



CONSCIOUS CONTAINER[®]

2022

ANNUAL BENEFIT
CORPORATION
REPORT



Letter from the Founder

We rolled into 2022 with a lighter step as the economy was slowly opening back up from the pandemic. Our efforts over the past two years driving a positive narrative around 'reusable' containers began to bear fruit as we expanded engagement across our stakeholder communities and launched our commercial business in Cloverdale, California.

Our first quarter of 2022 focused on gaining traction across the wine industry to validate the drivers for adoption of reusable wine bottle solutions, successfully establishing a network of Northern California winery reuse 'champions'. This network enabled us to engage in wash-off label solutions and test glass bottle logistics. The focus of these collaborative efforts brought us the solutions and strategically aligned partners whom collaboratively laid the runway to launch this Benefit Corporation business vision and mission—a refillable wine bottle business!

By mid 2022, all the pieces fell into place and we launched our business operations. Although we had washing equipment delivery delays, the Conscious Container team remained diligent throughout all the challenges of standing up the first independent beverage bottle washing operation in the U.S. in decades. We assembled our commercial washing equipment, created our washing system, collected our first inventory of glass wine bottles for washing and reselling (saving thousands of bottles from destruction), established internal business processes to manage our inventory, operations and sales, and created our bottle e-commerce site. Our facility partner, Bear Republic Brewing, provided the warehouse and washing operations space allowing us to practice our values by utilizing their water recycling systems in our washing operations. All these efforts resulted in our first reusable bottle sale in Q4 2022, proving the circular beverage packaging reuse model.

Our successes in 2022 resulted in Conscious Container being asked to bring our returnable bottle expertise into many forums. With live events back in action, we presented at the Green Biz Circularity 22 event in Atlanta as well as a premier wine industry event "Napa Thrives" focusing on wine industry sustainable packaging solutions. We were an invited guest for two podcasts, "Wine for Normal People" and "The Winemakers" amplifying our progress across the wine industry. Conscious Container was featured in a San Francisco Chronicle article on refillable wine bottle momentum that gained national attention; and we were highlighted in a Seven Fifty Daily article on the CO2 emission savings achieved with a refillable wine bottle.

What this year has proven to myself, the Conscious Container team, and all of our stakeholder partners is the time and place for this reusable packaging option is NOW. Pretty much every winery we talk with wants a reusable wine bottle option. Winemakers are farmers and directly witness the impacts of climate change, driving them to set aggressive sustainability targets to reduce their overall emissions impacts. Our reusable wine bottle directly delivers the highest emission reduction rewards while reducing overall packaging costs. We are confident the benefits this business will continue to deliver to stakeholders and the planet will be highly impactful for decades. I invite you to join our exciting journey into 2023.

With Gratitude,

Caren McNamara

Caren McNamara, Founder/CEO of
Conscious Container

BENEFIT CORPORATION

From the beginning, Conscious Container was incorporated as a Benefit Corporation to ensure our desire to allow for balanced business leadership decision-making within a transparent and accountable culture. We wanted this 'benefit' intent to be visible and incorporated into our daily operations. Throughout 2022 we continued this narrative through the strategic partnerships we established across our stakeholder value chain, always doing our best to demonstrate values-based business practices.

What we experienced in 2022 was a rapidly expanding circle of stakeholders and momentum, amplified by California legislation that is driving over \$900 million into our redemption infrastructure and \$25 million directly into refillable infrastructure. This perfect storm opens the door to build and scale the most powerful and beneficial reuse solution in the beverage container marketplace. We also believe business driven for the benefit of all is good business.

With our business mission "to create, deliver, and scale a refillable glass bottle ecosystem to reduce CO2 and economic costs of single-use glass bottles" we continued to be grateful for the focus our mission describes. Coupled with our Benefit Corporation standing, we have a solid platform to continue to author how we step out and step up our collective efforts to deliver a business solution which will determine cultural and environmental impacts felt for decades to come.

With marketplace traction and respect, Conscious Container is demonstrating how we deliver a climate action business solution for the benefit of all.

A FEW HIGHLIGHTS FROM 2022:

- The most impressive milestone is launching Conscious Container's bottle washing and logistics business operations with our strategic partners and champion customers. This marks the first independent beverage bottle washing operation in the United States
- First sales of reusable glass wine bottles to regional wine producers delivering a reduction of over 10 tons of single-use glass packaging NOT going into our waste systems
- Successes throughout 2022 working with champion wineries and label providers to enable the first supply chain avenues offering environmentally friendly wash-off label options to wineries wanting to move into a reusable package option
- Building a Reusable Wine Bottle Roadmap to guide wineries through the steps and options to move into a reusable wine bottle packaging option which directly benefits winery business goals to meet and exceed aggressive climate action business targets
- Throughout 2022, Conscious Container was solicited to participate in industry and sustainability podcasts, webinars, and events sharing how this Benefit Corporation building a viable and purpose driven most sustainable packaging option in the beverage marketplace

Here
we go!

With the pace of momentum we experienced in 2022 we need to remain vigilant and mindful of our Benefit Corporation vision and values as we through 2023. Business conduct and accountability feels even more essential to ensure we demonstrate and achieve success in this emerging marketplace of “reuse”.

The entire Conscious Container team is confident in the progress made in 2022 and truly excited with the growth prospects in 2023 for this impactful ‘benefit for all’ business to reduce single-use packaging carbon emissions and waste.



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