

MILO'S®



2022



MILO'S
Family-Made Since 1946™



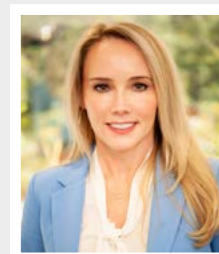
Milo's was founded as a restaurant in 1946 by my grandfather, Milo Carlton, after he returned home from World War II. Milo and my grandmother, Bea, needed to provide for their growing family and their community. Milo's philosophy was simple: use high quality, natural ingredients, listen to your customers and never sacrifice taste. This vision still guides us today as we fresh-brew daily from real teal leaves, source real natural ingredients, and never add colors or preservatives.

More than seventy-five years later, we are still family-owned. Now, we are also a Certified Woman Owned Business with corporate headquarters in Alabama, and are a Platinum-Certified Zero Waste Manufacturer devoted to sustainable practices and the stewardship of local communities, and the environment.

We are brewing a legacy, creating opportunities for prosperiTEA for our ecosystem. Now, more than ever, Milo's is committed to growing responsibly and making a difference because we believe it is our responsibility to ensure Prosperity for People and to Protect Our Planet NOW.

It's a journey, and each year we make progress in supporting the growth of our people and minimizing our impact on the planet. Our commitments to: diversity, inclusion, and belonging; zero waste; responsible sourcing; and recycling and conservation become bolder each year. We give 1% of our profits back to the community through Purposeful Partnerships because we can't do such incredible work alone.

Together with our retail customers, our suppliers, our sweet TEAM, and our loyal fans, we are empowering generations through Purposeful Positive Impact.



Tricia Wallwork

CEO and Chair of Milo's Tea Company and
Granddaughter of Founder Milo Carlton



CONTENTS

5	.....	Impact At A Glance
7	.....	Milo's Makes A Difference
8	.....	Our Approach To Positive Impact
11	.....	People First
15	.....	Protecting Our Planet
19	.....	Purposeful Partners
22	.....	People Scorecard
23	.....	Planet Scorecard
24	.....	Growth Through Continuous Improvement





2022 IMPACT AT A GLANCE

In 2022, Milo's **doubled down on investments** in inclusive career growth pathways for all, in sustainability systems, and in generous investments of time, product, and dollars.

33% of **SALARIES**
go to **WOMEN**

38% of **LEADERS**
are **WOMEN**



2.44
**LEARNING
HOURS**
per Milo's associate



17,709
**LEARNING
HOURS** logged
by Milo's associates

660,691
pounds of
**PACKAGING
REDUCED**



37,815 **TONS** of
WASTE
RECYCLED and
DIVERTED from
the landfill



\$217,325 in
profits and
\$95,465 in
product donations
GIVEN to
nonprofits

42% **CARBON
NEUTRAL**
energy use
in **TEA
PRODUCTION**



432,243
SERVINGS
of tea and
lemonade
DONATED





MILO'S[®] MAKES A DIFFERENCE

We've spent 77 years creating opportunities for economic prosperity for our associates, our customers, our loyal fans, our suppliers, and our communities. Over the next three years, we aim to double our impact as "Milo's Makes A Difference."

Positive impact happens when we work with our stakeholders to find common ground, when we give generously, and when we give together. It comes from doing good for people and for the planet. It's when you can see and measure the difference you've made in the lives of others. At Milo's, that's what we call PeopleFirst and it's not just a sign on the break room wall. It's how we live.

This report is a snapshot of our strategy to double our positive impact and report our goals and progress toward becoming a more remarkable corporate citizen.



OUR APPROACH TO POSITIVE IMPACT

Empowering Generations Through Purposeful Positive Impact for People, Planet, and Profit. We keep it simple by focusing on three key components:

1

PEOPLE FIRST

- People First Benefits and Pay Equity
- Pathways for Growth for 100% of Associates
- Triple Bottom Line Metrics and Scorecard



2

PROTECT OUR PLANET

- **Energy Transformation**
Achieve carbon neutrality by 2035
- **Water Stewardship**
Reduce our watershed withdraw, reusing 100% of water in tea operations, and protecting watersheds within 100 miles of our manufacturing.



- **Waste Diversion**
Platinum Zero Waste Certified with 98% diversion by 2025

3

PURPOSEFUL PARTNERSHIPS

- **Our 1% Pledge**
A commitment to donate 1% of profits for Education + Advancement for All, Better Planet for Generations, and Disaster Response.
- **Responsible + Sustainable Sourcing**
Continue to increase supplier diversity spending and prioritize purchasing from sustainable suppliers.





STAY HUNGRY

PEOPLE FIRST

We believe in hiring and growing authentic leaders, delivering the most delicious quality products on time and in full to our customers, and giving back to the communities we serve. We call this People First. This means we put People before profit. With a People-focused culture, we believe we can accomplish anything together.



Growing Tomorrow's Leaders Today

One of our three TEAm values is 'Hungry' and to us that includes a commitment to growth pathways for 100% of our associates. In 2021, Milo's launched a Leader Academy called High Performance Work System (HPWS) and expanded Milo's University to ensure growth pathways for all. We also increased our contribution to tuition reimbursement to \$7,500 per year for our associates as an investment in their futures.

In 2022, 305 manufacturing associates graduated from HPWS, equipping these leaders with new skills, higher pay, and a pathway for growth at Milo's and beyond.



PROTECTING OUR PLANET

As a Platinum Certified Zero Waste Manufacturer since 2020, we divert 97% of waste from landfills, are committed to responsible manufacturing, and are doubling down on our positive impact goals.

As we grow, we are identifying strategic operational investments that save energy and reduce our carbon footprint. At Milo's we are working to reduce, then eliminate, greenhouse gas emissions in sourcing, manufacturing, and distribution of our delicious beverages.

Milo's was the second company in Alabama and the first in Oklahoma to receive the Platinum Certified Zero Waste Manufacturer designation. In 2022, Milo's augmented current water conservation measures by committing \$5.2MM in a water conservation system in our Bessemer, Alabama plant to recycle water throughout the production process.

Milo's 2022 Positive Impact on the Planet Includes:

- 42% Carbon Neutral Energy Use in Tea Production
- 660,691 Tons of Packaging Recycled and Diverted
(That's 660 Great White Sharks!)
- 37,814 Tons of Waste Recycled and Diverted from the landfill **(That's almost 38 cargo ships worth!)**



LEAVE BEHIND BETTER



Partners Protecting Our Planet

Black Warrior Riverkeeper

In 2022, Milo's 1% Profit Pledge made it possible for Black Warrior Riverkeeper to monitor 101 facilities across their 17-county basin, collect, and analyze 765 water samples.

Black Warrior Riverkeeper's mission is to protect and restore the Black Warrior River and its tributaries. (That's where Milo's Bessemer facility gets its water!) The organization uses a watershed approach to ensure clean water, a healthy aquatic environment, and the recreational and aesthetic values of the river.



Oklahoma's Blue Thumb

As part of our commitment to maintain healthy watersheds upstream and downstream of our manufacturing facilities, our Tulsa TEAm participated in water quality monitoring training provided by Blue Thumb.

Oklahoma's Blue Thumb is a statewide citizen science program, offering volunteer training to monitor creeks and streams. The goal of Blue Thumb is to empower people to protect water in their region from pollution.





GOOD BUSINESSES PARTNER WITH PURPOSE

PURPOSEFUL PARTNERSHIPS

Through its partnership with The Literacy Council of Central Alabama (TLC), Milo's supported 80 people in receiving literacy education to improve their skills for the future. With 58% of adults in Central Alabama reading below proficiency (6th grade level) and needing improved literacy skills, TLC's programs are vital to the community – serving Blount, Jefferson, Shelby, St. Clair, and Walker Counties. TLC provides Adult Basic Literacy, Digital Literacy, English for Speakers of Other Languages, Family Literacy, GED, K-12 Programming, and Workforce Development.



More Purposeful Partners

First Light Women and Children's Shelter

Milo's embarked on a partnership to make some sweet Milo's moments for hundreds of women and children who temporarily call the shelter home. On Giving Tuesday 2022, Milo's donated tea and lemonade for every meal in 2022 and beyond.



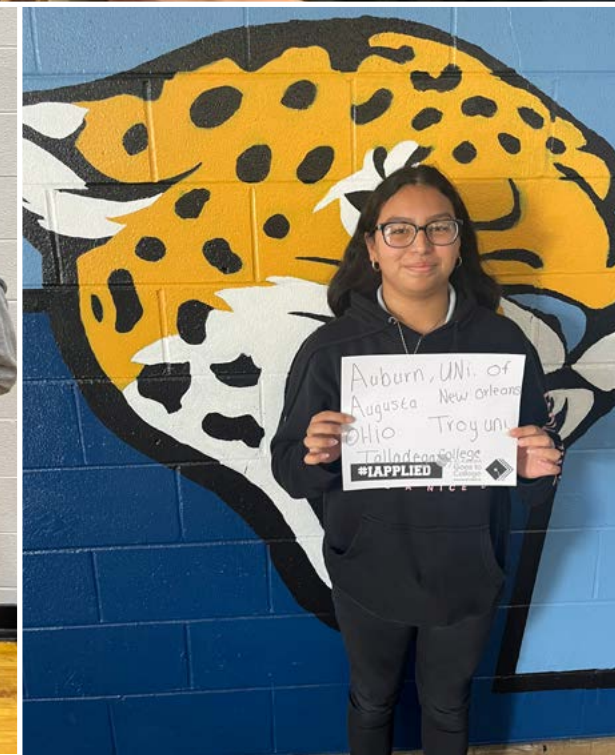
Feeding America

Milo's selected Feeding America and its network of local food banks as a disaster relief strategic partner. We kicked off the partnership with a donation of 154,236 servings of tea, a small contribution to build on in the years ahead. Partnerships with Feeding America Food Banks are critical in meeting the needs of the communities we call home.



Alabama Possible

With support from partners like Milo's, Alabama Possible—whose mission is to end poverty statewide—was able to support 377 schools in all 67 Alabama counties. The organization, in collaboration with Alabama State Department of Education, through its Alabama Goes to College Campaign, positively impacted the postsecondary journey of 45,714 graduating seniors. As of April 2023, 24,366 Free Application for Federal Student Aid (FAFSAs) were completed by the class of 2023, leveraging an estimated \$67.8 million Pell Grant Aid. Alabama ranks 8th in the nation for overall FAFSA completion. During Alabama College Application Week, 292 high schools hosted application events wherein 27,238 students participated, and 64,023 college applications were submitted.





2022 SCORECARD

What We Track	2019	2020	2021	2022
Diversity, Inclusion + Belonging				
Percent (%) BIPOC Associates	46%	44%	44%	41%
Percent (%) BIPOC Leaders of People	16%	15%	18%	14%
BIPOC Salaries Percent (%) of Total	31%	33%	30%	34%
Percent (%) Women Associates	32%	28%	29%	29%
Percent (%) Women Leaders of People	27%	35%	32%	38%
Women Salaries Percent (%) Total	37%	31%	34%	33%

Growth Pathways

Total Employee Learning Hours	DNT*	4,316	5,808	17,709
Total HPWS Graduates	DNT*	DNT*	374	305
Average Learning Hours Per Employee	DNT*	DNT*	DNT*	2.44
Milo's University Courses Completed	DNT*	DNT*	211	5,098

*DNT-Did Not Track

Giving Back

Volunteer Hours	193	144	47.5	349
Associate Stewardship Dollars (\$) (MAD \$)	DNT*	\$200	\$1,300	\$7,900
Product Donations to Nonprofits (Cost)	\$129,229	\$25,323	\$12,773	\$95,465
Monetary (\$) Contributions to Nonprofits	\$53,485	\$74,352	\$146,794	\$217,325

*did not track



2022 SCORECARD

What We Track	2019	2020	2021	2022
Water				
Gallons Reclaimed + Reused	4.9 MM	5.6 MM	4 MM	N/A*

*reset 2023 baseline

Waste

Percent (%) Diverted from Landfill	96%	96%	95%	97%
Tons of Waste Recycled and Diverted from Landfill	14,360	22,851	31,829	37,814

Energy + Carbon Neutrality

Percent (%) Carbon Neutral Energy in Tea Production	54%	50%	44%	42%
Percent (%) Renewable Energy in Tea Production	14%	15%	17%	18%

Sustainable Packaging

Pounds Packaging Reduced	41,000	248,000	467,000	660,691
Percent (%) Recyclable Packaging	99%	99%	99%	99%

GROWTH THROUGH CONTINUOUS IMPROVEMENT

Change doesn't happen overnight. It occurs with great intention and continuous investment of time and resources. We aim to make Milo's one of the best places to work on the planet. From tea estates to your table, we are committed - across teams and throughout our supply chain - to grow a responsible company that empowers everyone to care for the planet, to uplift one another, and to nurture a sense of community.

PROSPERITY

Looking ahead, Milo's is focused on scaling our culture of Purposeful Profits across the company, prioritizing the diversity and inclusion of our TEAm, and designing growth pathways for all.

SUSTAINABILITY

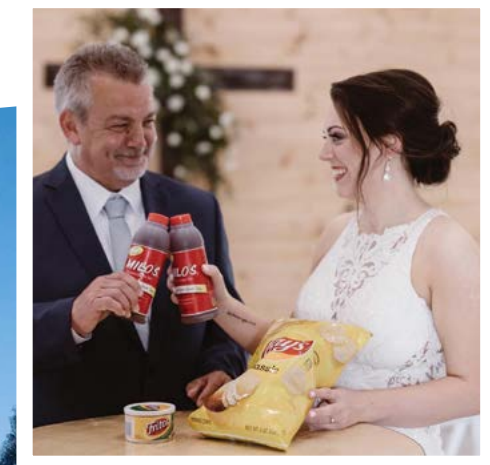
As a certified zero waste manufacturer, we're committed to responsible manufacturing, but in 2023 and beyond, we're making investments to reclaim 100% of water in tea production, and to transform recycling infrastructure nationwide. We compost tons of spent tea leaves daily, and are investing in renewable energy, like solar power, in our manufacturing facilities.

RESPONSIBILITY

We are reducing our supply chain impact not just through our own greenhouse reductions, but by collaborating upstream and downstream with our suppliers and retail partners to accelerate our diverse and sustainable supply chain spending.

GOVERNANCE AND DISCLOSURE

As a family-owned business with an independent fiduciary board, we have built and seek to adopt globally recognized governance frameworks for greater transparency and accountability so we can live our corporate values of integrity and responsibility.





WOMEN
OWNED

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