

A low-angle, upward-looking photograph of an industrial interior. Large, dark, corrugated metal pipes run diagonally across the frame. A single, glowing orange pendant lamp with a wire cage hangs from the ceiling. The background features a large window with a grid pattern, letting in natural light. The overall aesthetic is industrial and modern.

**ANNUAL  
BENEFIT  
REPORT:  
2022**



*overview*

# OUR STORY

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.

2017



**Liability Brewing  
Company  
Founded**

2018



**Opened Our Doors**  
4,953 SQ FT  
10 BBL Brewhouse  
3 Fermentation Vessels  
1 Brite Tank

2019



**First Expansion**  
+ 2 Fermentation Vessels  
Internal Salesperson  
Canning Line  
Limited SC Distribution

2020



**Second Expansion  
Amidst the COVID  
Pandemic**  
+ 2 Fermentation Vessels  
Operated Safely  
Retained Staff

*overview*

# WHAT'S IN A NAME

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.



2021

### Third Expansion

+ 4 Fermentation Vessels  
Upgraded Canning Line  
Expanded SC Distribution  
Became a SC Benefit Corp



2022

### Current State

4,953 SQ FT  
10 BBL Brewhouse  
11 Fermentation Vessels  
1 Brite Tank  
Became a Certified B Corp  
Refrigerated Van

THE FUTURE

### Continued Growth

Additional Equipment  
Additional Staff  
Further Expand SC Distribution

*overview*

## 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. When the experience doesn't exceed those expectations, we will work to correct the issue in a timely manner.

**FUN** - We will live our mantra.

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

**HONESTY** - We will be honest and not spread any falsehoods. We will be transparent and freely 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 by developing and implementing an annual charity plan.

## OUR OWNERSHIP TEAM

Terry Horner - Majority Ownership

Shane Horner - Minority Ownership

Jeremy Schwendeman - Minority Ownership



*benefit corp overview*

## OUR BENEFIT DIRECTOR & OFFICER

**Kathy Horner**

General Manager

109 W Stone Ave, Suite D

Greenville, SC 29609

## DIRECTOR 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.

## OUR GENERAL PUBLIC BENEFIT

Pursuant to the South Carolina Benefit Corporation Act, 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.

## OUR SPECIFIC PUBLIC BENEFIT

Pursuant to the South Carolina Benefit Corporation Act, 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, educational attainment levels, and the personal and economic impact of our citizens.

benefit corp overview

# THIRD-PARTY STANDARD

The South Carolina Benefit Corporation Act requires the use of a third-party standard to assess and report on our efforts to meet our specific public benefit.

We utilize the B Impact Assessment (BIA) administered by B Lab. 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."

Our specific public benefit highlights a commitment to the environment, our workforce, and our surrounding community. The BIA specifically evaluates company performance in the areas of Governance, Workers, Community, Environment, and Customers. These categories aligned well with measuring our success in meeting our specific public benefit. See the corresponding B Impact Report table for our scores.

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.

# CERTIFICATION

In May 2022, we earned the official B Corp Certification from B Lab.

B Corps are purpose driven organizations that place emphasis on making a positive impact on their employees, communities, and the world by making sure that every stakeholder benefits from the organization and not just shareholders or owners.

B Impact Report		
Categories	Our Score	Sector Ave.
Governance	15.2	5.6
Workers	20	16.3
Community	18	11.2
Environment	23.3	20.1
Customers	4.6	2.1
Overall B Score	81.3	76.5
80 pts required for B Corp Certification 81.3 pts out of 200 *Based on 2020 and 2021 data		



*benefit corp standards*

## GOVERNANCE

Liability Brewing Co. is an independently owned and operated craft brewery located in Greenville, SC. In October 2021, we amended our corporate structure to become a Benefit Corporation. This amendment formally codifies that decisions made in both long-term strategic planning and in day-to-day operations consider our general and specific public benefits.

Our philosophy towards governance and overall leadership is to be transparent with our employees and to foster a collaborative work environment in which all employees feel empowered not only to make decisions but to provide suggestions for improvement and growth.

We also encourage and welcome similar feedback from you and our community.

Highlights of the Governance category include:

- ✦ Lead weekly, biweekly, monthly, quarterly, and annual meetings with different teams and the entire staff featuring comprehensive updates of all areas of the business as well as financial reporting
- ✦ Conduct regular one-on-one meetings between the leadership team and their assigned staff
- ✦ Transparent communication via our website and social media platforms of the composition of our leadership team and activities we are pursuing to meet our specific public benefits
- ✦ Engage with our customers and community members through a contact page on our website, via social media platforms, and in person in the taproom
- ✦ Regular participation in industry benchmarking studies conducted by the national Brewers Association



The B Impact Assessment's Governance section "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 through their corporate structure."



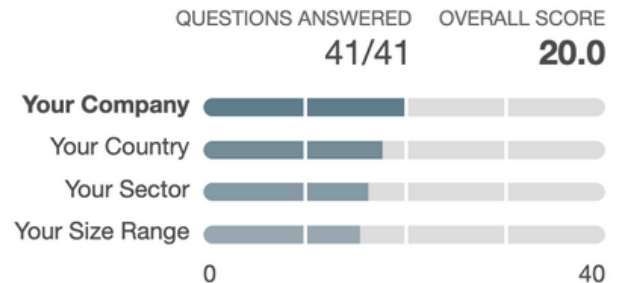
*benefit corp standards*

## WORKERS

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.

Highlights of the Workers category include:

- ✦ 75% coverage of employees' health insurance premium
- ✦ 50% coverage of employees' dental and vision insurance premiums
- ✦ 100% coverage of employees' life and disability insurance premiums
- ✦ Coverage available to dependents
- ✦ Paid time off, parental leave, and flexible schedules
- ✦ All employees earn above the MIT Living Wage calculation for their employee category for Greenville-Anderson-Mauldin, SC
- ✦ Performance and annual bonuses
- ✦ Stock options for eligible employees
- ✦ Onboarding and position-specific training
- ✦ Professional development, ongoing training, and employee growth plans
  - Staff logged 130 hours in 2022 in professional development activities
- ✦ Regular performance feedback and one-on-ones with supervisor
- ✦ Free and discounted merchandise and products



The B Impact Assessment's Workers section "evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction. In addition, this section recognizes business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment."



*benefit corp standards*

## COMMUNITY

As a fundamental part of our mission and values, Liability Brewing Co. strives to 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.

When we partner with a local charity, we offer the following:

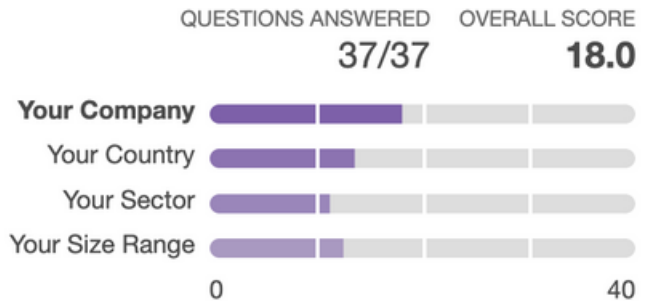
- Free use of our space to host a private event to support the charity's mission,
- Public event to engage the community and our customers in the mission of the charity,
- Donation of a portion of sales, and
- Shared promotion of the charity on our social media and email channels.

Throughout the year, we also support additional local charities via participation in festivals and events.

The Community category also highlights our work in diversity and inclusion.

Highlights of the Community category include:

- ✦ Goal - donate approximately 1% of our revenue to causes and organizations of importance to our staff
  - Met! - we donated 1.1% in 2022
- ✦ Partnered with 6 organization and donated to an additional 7 organizations
- ✦ Goal - support our local job market by hiring locally.
  - Met! - all of our employees in 2022 were hired from the Upstate
- ✦ Majority ownership and the leadership team live in the community we operate
- ✦ Goal - direct more purchases through local and independent suppliers
  - Met - we contracted with 3 new local and independent suppliers in 2022



The B Impact Assessment's Community section "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. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic development, and formal charitable giving commitments."



*benefit corp standards*

## ENVIRONMENT

Liability Brewing Co. and her brewing team 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 you want a product that is equal parts art and science, and not just about maximizing shareholder profit.

This means we have to do more with less. We rely on our senses as much as our equipment to tell us when a beer is at its best. 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.

Highlights of the Environment category include:

- ✦ Purchase nearly all of our raw ingredients from the US, supporting American craft farmers and producers
- ✦ Utilize varieties of grain that are more sustainable, developed by American universities to adapt to local growing climates, alleviating pressure on farmers to use more archaic varieties that require high pesticide usage
- ✦ Capture naturally produced CO2 during fermentation to lower our CO2 usage and our carbon footprint
- ✦ 4,617 LB on average were recycled, including glass
- ✦ Prioritize purchases of recyclable or compostable materials

By donating our spent grain to a local farmer or composting it:

- ✦ 88,124 LB of spent grain diverted from the landfill
- ✦ 95 LB of greenhouse gas was offset
- ✦ 4,281 SQ FT of cropland was reclaimed
- ✦ 353,494 gallons of water conserved



The B Impact Assessment's Environment section "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, when applicable its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less toxic alternatives to the market, or educate people about environmental problems."



*benefit corp standards*

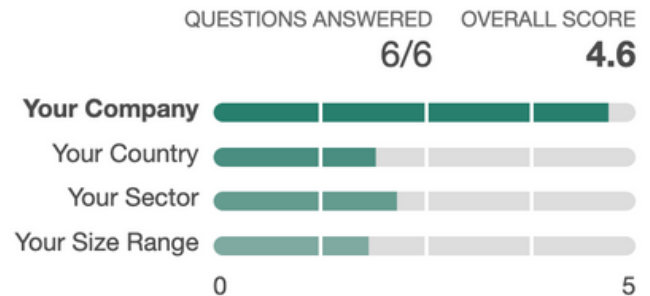
## CUSTOMERS

Liability Brewing Co. is 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.

Highlights of the Customers category include:

- ✦ Focus on our health conscious consumers by:
  - only using food products in our beer,
  - not using animal products of any sort (outside of honey, which will be noted on any beer containing it)
  - being dairy free and vegetarian friendly, and
  - using an enzyme to reduce gluten, for our gluten conscious drinkers.
- ✦ Create a society of likeminded craft beer enthusiast customers for fellowship and also as customer feedback panels
- ✦ Prominently list the alcohol content for all beer on menus and in marketing
- ✦ Reduce overconsumption by serving higher alcohol beers in smaller serving sizes and actively monitoring customer consumption levels
- ✦ Providing nonalcoholic options and free water to ensure all customers are comfortable in our space
- ✦ Intentionally promote responsible drinking and actively avoid celebrating or encouraging overconsumption in our marking messages
- ✦ Ensure that staff follow all alcohol related laws, mitigate over-serving of customers and the serving of minors, and recognize the potential for drug facilitated sexual assault through appropriate training, policies, and procedures.

Also, our president sits on the SC Brewers Guild board which exists to unify, promote, and grow a cohesive and responsible craft beer industry in South Carolina.



The B Impact Assessment's Customers section "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. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts & media products, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations."



*looking ahead*

## WHAT'S COMING IN 2023

After becoming a Certified B Corp, Liability Brewing Co. remains dedicated to *Being a Force for Good* in the world. This designation solidifies the hard work and dedication of the staff to the community we live in, the customers we serve, and the environment which we hold dear. We proudly display this certification alongside our Certified SC Product designation and Brewers Association Independent Craft Beer Seal.

We will continue to utilize the B Impact Assessment as our Third-Party Standard which allows us to set goals and make strategic decisions that meet our general and specific public benefits. In 2025, we will recertify with B Lab to prove our continued commitment to the cause.

We believe 2023 will continue to be a growth year for Liability Brewing Company, expanding our distribution further across the state of South Carolina and becoming accessible to more people. But our taproom will always remain home.

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

Life is better with a little Liability!



Follow us on all the things: @liabilitybeer  
Contact us at [www.liabilitybrewing.co](http://www.liabilitybrewing.co)