



**IMPACT REPORT
2021**

LETTER FROM OUR PRESIDENT

I feel an overwhelming amount of gratitude to those who have been a part of Proud Source Water's journey. It's you, the person reading this letter, that has turned our dream into reality and it's you who continues to inspire and challenge the world to be a better place.

From day one, our goal was to create positive impact and give back to our community. It started with the small town of Mackay, Idaho. In 2017, our Co-Founder, Ryan Donahue, a sixth generation Mackay resident, partnered with us to build a bottling facility at the base of the spring. Today, Proud Source has created 26 jobs and is the largest employer in Mackay, providing the community with a sense of pride and hope.

Proud Source is about more than just a high-quality product, it's about educating people that not all water is created equal, and that business can be used as a force for good. We strive to integrate transparency and sustainability into all aspects of our craft. We've improved operational efficiencies at our Mackay bottling facility, reducing carbon emissions and water waste, and we've built a best-in-class bottling facility at our new spring source in Marianna, Florida. We continue to invest in improvements that will facilitate our goal to achieve carbon neutral operations by 2025.

Plastic waste continues to be a growing global issue. Being able to offer consumers a sustainable alternative to single-use plastic is one of my proudest achievements.

We are excited to share the details of our impact report in the following pages. As always, we invite you to join the Ripple Effect and thank you for your support of our mission.

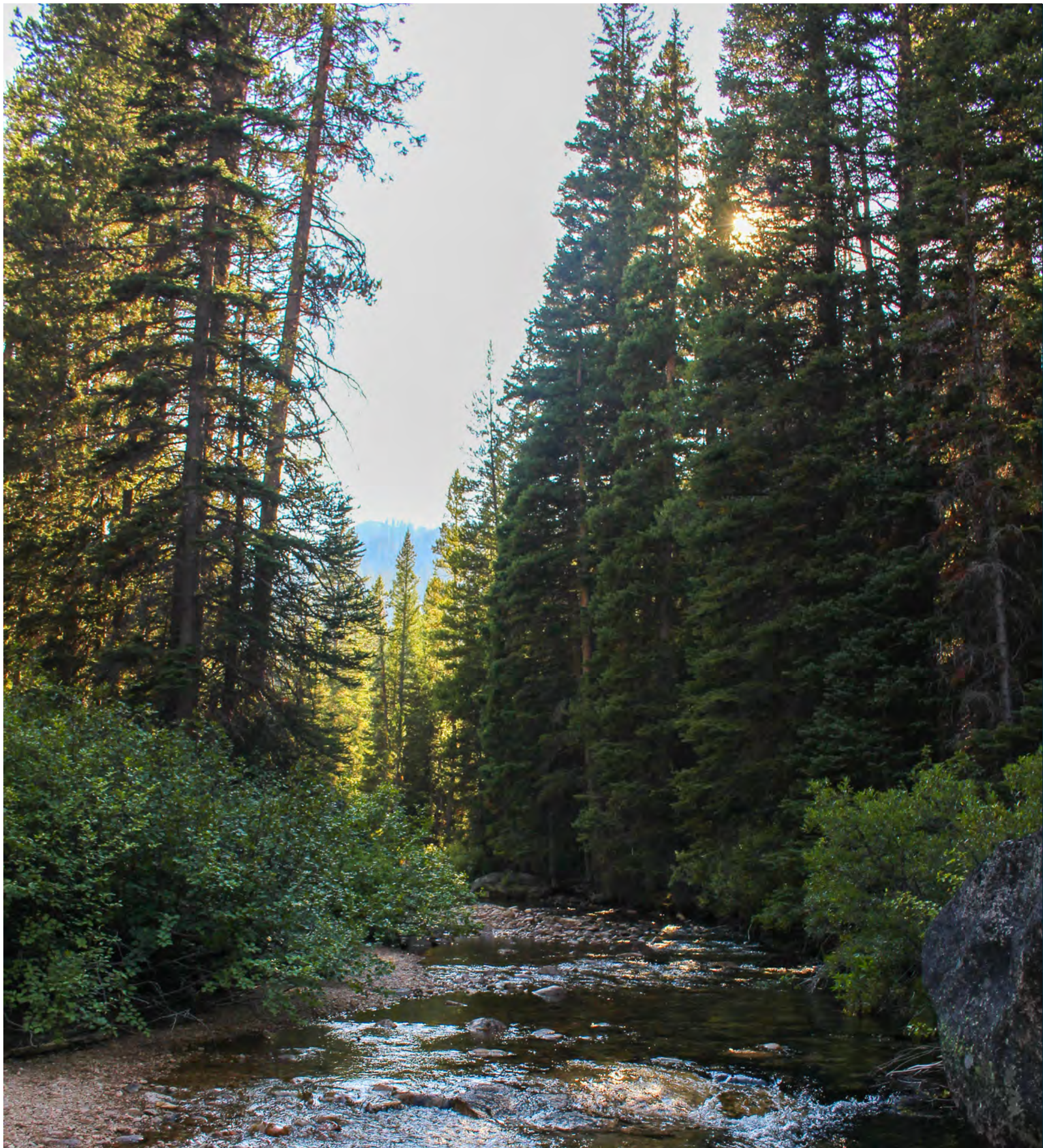


"PROUD SOURCE IS ABOUT MORE THAN JUST A HIGH-QUALITY PRODUCT, IT'S ABOUT EDUCATING PEOPLE THAT NOT ALL WATER IS CREATED EQUAL, AND THAT BUSINESS CAN BE USED AS A FORCE FOR GOOD."

STAY PROUD,

A handwritten signature in white ink, appearing to read 'CJ Pennington', positioned above the printed name.

CJ PENNINGTON
CO-FOUNDER & PRESIDENT



MISSION

TO DO BOTTLED WATER DIFFERENT
by protecting the environment, uplifting our source communities, and empowering consumers to make sustainable choices.

VISION

TO BRING RADICAL TRANSPARENCY
to the bottled water industry.

VALUES

TRANSPARENCY - COMMUNITY - PRIDE
PERSEVERANCE - ACCOUNTABILITY

THE ORIGINAL SOURCE OF PRIDE

OUR GOAL IS TO BE THE MOST TRANSPARENT BOTTLED WATER COMPANY IN THE WORLD. WE AIM TO ACHIEVE THIS BY FOCUSING ON THREE KEY PILLARS: SOURCE, SUSTAINABILITY, AND COMMUNITY.



SOURCE

Naturally alkaline spring water. Only 1% of the world's natural springs are alkaline. We pledge to conserve our springs and never bottle more than 5% of the spring output.



SUSTAINABILITY

Our bottles are 100% aluminum and infinitely recyclable. Our facilities are designed to be energy efficient and eventually net zero.



COMMUNITY

We create jobs and invest in our source communities. We support and participate in outdoor cleanups across the nation.

SOURCE

Proud Source Water exists to offer customers the finest spring water in the most sustainable ways. As a brand, we will only offer natural alkaline spring water from a protected water source.

Our two domestic spring locations allow us to ship to 96% of the United States within a 1,200 square mile radius. This reduces our carbon footprint.



SUSTAINABILITY

Sustainability is not just about recyclable aluminum packaging. At Proud Source Water, sustainability extends to all facets of our brand; it is the centerpiece of our operations. It defines how we support our communities, conserve our spring sources, and create positive impact for **PLANET AND PEOPLE**.

ZERO WASTE AND WATER CONSERVATION

Proud Source pledges to never take more than 5% of the daily source output. Overuse of a water source can cause adverse effects to the local ecosystem, wildlife, and water quality.

In addition to our pledge to conserve, we operate under a zero water waste policy. In the water industry, many methods of bottling water can waste up to 75% of the water supply. We ensure that our production process prioritizes zero waste.

CONSCIOUS PACKAGING

There is a plastic waste problem. Did you know that only 9% of plastic ever produced has been recycled? That's saying something when you consider that over 321 billion pounds of plastic packaging are created annually and plastic production is set to almost quadruple by 2050.

Infinitely recyclable aluminum has the potential to change our current trajectory for the better. Aluminum has a recycle rate of 70%+ in the US and a much higher yield and scrap value.

LOWER EMISSIONS

We have partnered with Waste Management to explore our carbon footprint across direct emissions from our facilities (Scope 1), indirect emissions from our purchased energy and electricity (Scope 2), and indirect emissions that occur in our supply chain through distribution and raw materials (Scope 3).

Our goal is to reduce our 2020 emissions of 2,027 MtCO₂E to Net Zero by 2030. More details are explained in our Commitments section.

RENEWABLE ENERGY

Our plants are designed to be low energy. We have installed gravity-fed filtration in Idaho to conserve energy and reduce water loss. Our radiant floor heating reduces the total amount of energy required to heat our facility and we are now powered by 100% renewable wind energy.

In Florida, we are working towards 100% renewable solar energy, and we have engaged in shipping backhaul agreements that utilize otherwise empty trucks to transport cargo on return journeys.

COMMUNITY

To extend efforts beyond our source communities, we have selected key partners to create positive impact around the nation. When looking for partners we prioritize organizations who are like minded, mission-based, and give back to their communities. As we look to establish new partnerships in 2022, we will seek out other Certified B Corporations who are also using business as a force for good.



The Bye Bye Plastic team and Proud Source work together to remove plastic bottles from music events, venues, and hotels.



Our partnership with the Surfrider Foundation supports beach cleanups, the Plastic-Free Act and Ocean Friendly Restaurant Programs.




We partner with Ecodrive to offset carbon emissions by planting trees in a village in Madagascar. We plant one tree for every online order and review.


\$80,000
DONATED


257,448
BOTTLES DONATED


6,000
LBS. OF PLASTIC REMOVED


3,451
TREES PLANTED


2,345,645
LBS. OF CO2 REMOVED


35
ECODRIVE WORKDAYS



WE ARE COMMITTED TO MAKING STRIDES TOWARD ENVIRONMENTAL AND SOCIAL CHANGE

In the following pages, we break down our plans for achieving each of our five commitments. One of our primary values is transparency, and it's important to us to share how we plan to uphold our commitments. These targets and plans are not exhaustive of the work that we are doing but demonstrate our goals and progress.

1

**CARBON NEUTRAL OPERATIONS BY 2025
AND CARBON NEUTRAL SUPPLY CHAIN BY 2030.**

2

**ELIMINATE ALL VIRGIN PACKAGING MATERIALS
IN OUR SUPPLY CHAIN.**

3

**INCREASE OUR B IMPACT ASSESSMENT
SCORE BY 40% BY 2025.**

4

**INVEST IN TWO SOURCE COMMUNITY
PROJECTS PER YEAR.**

5

**DONATE \$100,000 ANNUALLY TO SUPPORT
OUTDOOR CLEANUPS.**



1 WE ARE COMMITTED TO ACHIEVING CARBON NEUTRAL OPERATIONS BY 2025 AND BECOMING COMPLETELY CARBON NEUTRAL BY 2030.

We want to invest in our overall commitment to sustainability and demonstrate the importance of reducing our carbon footprint.



With an eventual goal of becoming carbon neutral, we want to take a strong stand in the bottled water industry and show that behind-the-scenes sustainability efforts are just as important as the ones that our consumers can see.

OUR *Plan*

Through our partnership with Waste Management, we will create a comprehensive data collection and waste management system to improve data accuracy and collection efficiency.

Invest in an interactive dashboard to better track and manage our current emissions and see progress towards our goals.

Purchase and maintain 100% renewable power for our two bottling facilities and HQ.

Plan and fund large scale carbon sink projects to significantly reduce greenhouse gas emissions.

Continue offsetting emissions by planting trees through our partnership with Ecodrive.

2 WE ARE COMMITTED TO **ELIMINATING ALL VIRGIN PACKAGING MATERIALS IN OUR SUPPLY CHAIN.**



We will engage our suppliers at all points in our supply chain to ensure that we are using the most sustainable materials available. We aim to increase our bottle's recycled content to 50% by 2025.

OUR *Plan*

Create a system to engage and educate partners and suppliers on our sustainability goals and work with them to accomplish the goals together.

Align our sustainability approach by establishing standards for our vendors and partnerships.

Ensure that 100% of partners and suppliers comply with our sustainability requirements and align to our goals.

Set and continue waste diversion tactics at Proud Source Water production facilities and corporate HQ.

3 WE ARE COMMITTED TO
**INCREASING OUR
B IMPACT ASSESSMENT SCORE
BY 40% BY 2025.**



We will improve our operations to benefit the following impact areas: Community, Customers, Environment, Governance, and Workers.

OUR *Plan*

Ensure that each department is focused on meeting relevant goals in each impact area.

Engage all employees to improve their experiences at Proud Source Water and empower them to learn about and improve our B Impact Assessment Score.

Expand our training to include diversity and equity sessions.

4 WE ARE COMMITTED TO **INVESTING IN TWO SOURCE COMMUNITY PROJECTS PER YEAR.**



One of our core pillars at Proud Source is to uplift and work with our source communities. We want to invest in local projects that are important to the people living in Mackay, Idaho and Marianna, Florida and strengthen our relationships with them.

OUR *Plan*

Work with community leaders in Marianna, Florida and Mackay, Idaho to determine the most needed projects.

Plan, fund, and implement the projects through partnerships with both of our source communities.

Determine where we can create the greatest impact and be open to feedback from relevant stakeholders.

5 WE ARE COMMITTED TO
**DONATING \$100,000
ANNUALLY TO SUPPORT
OUTDOOR CLEANUPS.**



We want to play an active role in keeping our earth clean through waste diversion and plastic removal.

OUR *Plan*

We will continue our partnerships with Bye Bye Plastic and the Surfrider Foundation to support beach cleanups.

Sponsor and host outdoor cleanups that promote trash collection, sustainability, and environmental stewardship.

Develop educational materials for consumers to learn about local recycling programs.

Conduct a life-cycle assessment to determine how to best reduce our bottle's footprint.

THANK YOU PROUD COMMUNITY

Proud Source strives to be authentic and transparent in all aspects of our craft. Whether you are passionate about hydrating with some of the highest quality water in the world, reducing single-use plastic, giving back to communities, or just supporting a mission-oriented product, every choice has a ripple effect. We are passionate about creating positive change. With your help we can continue to truly #MakeWaves and have a positive, lasting impact on our planet.

We welcome your thoughts about our commitments and progress and encourage you to visit us at www.proudsourcewater.com or reach out directly at hello@proudwater.com.

