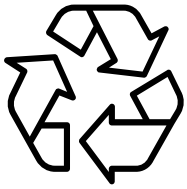
Energy Saving Equipment

Majority of light fixtures are LED bulbs and work on motion sensors as well as Energy Star rated applicances



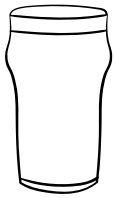
Low-Flow Water Systems

Bathroom and bar faucets, toilets, and tankless water heater



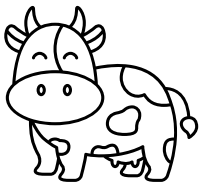
Recycling Program

Approximately 2,448 pounds recycled annually including "hard to recycle" plastics



Glass Recycling

Partner with local glass recycling company to divert 100% of broken taproom glassware from landfill



Spent Grain Program

100% of spent grain donated to HJ Ranch for cattle feed through which:

83,652 lbs diverted from landfills

334,608 gal of water saved

4,064 sq ft of cropland reclaimed

90 lbs of greenhouse gases offset



Waste Reduction

Source Reduction Audit to determine current waste levels in all operations and set goals for further reduction

Measuring Progress: Environment

Tracking our progress within the craft brewing industry

To track our progress and goals in reducing our environmental footprint, we utilize the Brewers Association's Sustainability Benchmarking Tool – Basic. The most recent Brewers Association Sustainability Report, covering the five-year period from 2017 to 2021, serves as a key reference for industry-wide comparisons. The chart below presents our 2024 usage in relation to this report. It is important to note that in 2022, we transitioned to a new production category, moving from 0–1,000 BBL per year to 1,000–10,000 BBL per year. Operational efficiencies can vary significantly within this range, particularly between breweries producing closer to 1,000 BBL per year versus those approaching 10,000 BBL per year.

Utility Used per Barrel (BBL) of Beer Sold	LBC Usage*	LBC's Usage Benchmarked to Other U.S. Craft Breweries (1,000-10,000 BBL/Year)**	Median / Mean Usage for Other U.S. Craft Breweries (1,000-10,000 BBL/Year)**
Natural Gas (therm/BBL)	4.8	Middle 50%	2.7 / 4.2
Water (BBL/BBL)	7.6	Middle 50%	7.5 / 9.1
Electricity (kWh/BBL)	95	Bottom 25%	62 / 77
CO2	6.7	Middle 50%	10.2 / 10.6

*LBC Usage data is from 2024.
**Benchmarked data is from *2017-2021 Sustainability Benchmarking Report*, Brewers Association

Measuring Progress: Workers

Supporting the people who make it all happen

The heart and soul of Liability Brewing Co. are its employees. The quality of our work environment for the staff is as important as the quality of beer we serve to you. Supporting our team through professional development, benefits, and a strong workplace culture helps us build a brewery where people love to work.

4.2 Years

Average tenure of staff in 2024

Employer-sponsored ICHRA health plan that allows employees to select the best coverage for their needs, with the benefit of portability	**Employees earn above the MIT living wage calculation and are eligible for performance bonuses**
50% payment of Dental & Vision premiums for employees; available dependent coverage	**Stock options for eligible employees**
100% payment of Life Insurance and Short/Long-Term Disability premiums	**Annual employee satisfaction survey and additional feedback opportunities**
Payroll app that offers budgeting, goal setting, early access to paycheck, and automated tax filing	**Onboarding, position-specific, and cross training opportunities**
3 company wide holidays and 7 paid holidays for full-time salaried staff	**Professional development with employee growth in mind (148 hours logged in 2024)**
Paid time off, parental leave, and military leave	**Regular performance feedback and one-on-ones with supervisor**
Employee Assistance Program (EAP)	**Free and discounted merchandise, food and beverage**

Measuring Progress: Workers

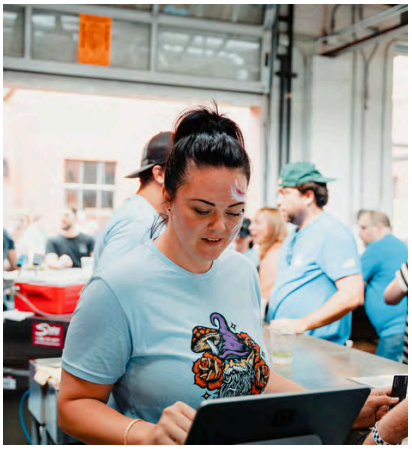
And having a lot of fun along the way



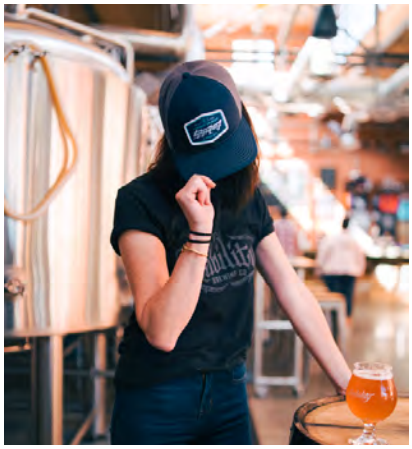






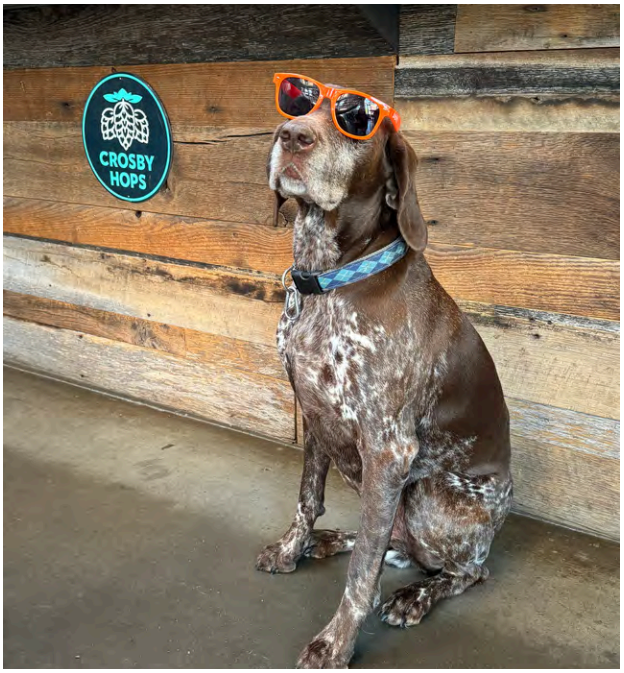


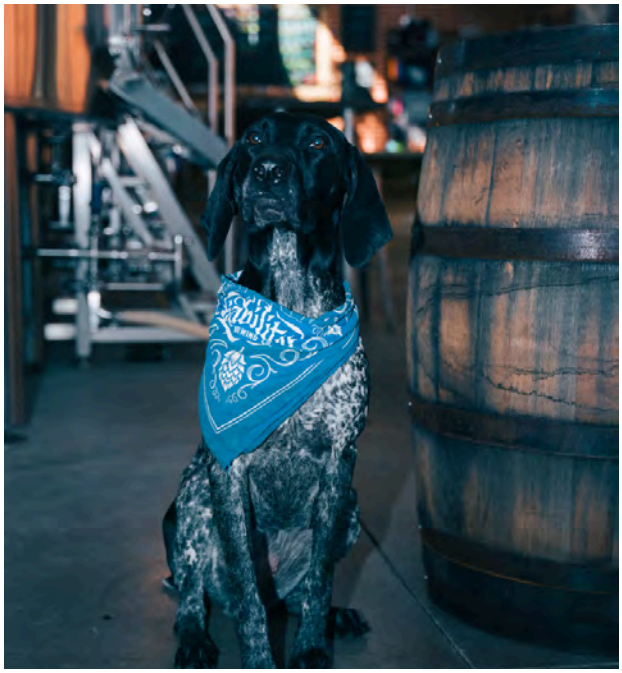




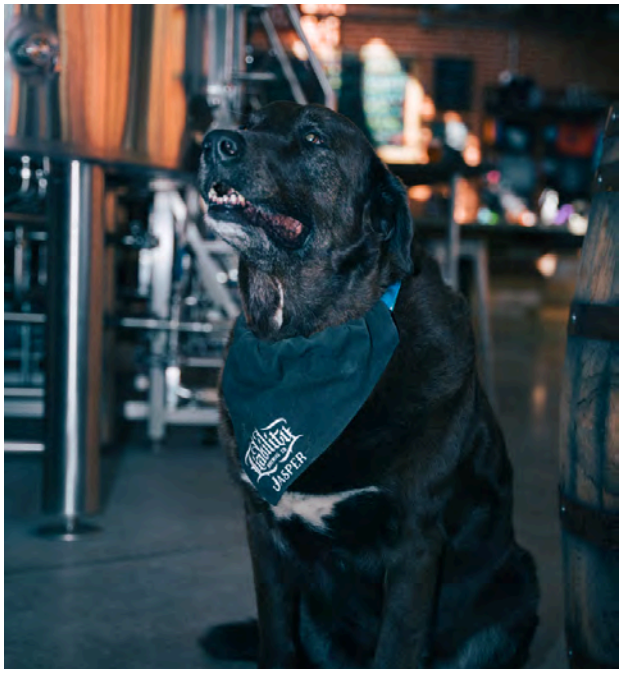
Measuring Progress: Workers

With the best greeters a brewery could ever have









Measuring Progress: Customers

We're fun loving and irreverent, but don't let that fool you. We are serious about our craft and our quality

We are maniacally focused on creating an experience that you and your friends will enjoy for decades to come. We want to be a collaborative community gathering spot. We like constructive criticism and want to know what we can do better at every step of our process. And we need you to help us bring it together.



Health Conscious Beer and Non-Alcoholic Beverages

- Our brewing philosophy:
  - Only use real, food-based ingredients in our beer.
  - Exclude all animal products, except honey (clearly noted when used).
  - Create beers that are dairy-free and vegetarian-friendly.
  - Use an enzyme to reduce gluten for gluten-conscious drinkers.
- Offer non-alcoholic beverages that are low in sugar and calories.

Responsible Serving

- Ensure staff comply with all alcohol-related laws, prevent over-serving and service to minors, and receive training to recognize the risks of drug-facilitated sexual assault. Implement policies and procedures to support these efforts, including a discreet way for customers to ask for help.
- Promote responsible drinking through intentional messaging and avoid celebrating or encouraging overconsumption in our marketing.
- Offer a selection of low-ABV beers.





Customer and Industry Collaborations

- Continued our *Societas Vombatus* customer craft beer community.
- Hosted two *Societas Vombatus : The Twelve* winner collaboration brew days.
- Hosted four industry collaboration brew days.

Measuring Progress: Customers

Great beer, better experiences, lasting connections



Customer Stewardship

- Implement formal quality control measures informed by industry standards and practices.
- Replace any beer that does not meet our high standards.
- Partner with like-minded suppliers to ensure quality from field to pint glass.
- Protect the privacy and security of all customer information collected during service, with our Privacy Policy available online.

Customer Feedback

- Actively seek customer feedback on our beer and service through multiple channels, including in-person, phone, web forms, email, and social media.
- Monitor and respond to all customer feedback within 24 hours of receipt.
- Share customer feedback internally with staff and publicly through this report, online reviews, and social media.



Platform	Goal	LBC Rating
Square	90% Positive	95% Positive
Google	4.5 Stars	4.8 Stars
Untappd	4 Stars	3.84 Stars
Facebook	75% Recommend	82% Recommend
Yelp	4.5 Stars	4.4 Stars

Measuring Progress: Governance

Independently and locally owned

In October 2021, we amended our corporate structure to become a Benefit Corporation, formally embedding our commitment to considering both general and specific public benefits in our long-term strategy and daily operations.

Our approach to governance and leadership is rooted in transparency and collaboration. We strive to create a workplace where employees are not only empowered to make decisions but also encouraged to contribute ideas that drive improvement and growth. Likewise, we actively welcome feedback from our customers and the greater community, recognizing that their insights help us evolve and better serve our mission.

Highlights of the Governance category include:

- Hosting weekly, monthly, quarterly, and annual meetings with various teams and the entire staff, providing comprehensive business and financial updates.
- Conducting regular one-on-one meetings between leadership and their team to foster communication and support.
- Performing annual employee performance reviews that highlight accomplishments and facilitate discussions on future growth.
- Establishing a Health and Safety Committee with representatives from all areas of LBC, responsible for reviewing company operations, recommending safety improvements, developing Standard Operating Procedures for their respective areas, and reporting annual safety data to the full staff.
- Maintaining transparency by sharing leadership team composition and initiatives to fulfill our specific public benefits through our website and social media, as well as publishing an annual impact report.
- Engaging with customers and community members through our website's contact page, social media platforms, and in-person interactions at the taproom.
- Actively participating in industry benchmarking studies conducted by the Brewers Association.

What's Coming in 2025?

With our Certified B Corp status, Liability Brewing Co. remains committed to being a *Force for Good*. As we close out 2024, we are already deep into our recertification process and expect to attain approval by May 2025. This certification is a testament to the hard work and dedication of our staff—to the community we call home, the customers we serve, and the environment we cherish. We proudly display this designation alongside our Certified South Carolina Product recognition and the Brewers Association Independent Craft Beer Seal.

In 2025, we plan to further expand our distribution across South Carolina, making our beer more accessible than ever. But no matter how far we reach, our taproom will always be home.

With a continued focus on experimentation and collaboration, expect to see new taproom-exclusive brews in 2025. We're excited to welcome our final two *Societas Vombatus: The Twelve* winners to brew their own collaboration beers with us. And we'll continue partnering with both new and longtime friends in the craft beer industry—because, at the end of the day, friendship is where this all began.

At the same time, we remain dedicated to our ongoing goals of sustainability, fostering an exceptional workplace, and being a strong community partner. We will continue working diligently to reduce our environmental footprint, support our employees, and strengthen the connections that make LBC more than just a brewery.

We thank all of you that have joined us on this journey thus far and look forward to many more years of friendship found over a shared pint.

Life is better with a little Liability!





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