



2023 Impact Report

April 15, 2024

About Us

At GreenGear, we recognize the responsibility we all have to interact with the environment in a more sustainable way. We're on a mission to help outdoor events & venues switch to more sustainable products. To do so, we are dedicated to creating reimagined plastic products, such as bags and ponchos, that drive positive environmental and social impact, all without compromising on price or quality.

We are a college-student-founded company and incorporated in 2017. GreenGear was founded by Monika Dharia when she was a student at Duke University. Our mission is to inspire a more sustainable and equitable world through innovative products, starting with a rain poncho. Monika's first year full-time in the business was in 2022 and we made exponential progress in that year. In 2023, we brought our second product to market—The EcoShop Bag, a bio-based, reusable, recyclable, and landfill-degradable product. This product launched with the Philadelphia Eagles and is currently being used for retail sales at Lincoln Financial Field. More interested organizations are now in sight as we scale the bags. In 2024, our objective is to expand our product range by introducing a higher-clarity version of our sugarcane-based plastic bag, offering a sustainable option for venues and events seeking to enhance security while still prioritizing sustainability.

We are a certified minority, woman-owned small business and 1% for the Planet members. From day 1 of our company, more than 1% of all revenue has been donated to environmental nonprofits. In 2022, we also became Green Sports Alliance members and in 2023, we made a stronger commitment to our social and environmental performance by becoming a B Corp-certified company. Now, from 2024 onwards we have a clear framework and strong network to help us continuously improve on the five pillars of our business's impact: Governance, workers, community, environment, and customers.

Offering Unique Products

In 2022, GreenGear Supply Company Inc. amended its articles of incorporation to become a benefit corporation under Article 17 of the Business Corporation Law. Our amendment states, "The corporation creates sustainable products, for consumer use, that drive positive environmental and social impact. The corporation is committed to benefiting and protecting the environment, workers, and underserved communities."

In the following sections, we highlight the specific public benefits we pursued in accordance with this amendment. In addition, in our "Reflections and Looking Ahead" section, we discuss circumstances that limited the benefit corporation and how we will be addressing those in the coming years.

Benefit Corporation - Third-Party Standard

Per New York State Corporation Code 1708, a Benefit Corporation must utilize a third party to assess its public benefit. GreenGear Supply Company Inc. has become a Certified B Corporation and has elected to utilize these third-party standards, administered by the B Lab - a United States-based non-profit organization. This report template was also inspired by Cultivating Capital to assist clients in preparing an impact report that can be used to increase transparency, follow best practices, and earn points on the B Impact Assessment (BIA).

The B Lab Impact Assessment provides comparability across sectors and industries, and transparency among those certified. Mission alignment is another consideration, as the B Lab has developed a quantitative and qualitative approach for companies who are pursuing a triple bottom line - people, planet, profit. The role of B Lab is to provide this annual assessment (and potential audit), which GreenGear completed in 2023 and will aim to recertify in 2026. Over 8,000 companies around the globe have utilized B Lab's Impact Assessment, creating a deep network that spans industries and geography, connecting businesses that have a greater understanding of public benefit.

It is important to note that we are not affiliated with nor compensated by B Lab, which remains purely an independent and unbiased 3rd party. The attached B Lab Assessment is therefore objective by nature and utilizes global standards, processes, and metrics, which provide consistent and comparable results. This is an active score, as we'll be actively working on improving this score. The assessment measures all operations of a business including five impact categories: governance, workers, community, environment, and customers. Businesses must earn a minimum score of 80 out of a possible 200 points in order to be eligible for B Lab certification.

B Corp Certification & Impact Report

We became B Corp-certified because we seek to continue our social mission while scaling our business. Therefore, as our profits grow and we potentially raise money, GreenGear will still be held to a high socially responsible standard. We are also using the B Impact Assessment as a tool to continuously improve our supply chain, governance model, and product impact in order to determine what impact areas to prioritize first.

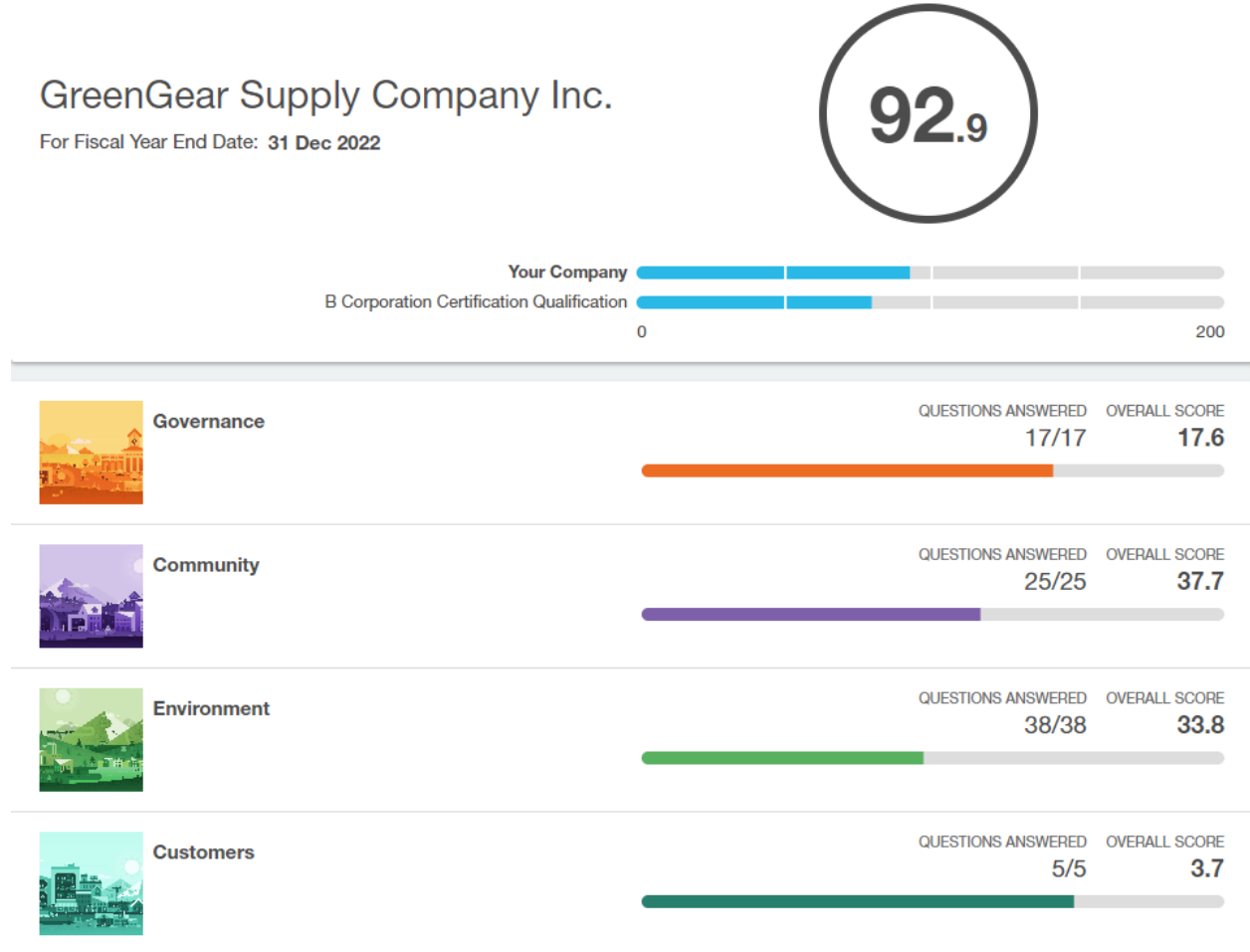
According to the B Lab website, in order to achieve and maintain certification, a company must:

1. Demonstrate high social and environmental performance by achieving a B Impact Assessment score of 80 or above and passing our risk review. Multinational corporations must also meet baseline requirement standards.
2. Make a legal commitment by changing their corporate governance structure to be accountable to all stakeholders, not just shareholders, and achieve benefit corporation status if available in their jurisdiction.

3. Exhibit transparency by allowing information about their performance measured against B Lab's standards to be publicly available on their B Corp profile on B Lab's website.

Furthermore, a company must undergo a recertification process every 3 years to demonstrate dedication to continuous improvement and to ensure these socially responsible standards continue to be met on an ongoing basis. For more background on the B Corp certification process visit: <https://www.bcorporation.net/en-us/certification>.

The image below is a screenshot of our B Impact Score.



Highlights

In 2023, we experienced significant growth, scaling our impact and revenue by ~400%. We officially became a B Corp-certified company and have successfully registered as a benefit corporation to formalize our dedication to having a positive impact on all stakeholders.

Second, we have made great strides in our supply chain. We started working with Verde—a partner in the U.S. to add a biodegradable additive to our material. We started working with their PolyEarthylene™ material to develop our EcoShop Bag. We now aim to implement this material into our rain ponchos in 2024. Following the incorporation of this additive, our products continue to be crafted from renewable resources, while also maintaining their reusability and recyclability. Additionally, with Polyearthylene™ our products have the added benefit of being biodegradable for bio-consumption. Unlike oxo-degradable products which rely on exposure to light, oxygen, and moisture from the environment for decomposition, our bags rely on microorganisms and enzyme activity found or present in the environment for degradation and transformation. Oxo-based plastics are known to fragment during degradation leaving behind microplastic particles. Our materials will not produce microplastics during degradation. Furthermore, in third-party testing, our bio-based film with Polyearthylene™ showed no detectable levels of PFAS. Overall, this partnership with Verde will help us bring more local production and improved products to our domestic customers.

From a transportation standpoint, we have found partners to measure and offset all carbon emissions for our shipments. The large-order shipment carbon offsets were implemented in 2022 and for parcel shipments, we started working with Sendle, a B Corp-certified, carbon-neutral company. A small portion of shipments are done through UPS and we are looking to measure and offset carbon emissions for those in 2024.

Third, we started a partnership with Scropp Recycling to bring a joint sustainable solution to sports stadiums. This partnership will help promote both our bioplastic solutions to single-use products as well as Scropp's smart waste management platform. By working together we can bring our solutions to a wide range of customers and help with their infrastructure in the process.

We are also committed to donating at least 1% of all revenue to environmental nonprofits. This year, we have donated over 1% and, to date, we have contributed over \$11,000 to environmental causes. We have also begun expanding our relationships with our nonprofit partners, such as the Black Jaguar Foundation and EcoAthletes, developing plans to provide value in addition to monetary donations.

Finally, we have grown our team significantly in 2023. At the end of 2023, Sven Bakhuizen became GreenGear's first full-time hire, starting in January 2024. In his role, he will focus on GreenGear's revenue operations, operational efficiencies, and impact strategy. We also grew our work with Chelsea Apostol, through her startup, to manage our marketing efforts, spreading sustainability education along the way. We have enlisted the help of an accountant, IP

protection attorneys, and seven contractors for sales, marketing, and lifecycle analyses, along with experts on our plastic film, business development, and sales strategies. GreenGear™ also has a five-person board of advisors composed of stakeholders from various relevant sectors.

Now that we are hiring and expanding, we are working to outline benefits we should strive to expand for our contractors and get for our employees. We also seek to create more part-time and full-time employment opportunities going forward.

Governance

GreenGear has completed the B Impact Assessment to formalize and continuously improve our high socially responsible standards as we grow. To do this, we have amended our corporate documents to officially become a benefit corporation.

We have been awarded 17.6 out of the 25 points in the Governance section of the B Impact Assessment. The primary strength in this part of our impact assessment comes from stakeholder engagement and the encouragement of ethical conduct through the use of our Code of Ethics. This impact report contributes to transparent communication of our mission, growth, impact, and improvements. Future improvements will include the addition of a validating body for several financial and impact-related claims and documents. This will help improve the quality of our communication further.

Within our supply chain, we have communicated our B Corp certification. We hold ourselves, suppliers, customers, partners, contractors, and other relationships accountable for our shared ethical and business values. We will terminate relationships that do not adhere to these values.

Workers

GreenGear does not have any full-time workers, besides our founder, in 2023. We do collaborate with other businesses and have independent contractors, with the goal of expanding the roles of these contractors. In all working relationships, we prohibit discrimination & harassment of any type, including but not limited to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity & expression, or any other characteristic protected by law.

We also provide equal employment opportunities and provide transparency to our contractors. We provide employee training to help create equitable opportunities for those in underserved groups or from underserved communities. We also have written agreements with our sales agents and provide informal feedback to our contractors and business partners. Formal contracts have been adopted in 2023 to protect contractors and the company from any unwanted complications.

Finally, we are also using the B Impact Assessment to build our hiring, training, and benefits platforms. We will be utilizing the worker section, formally, once we have permanent workers in place. Starting in 2024 onwards, the second full-time employee will be joining the company on a remote basis through the use of Deel.com to ensure legal compliance and formalized working conditions. We will be using the workers section to start building out a collaborative and inclusive workplace.

Community

GreenGear is an active community member on both a national and international level. First, at least 1% of all revenue is donated to our nonprofit partners. This year, we've continued our partnerships with EcoAthletes and the Black Jaguar Foundation, aiming to create initiatives beyond donations to support these nonprofits. Since our founding, we have donated \$11,094 to environmental causes of which \$4,201 in 2023.

We have also participated in speaking events such as with students and through nonprofits (e.g., Green Sports Alliance and Acting Green Forum). These speaking opportunities were used to share how we are innovating and provide resources on how to grow a business, especially one that starts from a student. From a mentorship perspective, we also dedicate time to mentor students to help them create businesses and join the sustainable innovation space.

In terms of growth, we've also begun to diversify our supply chain so we can allocate more production to the U.S. and support businesses in the area. We are also allocating more resources to social media to educate our end-users on plastic alternatives, our products, and general sustainability practices. This also extends to our website, which we recently updated to provide free sustainability resources to all people.

We have been awarded 37.7 out of 75 points in the Community section of the B Impact Assessment. Our primary strength here lies within the diverse ownership, community involvement, and the relatively high amount of donations done in previous years. We can improve our impact on communities further by investing in impacting local communities and increasing purchases from companies with a shared vision of social and environmental impact.

Environment

GreenGear aims to protect and conserve the environment in many ways, including:

1. Using sugarcane and renewable resources to create our products.
2. Reducing carbon emissions through our products and supply chain.
3. Optimizing end-use for our products, informing our decisions based on lifecycle analyses.
4. Utilizing recycled kraft paper and soy-based ink for our packaging, since ~80% of plastic waste is from single-use packaging.
5. Supporting nonprofit organizations by donating >1% of all revenue annually and providing outside resources where possible, like ponchos to be used as PPE in remote environments.

This year, we've improved our environmental impact in the following ways:

1. Released our EcoShop Bag which is biodegradable for bio-consumption in addition to all previous features to optimize end-use of our products further.
2. Production of the EcoShop Bag is done domestically to reduce transport emissions and assist in the repatriation of manufacturing to the U.S.
3. Conducted a carbon analysis of our business operations & formalized a virtual office stewardship policy.
4. Conducted Lifecycle Analyses (LCA) and models to track the environmental impact of our products.

The results of the LCA and complementary models provide us with great estimates of our CO₂ Impact and the amount of plastics reimaged. As shown in figure 1 below, we reimaged ~6,800 kg of plastic in 2023. Assuming our products served as alternatives to traditional plastics, the net CO₂ impact was -22,989 kg CO₂-eq (figure 2).

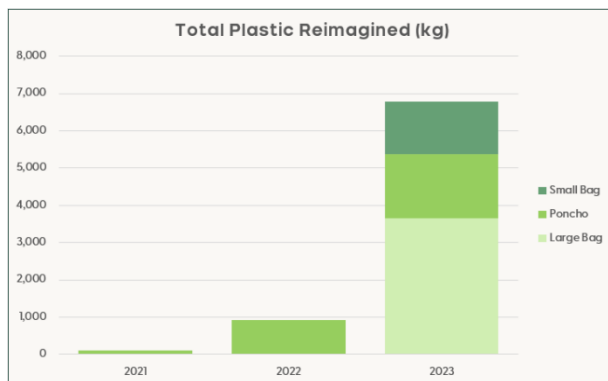


Figure 1

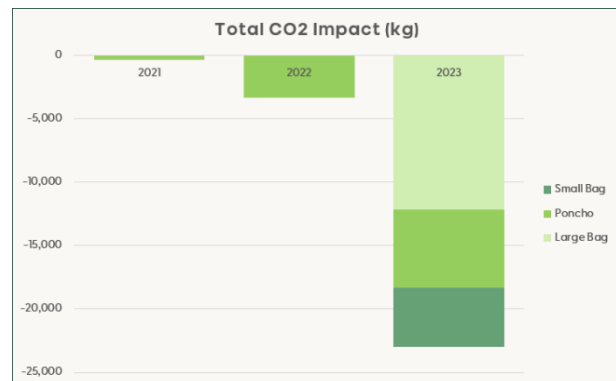


Figure 2

We have been awarded 33.8 out of 70 points in the Environment section of the B Impact Assessment. Our primary strength in this section is our effort to reduce the use of nonrenewable resources and limit waste as much as possible. In the next few years, we'll be working on improving our environmental impact through the increased use of low-impact renewable energy,

sustainable innovations in manufacturing, and the creation of key performance indicators with which we can set measurable goals to further improve on.

Customers

GreenGear is committed to providing an exceptional and educational customer experience. First, we've been working to improve our feedback channels by incorporating a platform on our website and informally engaging current customers to get product input. Furthermore, we often showcase our product at conferences (e.g., Marketplace for the Future, Green Sports Alliance, Sport Positive, 1% for the Planet, and more) to get thoughts on our product and business. Conferences have allowed us to get input from industry experts, sustainability leaders, and the general public. Additionally, in 2023, we conducted customer interviews and started tracking the motivations and current pain points of prospects on top of blockers and objections to working with us. This will help us optimize our products and communication to be in line with customer needs.

To help bring our products to more communities, we offer our wholesale rate to all nonprofits and small businesses for any size order (i.e., ones that fall below 500 units). This results in a discount of ~40%. This is to help all people have access to our products. We keep an eye out for and will donate our ponchos during local emergency situations in which our products can be of help to people in need. An example of a previous initiative is our COVID-19 fundraiser, in which our ponchos helped serve as PPE for remote healthcare workers.

We also believe in providing robust sustainability messaging guidelines and resources to both our large business customers and end-users. We continuously update our website to keep our sustainability messaging easy to follow and our recycling guide easily accessible. For our large customers, we provide a PDF on our sustainability specifications, how this compares to other types of plastics, and general resources to access third-party research on bioplastics. We created one-pagers to have every feature of our EcoRain® Poncho and our EcoShop Bag in a one-page overview. These one-pagers are designed to be easy to read for people without prior knowledge of bioplastics.

To protect client privacy, all platforms that have any type of customer data require 2FA to access. We also moved to more encrypted passwords for our platforms and use antivirus software that provides a secure VPN for all public Wi-Fi connections.

We have been awarded 3.7 out of 5 points in the Customer section of the B Impact Assessment. It highlights the way we handle customer data and privacy while future improvements primarily lie in managing our products' impact on end-users.

Reflections & Looking Ahead

Many of the topics related to the goals set in this section last year have seen significant development. The main limitation to expand our public benefit is still cash flow throughout 2023 but we did manage to accomplish several goals. This year, we focused on higher compensation per hour for contractors and expanding our team for fair wages, which temporarily constrained our charitable contributions. However, this transition is driven by a long-term vision aimed at achieving a more substantial impact in the coming years. We are focused on building a team that is treated well, continuing to bootstrap, and working with mission-aligned partners as we believe that will be pivotal to creating long-term environmental and social impact.

After setting high goals to continuously improve last year, several of these goals have been realized. We rolled out our EcoShop Bag with a landfill-degradable feature. This helps enhance our impact if an EcoShop Bag ends up in a landfill since it will degrade within three years without leaving behind microplastics. Additionally, GreenGear has created more purpose-driven jobs through the addition of a Director of Impact & Operations from 2024 onwards. We will continue to push to create more purpose-driven jobs in the following years.

We have also created and instilled supplier agreements to formalize B Corp values within our supply chain. This was an important step to create awareness of our high social and environmental values among & outside of suppliers. We will refine these agreements over time to hold our suppliers to continuously higher standards. Finally, we participated in an accelerator program, MassChallenge, to strengthen our foundation and gain help from experts and business developers. This program helped us understand our business, impact, and market better. It also gave us insights into other markets & messaging to make sure we can continue to have a positive impact in the best and most ethical way. Furthermore, we were able to create more organized processes to track our sales, contacts, and impact better.

We have high goals to continuously improve in 2024. Specifically, this year we seek to:

1. Create more environmental and social impact through >\$1M in sales by focusing on sports, large events, and tourist attractions along with launching our clear bag.
2. Improve operational and financial resilience by de-risking our supply chain and diversifying our customer portfolio.
3. Provide customized end-use (e.g., recycling rates) and impact metrics (e.g., CO₂ emissions, plastic displaced) for our products to customers through partnerships such as with Scrapp Recycling.
4. Utilize the updated B Corp guidelines to develop an optimal work environment and long-term profit-sharing plans.
5. Roll out our EcoRain® Poncho with enhanced biodegradation.
6. Measure and offset carbon emissions for all parcel shipments, including those not done through Sendle.
7. Develop a B2B customer feedback system.

8. Finalize building out a plan to move manufacturing to support more sustainable energy, such as initially through power purchasing agreements. The goal will be to start implementing at certain locations by the end of 2024.
9. Allocating more of our business purchases to support local, purpose-driven companies.
10. Increase volunteer efforts from the whole GreenGear team together.
11. Improve pallet options for B2B orders, minimizing waste.

Contact us

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