

A DROP IN THE OCEAN

Year-End Report

2 0 2 3



Letter from the *Founder*

I kept going back and forth on what to call this report. An impact report? A sustainability report? I landed on a simple, "Year-End Report," because the things I wanted to share with the A Drop in the Ocean community go so far beyond sustainability.

I've always believed that "ethical" and "sustainable" must go hand-in-hand with "transparent," and since the beginning of ADITO I've always tried to show the real things happening behind-the-scenes so you can see that we're doing everything we can to "walk the walk."

But this year, I want to take it a step further. I want to show you all the things you hardly see from small businesses, and the things you ~never~ see from small businesses.

I won't lie to you. It's scary. But if there's one thing I know, it's that growth only happens outside of our comfort zone. And if 2023 wasn't a year outside my comfort zone, I don't know what is.

We're pushing the boundaries of what's considered "normal" for business. We're leading the way for others and demonstrating what's possible when we just think a little bit differently. And we couldn't do it without the support of this community showing up to prove to the world that reuse and refill is possible. These last 5 years are just the beginning.

Thank you for being part of our world, and I can't wait to see where 2024 takes us.

♡ Krystina

Highlights from 2023

This year at A Drop in the Ocean saw many exciting successes that deserve to be celebrated!

South Sound 40 Under 40

This summer, Krystina was honored to be recognized as the youngest recipient of South Sound Business Magazine's 2023 40 Under 40 awards!

The EcoWarrior Mindset

In April, we hosted a 3-week workshop, The EcoWarrior Mindset. Over 70 EcoWarriors registered and either attended live or watched the replays, and the feedback was so positive we'll be bringing it back in 2024!

A Home with Solar Panels

This summer, Krystina moved into a new home with a new ADITO office that already had solar panels installed! In the sunny Washington months, this means ADITO now operates with a net-negative energy output.

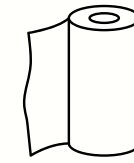


2023 by the *Numbers*



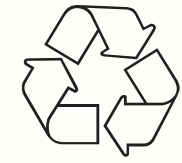
7,199

plastic containers
avoided



15,878

rolls of paper towels
avoided



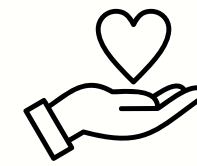
629

containers returned
for reuse and refill



5,679

trees planted



\$2,014

donated to nonprofit
organizations



84

total 5-star
Google Reviews



Container *Impacts*

In 2023, we diverted **7,199 plastic containers from landfill.**

But it's not enough to just throw out a number like that without context. We sell a wide assortment of products in many different sizes. To calculate a number like this, you have to make some assumptions, and we want to be completely transparent in those assumptions and show you how we arrived at that number.

Here's how we calculated our plastic diversion for 2023:

Product Category	Units Sold	Equivalency Calculation	Total Containers Avoided
Bar Soaps	1,487 bars	1 bar = 3 bottles	4,461 bottles
Toilet Cleaner Bombs	1,056 cleaner bombs	8 cleaner bombs = 1 bottle	132 bottles
Refillables	23,697 ounces	12 ounces = 1 bottle	1,975 bottles
Dishwasher Pods	7,272 pods	40 pods = 1 tub	182 tubs
Toothpaste + Deodorant	449 tubes	1 tube = 1 tube	449 tubes
TOTAL	33,961 units sold		7,199 containers avoided



A Circular Economy

Our goal at A Drop in the Ocean isn't just to avoid plastic waste, but to actively work towards a truly closed-loop, zero waste economy in which nothing goes to waste.

Many "refill" programs that exist currently don't actually close the loop on packaging. But our refill program really does do just that. Even though our refillable products are packaged in glass and aluminum, those are still resources! And although they're pretty widely accepted for recycling, recycling still requires energy inputs.

Instead of putting the onus on our EcoWarriors to properly clean and recycle their empty packaging, we provide free return labels for all of our empty containers so that we can wash, sanitize, and reuse them for as long as possible.

2023 was the first year we kept track of the containers that were returned to us for reuse, and wow are we glad we did!

In 2023, our EcoWarriors purchased 1,167 bottles and jars of product, and **returned 629 containers to us for reuse.** That means we received more than 50% of the containers we sent out back for reuse.

We only purchased 432 new containers in all of 2023.

We received and reused 45% more containers than we purchased new.





Paper Towel *Impacts*

In 2023, we helped our EcoWarriors avoid **15,878** rolls of paper towels.

But just like our container impacts, calculating this number requires some assumptions.

Here's how we calculated our paper towel diversion for 2023:

Product Category	Units Sold	Equivalency Calculation	Total Rolls of Paper Towels Avoided
Swedish Dishcloths	214 dishcloths	1 Swedish dishcloth = 17 rolls of paper towels	3,638 rolls of paper towels
Reusable Unpaper Towels	34 rolls of unpaper towels	1 roll of unpaper towels = 36 rolls of paper towels per year for 10 years **	12,240 rolls of paper towels
TOTAL	248 units sold		15,878 rolls of paper towels avoided

** The average person uses about 0.75 rolls of paper towels per week, which averages out to about 39 rolls of paper towels used per year per person. We rounded this number down to 36 rolls for our sustainability calculations. The 10-year calculation is based on Krystina's own set of unpaper towels, which she made in 2013 and still uses today.



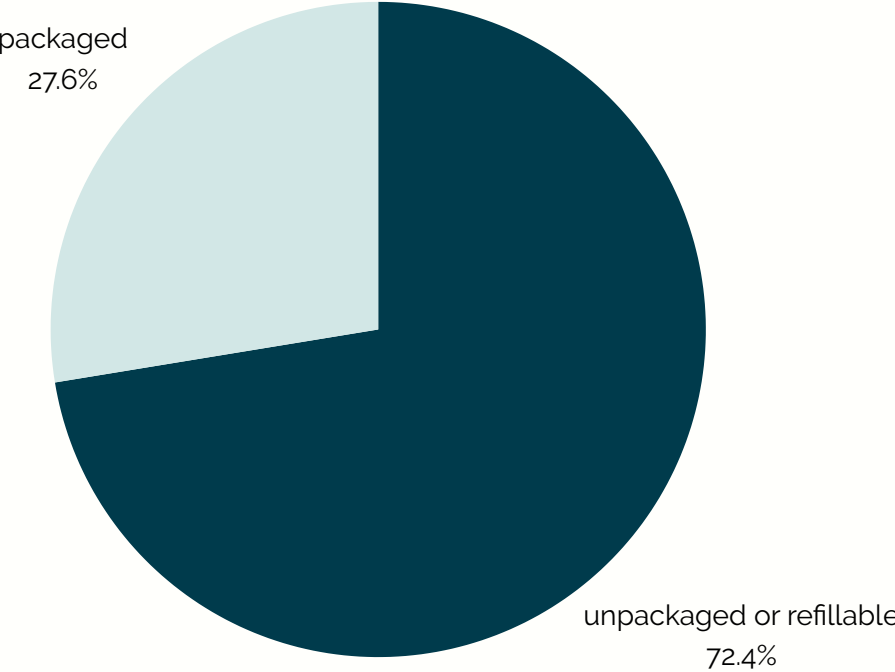
Ethical *Guarantees*

Over the past 5 years that A Drop in the Ocean has been in business, the zero waste lifestyle has evolved significantly - and gone more mainstream. When we launched, we could count on one hand the number of zero waste stores in the United States, and there were barely more brands selling products with zero waste and refill at the forefront of their minds.

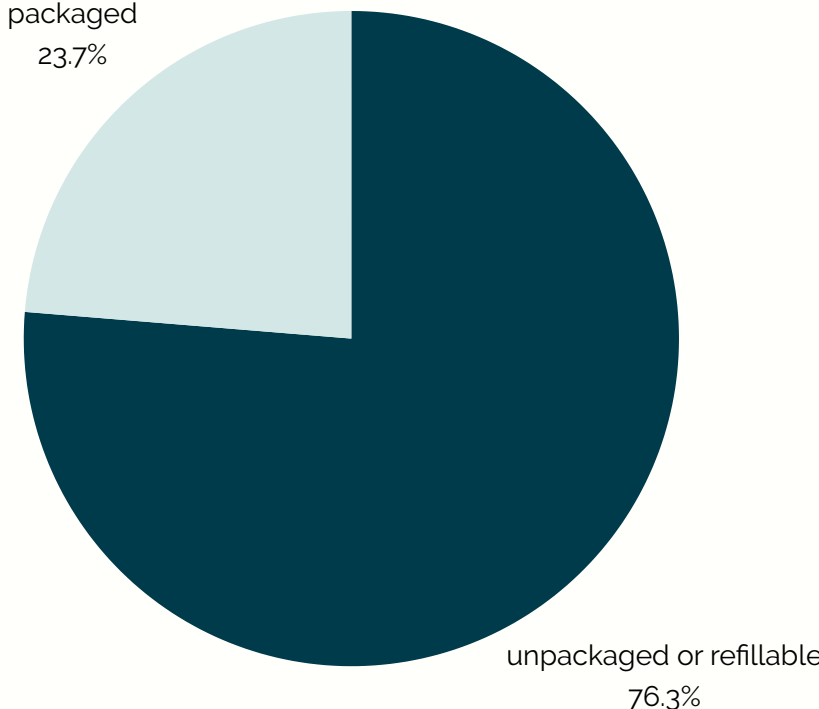
When we launched, we intentionally sought out local, woman-owned companies to partner with for our product lineup. We shared our vision and asked if they would be willing to do things differently. To experiment with us and find new ways to eliminate waste from the source. And they all said yes.

Because of this willingness to work together and find solutions, A Drop in the Ocean stands apart from other shops and brands in how we eliminate waste and the impacts we have on our community...

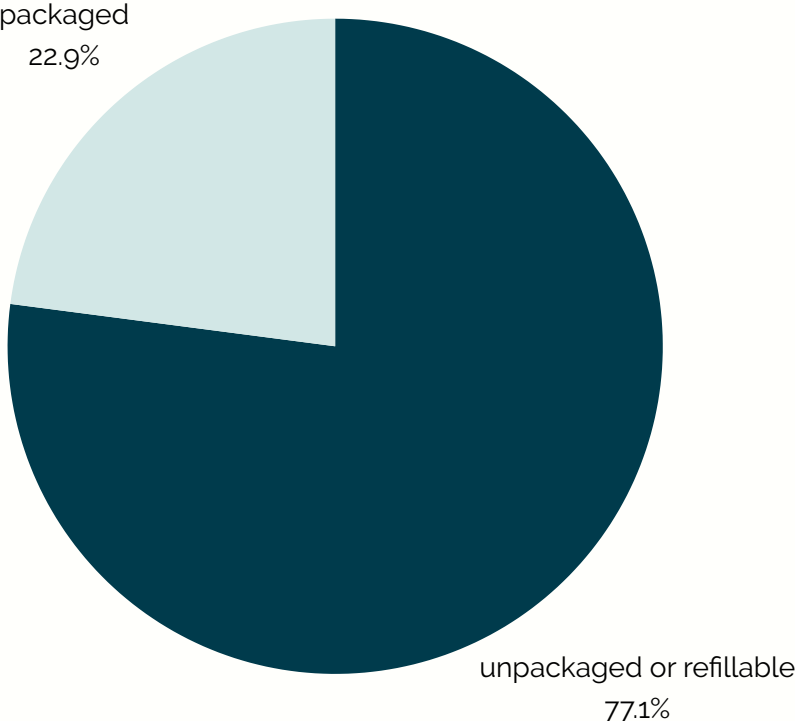
Package-Free Products Available



Package-Free or Refillable Products Sold (by unit)



Package-Free or Refillable Products Sold (by revenue)

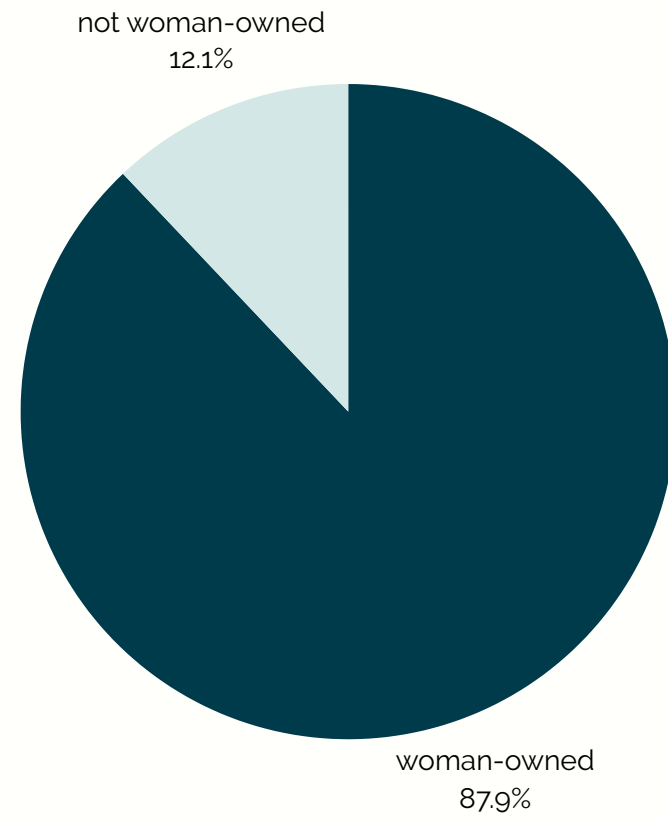


Package-Free / Refillable Products

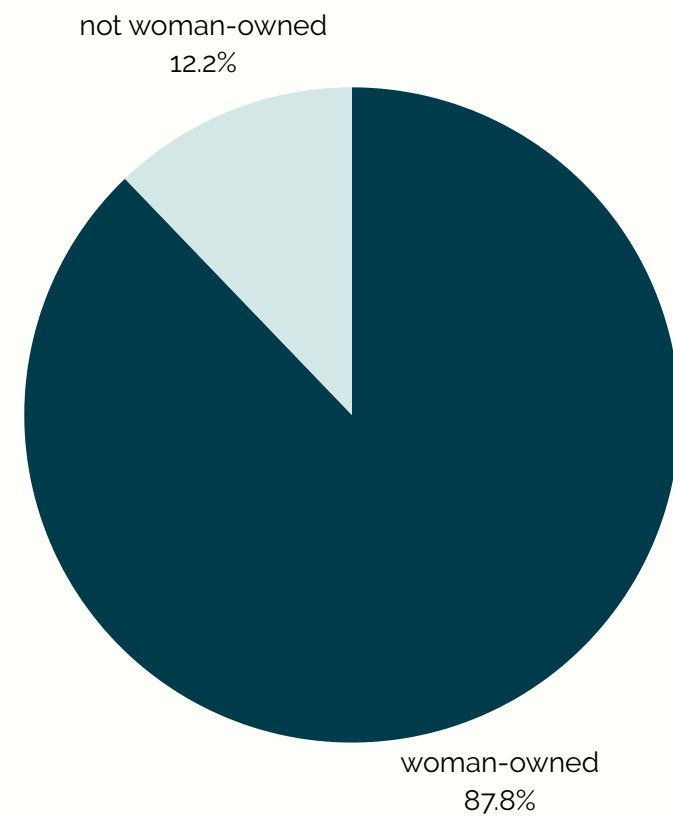
About 72% of the products available at A Drop in the Ocean are completely package-free or refillable.

In 2023, 76% of the products our EcoWarriors purchased were unpackaged or refillable, equating to 77% of our total revenue from product sales.

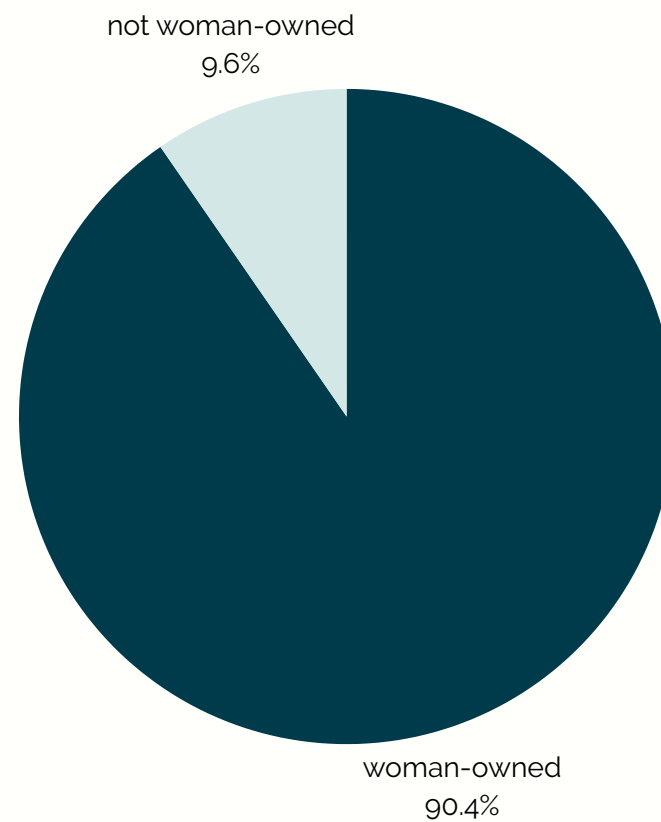
Woman-Owned Products Available



Woman-Owned Products Sold (by unit)



Woman-Owned Products Sold (by revenue)

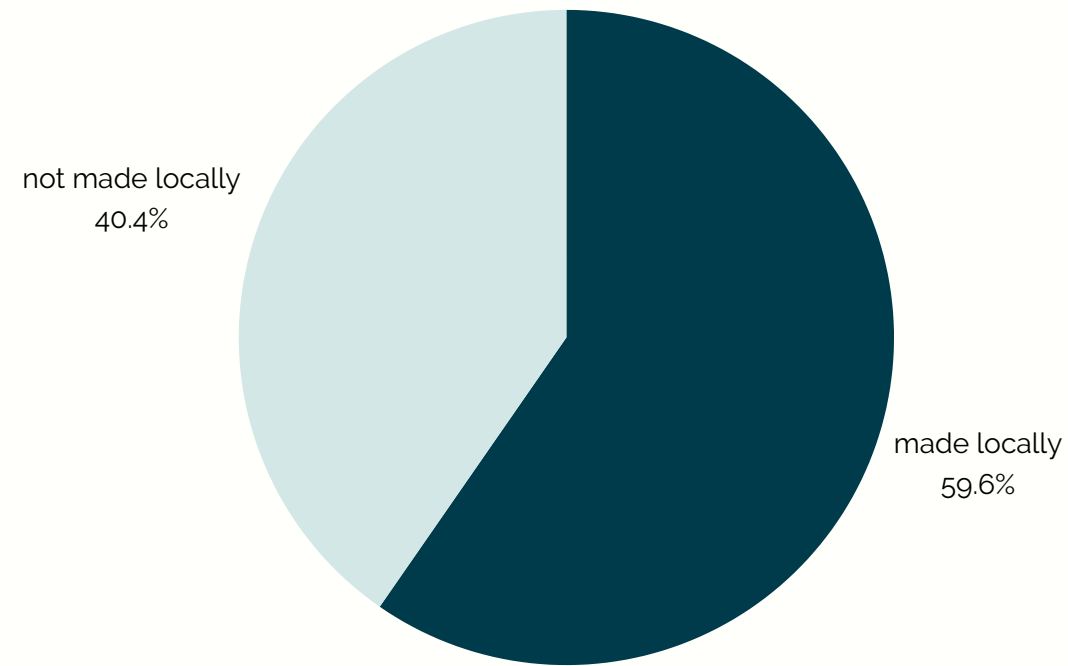


Woman-Owned Products

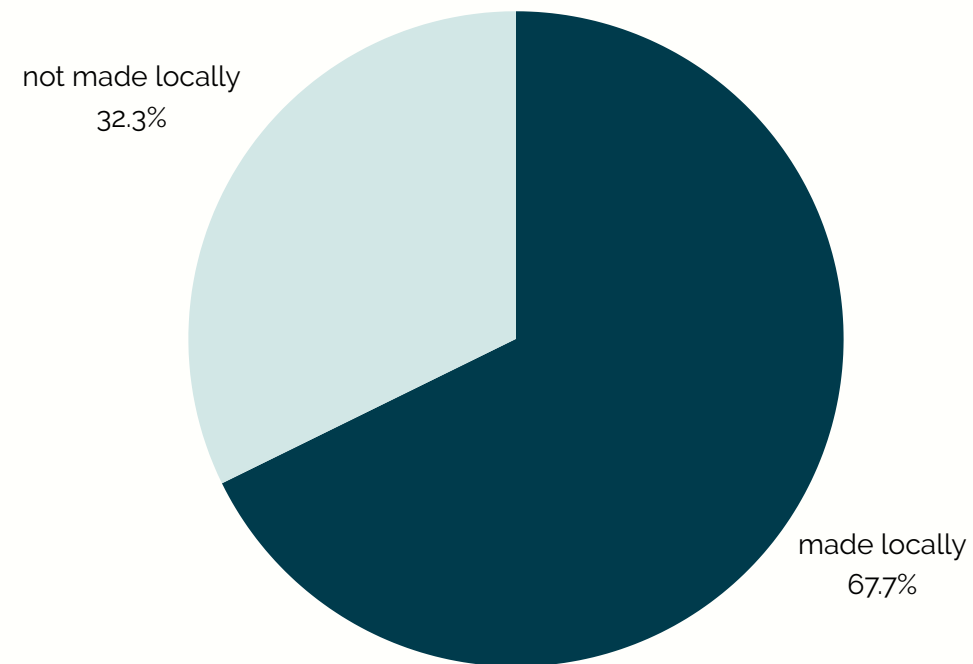
About 88% of the products available at A Drop in the Ocean are made by woman-owned businesses.

In 2023, 88% of the products our EcoWarriors purchased were made by woman-owned businesses, equating to 90% of our total revenue from product sales.

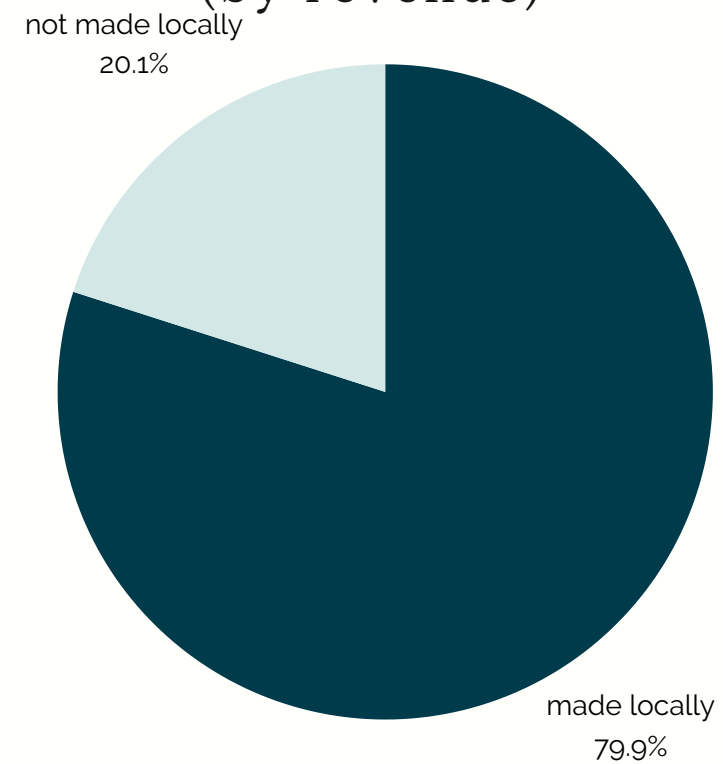
Locally-Made Products Available



Locally-Made Products Sold (by unit)



Locally-Made Products Sold (by revenue)



Locally-Made Products

About 60% of the products available at A Drop in the Ocean are made locally in western Washington State.

In 2023, 68% of the products our EcoWarriors purchased were made locally, equating to 80% of our total revenue from product sales.



Giving *Back*

Our mission at A Drop in the Ocean is to use business as a force for good. One of the ways we're working towards that mission is by using our shop and platform as a way to give back to vetted organizations working to protect our planet and the people and wildlife that live here.

Between donations we made as a company and donations our community made in response to our calls to action, **the ADITO community contributed a total of \$2,014 to conservation and relief efforts in 2023.**



VERMILION SEA INSTITUTE
Ocean Conservation

\$1,147 total donated

\$886 donated by ADITO

\$261 donated by our community



HAWAII COMMUNITY FOUNDATION
Maui Wildfire Relief

\$646 total donated

\$135 donated by ADITO

\$511 donated by our community



OKAPI CONSERVATION PROJECT
Okapi Conservation

\$221 total donated by ADITO



Tree *Planting*

We plant one tree for every product sold at A Drop in the Ocean through our tree-planting partner, Trees for the Future. We chose Trees for the Future for our tree planting efforts because of their work to not only plant trees, but to truly restore degraded habitat while also empowering women, building sustainable, reliable income, and eliminating food insecurity for the communities in which they work.

Their “forest garden” approach improves soil health and biodiversity, provides nutrient-rich diets for communities year-round, and gives families a reliable source of income. Since 1989, Trees for the Future has planted 316 million trees across sub-Saharan Africa. We are proud and excited to continue supporting their work.

In 2023, we planted 5,679 trees through Trees for the Future.

Company + Product *Reviews*

14

new Google Reviews
in 2023

84

total Google reviews

5.0

average Google
review rating (out of 5)

94

new product reviews
in 2023

682

total product reviews

4.9

average product
review rating (out of 5)

Financial *Summary*

A Drop in the Ocean is a for-profit company on a mission to use business as a force for good, and we believe that to be a leader in this endeavor, we must lead with transparency.

While it may be unconventional for a privately-owned small business, we've decided to "pull back the curtain" on our financials for 2023 and show our community where the money they spend with us is going.



REVENUE	
Product Sales	\$76,949
Shipping + Delivery Fees	\$6,531
Loans	\$9,700
Consulting	\$7,500
Shine Registry Support	\$386
Workshops Hosted	\$250
Interest Earned	\$229
TOTAL REVENUE	\$101,545
PROFIT	
Total Revenue	\$101,545
Total Expenses	\$100,163
NET PROFIT	\$1,382

EXPENSES	
Inventory Purchases	\$27,174
Shipping Fees + Delivery Tolls	\$7,672
Loans + Credit Card Payments	\$17,875
Salary + Wages	\$29,336
Owner Salary	\$24,115
Marketing	\$4,677
Credit Card Processing Fees	\$3,484
Software	\$2,669
Website Hosting	\$2,373
Charitable Donations	\$1,859
Miscellaneous	\$1,907
Education	\$1,137
TOTAL EXPENSES	\$100,163

Note that these numbers do not include registrations for our Baja EcoWarrior Retreat, as we did not host a retreat in 2023, and would therefore have skewed our net profit numbers. All 2024 Baja EcoWarrior Retreat registrations will be accounted for in the 2024 report.

A note from the founder...

While \$1,300 might not seem like much in terms of profit, I'm actually quite happy with this number. It took a lot of hard work to get here, and a lot of tough decisions - including raising our prices. Like many small businesses, our overall revenue was down significantly in 2023 compared to 2022, but we still managed to increase our profit from 2022.

I launched A Drop in the Ocean at 25 with zero business experience, and 2023 was the year of unlearning and relearning and fully stepping into my roles as CEO and CFO. I'm proud of the results from 2023 and I look forward to seeing where 2024 takes us!



Looking *forward* to 2024

In 2024, we plan to:

- CELEBRATE our 5-year business anniversary!
- Track and measure all of our waste for the full year.
- Revamp old imagery and language on our website to make our business model, practices, and products more clear for new EcoWarriors to understand.
- Add our best-selling items to Etsy to help us reach new EcoWarriors and divert more plastics from landfill.
- Host our three-week workshop, The EcoWarrior Mindset, again.
- Bring 8 EcoWarriors to the Vermilion Sea Field Station to swim with whale sharks on our final Baja EcoWarrior Retreat.
- Continue our weekly Make Waves Mondays email series with new topics, more deep dives, and more behind-the-scenes looks.