

IMPACT REPORT 2022



A Note from Russ

The year of 2022 proved one of Lakefront Brewery's most transformational years. We accomplished a lot operationally, while continuing to support many social causes with three big transformational changes.

First, we started the exit from the COVID restrictions and started to go back to more business as usual. We still have had limited tours, and seating capacity in the Beer Hall, but our employees, both in the Brewery and the Beer Hall, have done a great job in protecting themselves and others throughout the year. We will continue with a safe operation using everything we have learned.

Second, we started the transition from bottles to cans. Throughout the year, we planned the design of the line, ordered the equipment and the can packaging, took out the bottling line and sold it to a Mexico-based company. Then, the transformation of the Packaging Hall started with ripping out the old bottling room, installing new drains, epoxying the floors, painting the room, and receiving some equipment. With the switch to cans, not only will we have a customer-preferred package, but will be more environmentally friendly with less packaging used per case, lighter weight for easier shipping, and a smaller footprint so we can store more in a smaller space.

Third, we started the renovations on the Riverwalk. The major points were: existing staircase removal and building a new one along with a balcony that overlooks the Riverwalk and the Milwaukee River, changing our old lauter tun into a vestibule between the balcony and the Beer Hall, installing real bathrooms instead of having to get porta potties, creating a larger Beer Hut to serve beer from, and redoing the area under the bridge with new bar sections and pavers instead of the asphalt that we had. An overall improvement to the customer experience on our patio.

Lakefront continued to shine throughout the year with social and environmental achievements that make me proud of our staff. Some of which are:

- . When Russia invaded Ukraine, we raised over \$140,000 for humanitarian relief with our "Putin is a Dick" crowler. As far as I can tell, we raised the most humanitarian relief money of any brewery.
- We gave out 1000 small pride flags for Pride Month and sold a Pride crowler which helps fund an app which recommends LGBTQ friendly locations. We helped sponsor MPS students at the Brewery and warehouse to help give special needs students a chance to find out what it is like to have a job. Donated to many charity silent auctions throughout our area with our \$50 gift box
- Supported Pink Boots with doing a special brew for them
- Continued environmental clean up efforts along the Milwaukee River

Our brewery also came out with new year round products of Bumble Bear, Bierzeit, East Side Dark NA, and Extended Play NA, and we continued to support the My Turn series of beers which four of our employees had a chance to brew what they wanted for sale in the market.

We also were fortunate to win a Good Food Award for the Wisconsinite, a World Beer Cup Gold Medal for the La Gosa Rita, while our Beer Hall won many local awards for the best Fish Fry, Tours, Cheese Curds, and Craft Brewery.

I can say that I'm looking forward to 2023, and proud of what all of our brewery employees accomplished during the COVID years and 2022 to allow us to make the improvements to our operation and continue to support various social causes.

Russell J Klisch Russell J. Klisch President and Co-Founder





Lakefront Brewery: Certified B Corp and Wisconsin Benefit Corporation

Lakefront Brewery, Inc. online B Corp profile

Certified B Corp

B Corp is a certification from B Lab

Score 80 pts or higher on B Impact Assessment in areas of:

Governance, Workers, Community, Environment, and Customers

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. We must be the change we seek in the world.

B Lab U.S. and Canada website

B Lab Global website

Wisconsin Benefit Corporation

Change Articles of Incorporation

Annual Benefit Report (Here we are!)

Lakefront Brewery became WI benefit corporation November 2019

Wisconsin Benefit Corporation: Benefit Corporation is a kind of for-profit corporate entity in Wisconsin. Requirements include a positive impact on society, workers, the environment. Self-reported performance through annual report against a third-party standard to merge the traditional for-profit business corporation model with a non-profit model by allowing social entrepreneurs to consider interests beyond those of maximizing shareholder wealth. Requires an annual statement as to the benefit corporation's promotion of public benefit.





Our Mission Governance

Mission Statement

Creating natural, sustainable, innovative food and beverages while celebrating Milwaukee hospitality to our visiting guests.

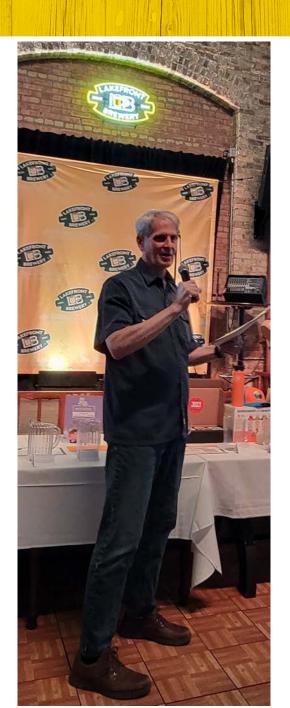
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Mission Lock

In accordance with our Mission Statement, Lakefront will consider stakeholders in its decision making and maintain a priority of sustainable environmental stewardship.



- Updated Values
- Updated Code of Conduct
- Reinstituted *What's Happening* internal monthly newsletter
- Hosted first B Corp Team Meeting in 2022





Lakefront Brewery Values

Governance

Hard Work

Hard work is its own reward. At our core, it's the <u>duty</u> of all Lakefront Brewery employees to make an earnest <u>effort</u>; to make the best beer and give the best service.

Dependability

We know folks have only so much money, time, and <u>room</u> in their stomach. The choices are so vast that investing in that 6-pack or fish fry becomes a big decision. People <u>rely</u> on the dependability of our beer, our service, and our support.

• Fun

We're in the craft beer business, and a destination for <u>fans</u> across the nation. Our world is inherently fun. When people interact with us, whether it's in a liquor store or the Beer Hall, <u>we</u> want them smiling.

Approachability

Our leader, Russ Klisch, is down-to-Earth, humble, and approachable. Same goes for Lakefront Brewery. We want to make it easy to <u>grab</u> a beer, get some food, and find out more on America's Favorite Brewery Tour.

• Local

Born in <u>Riverwest</u> and raised all over, we're grateful to be a Milwaukee icon. We support local, we represent Milwaukee, and we know where we come from.

Environmental Stewardship

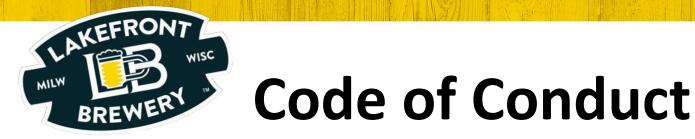
From using recycled materials, to keeping our river clean, to being a solid neighbor, we are committed to be good <u>stewards</u> of our world.

Innovation

The first certified gluten-free beer, the first certified organic brewery, the first Certified B Corp™ brewery in Wisconsin. We innovate. We lead.

Inclusivity

We believe in equal access to opportunity and resources for everyone. Bring your whole self to work at Lakefront Brewery. We want our <u>employees</u> and guests to feel comfortable flexing their personal ideas and creativity.



Governance

Commitment to Equal Opportunity:

We are proud to be an Equal Opportunity Employer. It's not just the law, it's a good idea. We simply owe it to our employees, our customers, and all our stakeholders to provide an environment free from all forms of unlawful employment discrimination. Period!

We do not discriminate in any employment policies or practices against applicants or employees because of race, national origin, religion, age, gender, gender identity, sexual orientation, pregnancy, disability, or any other protected basis.

Respectful Workplace

All employees have the right to work in an environment free from harassment. Harassment, including sexual harassment, of one employee by another employee, customer, or vendor serves no purpose and there is no place for it here at Lakefront Brewery.

Disability Accommodation

In keeping with our philosophy of inclusivity, we provide equal opportunity in employment for all qualified individuals regardless of disability. We offer reasonable accommodation to qualified individuals with disabilities.

Violence is Prohibited

We cannot and will not tolerate violence in the workplace. No fighting. No threatening. No intimidating. No stalking. No overly aggressive behavior. Violence is not a laughing matter, so please understand that we won't tolerate joking about violence either. Respect each other's space and boundaries.



Code of Conduct (cont'd)

Governance

Fraud, Dishonest Acts and Illegal Activities

Any illegal activities including, but not limited to, fraud, theft, assault and battery, or illegal drug possession, usage and transactions on company premises or company time will not be tolerated. In addition to company actions, management will cooperate fully with law enforcement including reporting illegal acts to law enforcement agencies and support of prosecution.

Violation Complaint Procedure and Policy of Non-Retaliation

We are committed to providing a safe and productive environment, free of threats to health, safety and well-being. These threats include, but are not limited to, discrimination, harassment, drug abuse, violence and any violations of law.

Anyone who witnesses, or is subject to, inappropriate conduct on our premises is expected to report it.

Please speak to a manager, the President or HR. Any Manager who receives a complaint about, hears of or witnesses any inappropriate conduct is required to immediately notify the President and HR.

We encourage you to come forward with complaints immediately, so we can take whatever action is needed to handle the problem. We are committed to immediate and decisive action on any complaint once the facts are clear and due process has been extended. For serious complaints alleging discrimination, harassment, violence or illegal conduct, we will immediately conduct a complete and impartial investigation. All complaints will be handled as confidentially as possible. When the investigation is complete, we will take the appropriate corrective action.

We will not engage in or allow retaliation against anyone who makes a good faith complaint or participates in an investigation. If you believe you are receiving any kind of negative treatment because you made or were questioned about a complaint, immediately report the conduct to the President or HR.





Employee Benefits Workers

- Employees welcome to participate in 401K (full and part-time)
- 47% of our employees contributing to the employer-matched 401(k) in 2022
- Employee assistance program through United Healthcare
- Employee discounts
- Full benefits for employees working over 30 hours a week including medical, dental, vision, HSA, disability and life insurance.
- Free financial advisor meetings held at Beer Hall for employee 401(k) plan
- Free weekly workouts
- My Turn Series: Every full-time employee gets to make their own beer, and the public gets to meet four new Lakefront Brewery employees each year.



My Turn Series workers







Proud Member of:

- MMAC Milwaukee Metro Association of Commerce
- WISLGBT Chamber of Commerce
- FAB (Food and Beverage) Wisconsin
- Travel Green WI-Certified Business (First brewery)
- B Local Wisconsin
- Bicycle Benefits Program
- Riverwest Brewery Syndicate
- B Corp Climate Collective- <u>https://www.bcorpclimatecollective.org/</u>
- Citizens Utility Board- <u>https://cubwi.org/</u>
- Craft Beer's Purchasing Cooperative
- Great Lakes Business Network
- Wisconsin Sustainable Business Council
- Visit Milwaukee



• Hosted Meet the Bs: A gathering of Wisconsin B Corps™



- September 2022 release party for "The Brew", a collaborative beer with fellow Certified B Corp™ Stone Creek Coffee
- Raised over \$1000 for <u>B</u>
 Local WI
- Pint proceeds of "The Brew" used to purchase 14 Tonnes of carbon offsets from <u>The</u> <u>Gold Standard</u> supporting clean water access for families in Laos.







- Hosted the <u>Irreverent Warriors Hike</u> which brings veterans together using humor and camaraderie to improve mental health and prevent veteran suicide
- Hosted Blood Drive at the Beer Hall
- Participate in <u>SafeRide</u> program which provides free rides home
- Donated meals to local radio station WMSE
- Partner with Milwaukee Comedy for Keg Stand Up monthly with ticket sales going to support <u>The</u> <u>Laughing Tap</u> and <u>Milwaukee Comedy</u>
- Hosted Bake for Ukraine with proceeds benefitting the <u>World Central Kitchen</u> and <u>Save the Children</u>
- The students were back for 2022! MPS school-to-work program started again in-person in September 2022 helping out at the Beer Hall and the warehouse <u>MPS School-to-Work program website</u>
- Forum Fun Night Deal: Free drink for day-of Fiserv Forum ticket
- Shorewest Free Beer: First drink on us through Shorewest Realty
- Added a <u>Geocache</u> to the premises



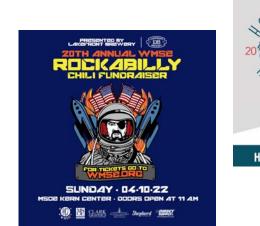
- Joined Wisconsin Sustainable Business Council
- Attended WSBC conference in November 2022
- Sponsored <u>Run 4 Water MKE</u> (UW Engineers Without Borders providing wells in Guatemala)
- 255 spirit barrels reused/resold
 - 8 donated to <u>Urban Ecology Center</u>
- Submitted comment to the EPA regarding Cross State Air Pollution (Good Neighbor Rule) →
- Submitted comment to WE about energy price hikes
- Donated free brewery tour to <u>Ronald McDonald House</u> <u>Charities</u>
- Hosted Milwaukee Riverwalk Committee

"Though Milwaukee and Wisconsin have always been foremost in my mind when considering sustainable brewing, I know that we are not an island. We are far more connected than we are separate. Good neighbors beget good communities and good gracious we know that pollution doesn't stop at the state line. By incentivizing pollution controls you can help protect families around the nation who would normally suffer from downwind smog and other pollutants. Americans of today and tomorrow are counting on you to support regulation that will keep communities safer with cleaner air and water and breathing easier knowing their neighbors are protected too."

-Russell J. Klisch: President, Founder, and Owner of Lakefront Brewery



- Celebrated MKE Women in Comedy at Sugar Maple (Thursday, March 17th)
- Hops for Hearts (March 25th) to support Project Bubaloo, a local non-profit dedicated to raising money for pediatric heart disease research
- Presented 20th Annual WMSE Rockabilly Chili Fundraiser
- Presented Hartfest 2022
- Supported Purrfect Pour Beer & Wine tasting: fundraising for The Alliance of Wisconsin Animal Rehoming Efforts
- Proceeds from Mr. Brews Trivia night raised \$1000 for Humane Society
- Hosted Ex Fabula at Beer Hall









Pink Boots Society

- Made "Grisette" during our Pink Boots Collaboration Brew Day @ Lakefront Brewery
- Portion of Grisette proceeds donated to Pink Boots Society WI Chapter
- Joined over 500 breweries all over the world
- Joined WI Chapter Pink Boots Society for brew day at Old World Wisconsin



A PORTION OF THE PROCEEDS FROM SALES O THIS BEER GO TO THE **PINK BOOTS SOCIETY**

Boots ont









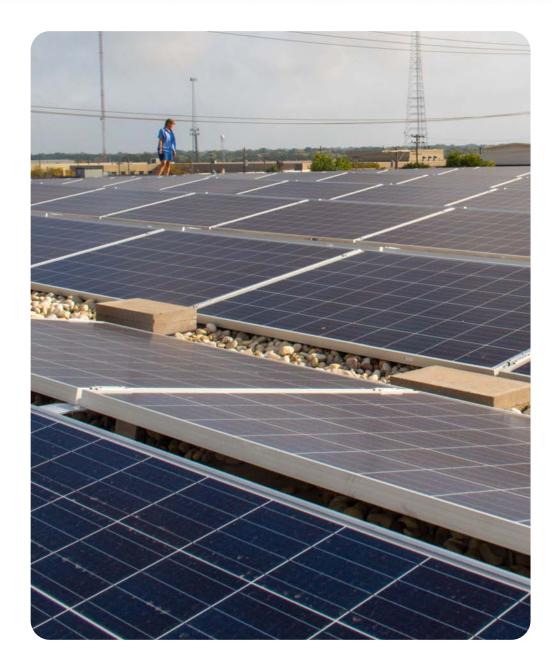


Solar Panel Array

- Installed in September 2017
- 264 solar panels on warehouse roof
- 70kWdc Capacity
- Produced 77.79 MWh in 2022 (1.7% increase from 2021)



"Wherever we can **save**, **contribute** or **innovate**, **we'll do it**. Our warehouse is basically one, giant refrigerator, and it uses a good amount of energy. To create energy ourselves is conserving resources for everyone else." —Russ Klisch Lakefront Brewery President & Co-Founder



Environmental Initiatives Environment

- Lakefront Brewery is located on a repurposed brownfield
- Participate in WE energy for tomorrow renewable energy program
- Heat Exchanger installed in 2014 to repurpose water /waste heat
- Use <u>CHEP</u> Pallets (Enables more sustainable supply chain)
- Use Microstar Kegs (Reduces the miles empty kegs travel)
- Parking Lot Garden & Apiary
- Hop House experience (converted to greenhouses each summer)

"Water. We need it to drink, to stay clean, and as a processing aid in many essential industries. All living things need water to survive and grow, and it is the number one ingredient in beer. We must all be stewards of our planet's ecosystem so we can pass it on from generation to generation, in the same or better condition than we found it." -RUSSELL J. KLISCH



Environment



- Rain garden located in our parking lot across the street
- Compost old rice hulls and hops





Apiary







Environment



- Our bees pollinate the flowers at Lakefront Brewery as well as hundreds of native wildflowers up the Kadish switchback.
- ~20k Italian Honeybees
- ~ 5 gallons of honey in 2022



Environmental Initiatives Environment

- Joined #KeeptheUPwild Coalition looking to preserve Michigan's Wilderness <u>https://youtu.be/xWHGpX9aSAk</u>
- Joined <u>B Corp Climate Collective</u>
- Partnered with <u>Native Roots</u> to give out packet of wildflower seeds on Earth Day 2022
- Hosted Milwaukee Riverkeeper's rain barrel painting event
- Work with WI DNR to stock Chinook Salmon and Rainbow Trout in the Milwaukee River @ Lakefront
- Member of NRDC's Brewers for Clean Water Campaign- signed onto NRDC letter to EPA for clean, safe waterways <u>NRDC Brewers for Clean Water</u>
- Joined Great Lakes Business Network-Groundwork Center for Resilient Communities (MI) <u>Great Lakes Business Network website</u>







Cleanups





Environment

- Participate in Milwaukee Riverkeeper's "<u>Adopt-A-River</u>" Program to clean the south branch of the Milwaukee River two times a year.
- River Cleanup with other breweries on April 2nd (Flurries couldn't keep us away!)
- Riverkeeper Cleanup on April 23rd, 2022











Customer Relations Customers

- Won Five Shepherd Express Best of Milwaukee Awards: Voted Best Craft Beer, Best Fried Cheese Curds, Best Attraction for Out-of-town Guests, Best Brewery Tour, and Best Milwaukee Tour
- Awarded Green Professional Designation from the <u>Green Masters Program</u> with a score of 411
- Hosted more than 30 weddings at Lakefront Brewery on Valentine's Day <u>https://www.tmj4.com/news/local-news/dozens-get-married-at-lakefront-brewery-on-valentines-day</u>
- <u>Bicycle benefits</u> (customers can get \$2 off their first beer for riding their bike to the Brewery)
- Kayak launch on-site so customers can walk, bike, bus or even boat to the Brewery!
- Hosted First Gluten-Free Maifest at the brewery
- Offer Star-K certified Kosher products
- Offer GFCO certified Gluten-Free products
- Expanded our NA line with Eastside Dark NA and Extended Play NA
- Wisconsin Drink Passport V1 https://craftnotes.net/shop/wisconsin-drink-passport-v1/
- Lakefront Loyalty program through Toast <u>https://lakefrontbrewery.com/beer-hall/loyalty</u>
- Bumble Bear won Silver in Honey Beer Competition (Amber Ale Category)
- La Gosa Rita won Gold in the World Beer Cup (Gluten-Free Category)









LAKEFRONT RIPPLE EFFECT

Everyone always asks why we're named *Lake*front Brewery when we're located on the Milwaukee River. That's because we acknowledge and celebrate the ripple effect. Located right on the riverfront, we see the water that flows and connects us, rippling into Lake Michigan, the jewel of Milwaukee. Far more interconnected than we are separated, we believe local actions can make big waves of change for global good.

As the first certified B Corp brewery in Wisconsin, we aim to focus our donation and action efforts on local organizations (e.g. MPS School to Work, MKE Riverkeeper Adopt-a-River), sponsoring local community events (WMSE Rockabilly Chili, Bay View Chill on the Hill) and offering <u>in-kind donation</u> gift boxes for local non-profits (must be 501c3).

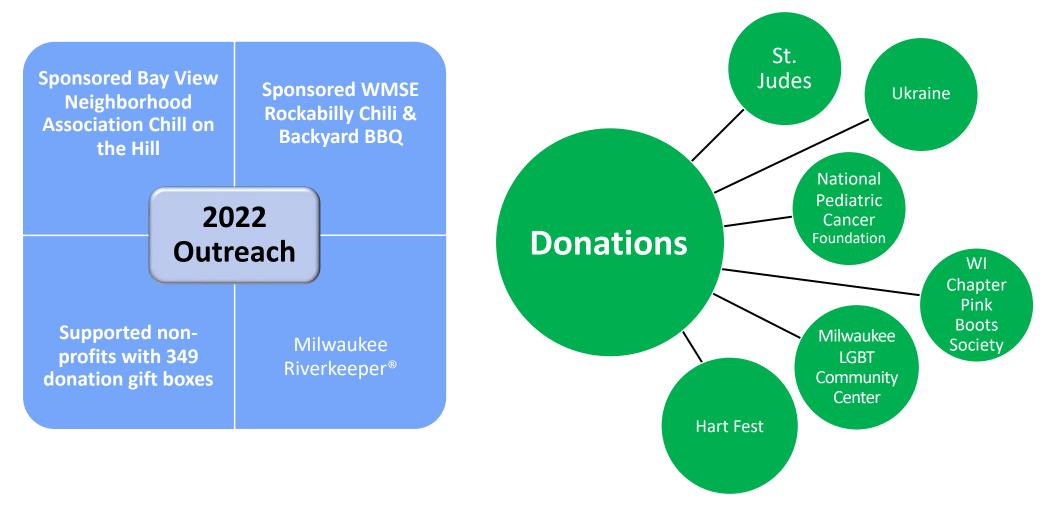
Though locally engaged, we are not an island, and have neighbors much farther afield. For example, in the wake of the crisis in Ukraine we reached across the world to support longtime beer collaborators/partners in Lviv through our "Putin is a Dick" crowler fundraising campaign. Whenever possible, we strive to align our *Ripple Effect* donation and action efforts with the SDGs, or 'Sustainable Development Goals' set out by the UN in 2015 to achieve peace and prosperity for people and our planet.



Charity & Outreach



LAKEFRONT RIPPLE EFFECT





Charity & Outreach





MILWAUKEE WOMEN'S CENTER A Division of Community Advocates Where Abuse Ends and Hope Begins





- Rock, Paper Scissors tournament ticket proceeds donated to <u>Playworks</u> which helps students all over WI have access to safe and healthy play at recess
- Proceeds from feminine hygiene machine were donated to Milwaukee Women's Center
- Donated kegs to Groundwork Milwaukee to support Milwaukee's community gardening volunteers
- Participated in Citizens Utility Board BIG SHARE
- Sponsored the <u>World's Largest Trivia Contest</u> WWSP 90FM





Crowlers



 Raised over \$100k to support Ukraine through our 'Putin is A Dick' Crowler label.



LAKEFRONT RIPPLE EFFECT



 Created our 'Pride' Crowler, donating a portion of the proceeds to the Milwaukee LGBT Community Center Lakefront Brewery uses the B Lab Impact Assessment as a third-party standard to measure its social and environmental impact.

Thank you for being a stakeholder. We welcome any feedback on our social and environmental efforts at: INFO@LAKEFRONTBERWERY.COM

Thank you for reading. You earned yourself a beer!