

100%  
EMPLOYEE  
OWNED



NEW BELGIUM®  
BREWING

2018

# BUSINESS AS A FORCE FOR GOOD



## HELLO FRIENDS OF BEER, EARTHLINGS, GOOD DOERS:

### WELCOME TO OUR 2018 FORCE FOR GOOD REPORT

Business is one of the strongest forces in the world, and as New Belgium and many others have proved, it can be used as a force to do good. Our beer is made possible by well-functioning ecosystems and stable societies. We don't take that for granted, and we know we have a role in stewarding these. At New Belgium we have an entire team of coworkers dedicated solely to understanding and improving our beers' impact on ecosystems and communities. But the work is not limited to just one team. Our 700+ coworkers across the entire brewery make hefty contributions every day. Even through the challenges 2017 presented, our commitment to the planet and our communities has not waned. This report features highlights of our work in the hopes that you will know how seriously we take our social and environmental commitments, and so that others may be inspired to do more. A topic of primary importance today is climate change.

### \* WE ARE STILL IN

#### WHAT DOES CLIMATE CHANGE HAVE TO DO WITH BEER?

Increasing global temperatures contribute to more frequent and severe weather patterns, and 2017 witnessed this to a concerning degree:

- Droughts and record-sized forest fires put water, beer's #1 ingredient, at risk.
- Increasingly volatile and unpredictable precipitation and temperatures result in smaller barley and hop harvests and potentially reduce quality.
- Hurricanes decimate fruit crops.

#### WHAT IS NEW BELGIUM DOING TO FIGHT CLIMATE CHANGE?

1. We reduce greenhouse gas (GHG) emissions in the brewery. This includes installing solar panels, creating electricity from our process waste water, capturing and repurposing heat in the brewing process, achieving LEED certification at our new brewery, and of course measuring our GHG emissions and modeling detailed plans to reduce them. We fund this work through a voluntary internal energy tax.
2. We work with industry partners to reduce our suppliers' emissions. For example, we co-founded and fund the Glass Recycling Coalition to improve recycling across the nation, and we co-lead the Brewers Association Sustainability Subcommittee.
3. Finally, we advocate for better climate policies to our elected officials. New Belgium is a longtime member of Business for Innovative Climate and Energy Policy (BICEP). We are also on the leadership council for the We Are Still In movement, a collection of state and local governments, business leaders, tribes, and academic institutes that have committed to upholding the Paris Climate Accord in the absence of federal action.

### \* BEER NEEDS YOU! PLEASE JOIN US.

By supporting smart climate policies, by doing your part to reduce your impact, and by supporting the companies doing good work, you're helping to protect the future of beer (and all of the other cool things on this planet).

CERTIFIED B CORPORATION



## WE'RE STILL IN... AND WE'RE IN IT TOGETHER

While we work hard to use our business as a force for good, we know it's important we take time to care for ourselves, care for one another, and enjoy the beautiful things of the world that we fight so diligently to protect.

Our co-founder Kim Jordan was a social worker and has always known the value in taking care of people. To help reduce wealth inequality and give coworkers access to the equity we help to build over the years, New Belgium gifts ownership in the company. 100% of New Belgium is owned by coworkers through an Employee Stock Ownership Plan (ESOP), and we all share in the profits each year. To stay healthy and well, 100% of coworker insurance premiums are covered, as are preventative care visits to naturopathic doctors, acupuncturists, and chiropractors. To encourage coworkers to get outside, we have a gear shed with things like stand-up paddle boards, tents, and sleeping bags. At our Colorado brewery, we have an onsite Wellness Clinic with a physician and medical assistants on payroll. These investments don't always show immediate benefit to our financial statements, but we know that over time we enjoy better coworker engagement and spend much less on turnover costs, insurance, and more.

As Maslow's hierarchy illustrates, when our basic needs are cared for, we have a greater capacity to care for others and tend to the health of our ecosystem. Whether we're working in accounting, the warehouse, or the brewery, over 700 coworkers have been a driving force behind New Belgium's positive impacts. Ultimately, we know taking care of one another is good for business.

### WELLNESS BY THE NUMBERS:

- **1,141** pounds were shed by New Belgium coworkers during our Weight Loss Challenge.
- **32** Wellness programs were offered to the New Belgium community, including tobacco cessation, yoga, Women's Weights, Circuit training, and Mindful Parenting.
- **2** onsite fitness areas for coworkers.
- **\$20,932** reimbursed for gym memberships, recreation league sports, and sponsored events.

## NEW BELGIUM LEADING THE WAY SINCE 1991

- Certified B Corp, using business as a force for good
- 100% employee owned
- Over \$16 million donated to nonprofits
- Outside Magazine's Best Places to Work
- First wind powered brewery in the U.S.
- First carbon footprint study for beer
- Onsite solar & biogas electricity from our water treatment process
- Platinum-level Certified Zero Waste Business (USGBC TRUE Zero Waste)
- Platinum-level Bicycle Friendly Business (League of American Bicyclists)
- 12% of hops Salmon Safe Certified
- Fat Tire beers are 1% For The Planet certified
- Founded and Co-Lead Brewers Association Sustainability Subcommittee
- Cofounded Glass Recycling Coalition



## FOR THE LOVE OF BICYCLES

New Belgium Brewing, is the love child of Beer & Bicycle. Dreams of Fat Tire Amber Ale came down from the heavens as Jeff, our co-founder, rode his bicycle across Belgium from brewery to brewery. And today our love is still as fresh and alive as it was 27 years ago. Bicycles make us better people. Riding improves physical wellness and mental health, reduces CO2 emissions, saves money, and provides a responsible form of transportation after a shift beer.

### \* 2017 HIGHLIGHTS:

- Ranked #1 in Bicycling Magazine's inaugural list of the 25 best companies for cyclists
- Donated land at our Asheville, NC brewery for the new French Broad River Greenway.
- Host cyclocross races at our Fort Collins brewery.
- Brought together the best bicycle advocates in the nation for the 3rd New Belgium Bike Summit. (Think Avengers on wheels).
- Distributed \$600,000 to over 50 bicycle advocacy non-profits.
- Doubled the coworkers that participated in the National Bike Challenge from 114 to 243, and doubled the distance ridden to 75,496 miles (that's 3 trips around the Earth)!
- During the National Bike Challenge co-workers burned over 4,115,776 calories or the equivalent calories of 26,553 Fat Tires.
- Check out stories about our bicycle-loving coworkers and non-profit beneficiaries at [greaterlengths.newbelgium.com](http://greaterlengths.newbelgium.com)

## COWORKERS HELPING OTHERS: VOLUNTEER VACATIONS

Our New Belgium family is a passionate group. Many of us spend our free time paying it forward, and some of us dedicate our vacation to a good cause. New Belgium offers up to \$500 per coworker who participates in a volunteer vacation. Funds can be used for travel, lodging or other fees.

**VACATION VOLUNTEER:**  
**BRIAN PANN FROM SHIPPING & INVENTORY CHILDREN'S ONCOLOGY SERVICES, CAMP ONE STEP**

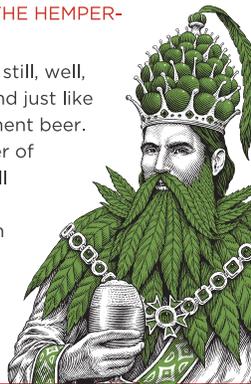


"I've been going to this camp since 1992 and it has played a huge role in my life. I had cancer as a youngster and camp has helped me become who I am today. My co-leader Martin and I came up with this idea because of our great experiences together at camp and thought it would be sweet to make a trip to give back. Going on year 9 of this trip and it couldn't be better."  
[camponestep.org/whitewater-adventure](http://camponestep.org/whitewater-adventure)

## HEMP

**#ICYMI - NEW BELGIUM BREWED A HEMP BEER, THE HEMPER-OR HPA.**

While this beer has no THC and no CBD, the aromas are still, well, dank. Cannabis and hops are in the same plant family, and just like hops, cannabis contains beautiful terpenes that compliment beer. Hemp has zero psychoactive effects and offers a number of agricultural and industrial benefits. Industrial hemp is still largely illegal in the U.S. But we're trying to change that. Head over to [TheHemperor.com](http://TheHemperor.com) to learn more about hemp sustainability and join the movement to legalize it.





# ENVIRONMENTAL METRICS:

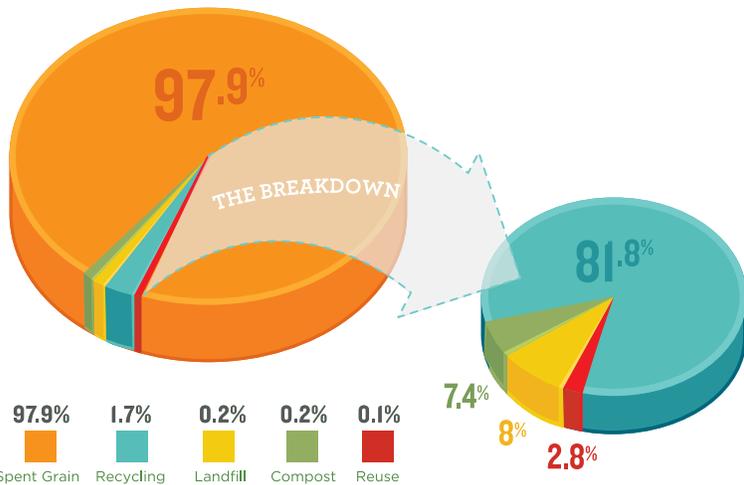
**WHAT'S NEW? \*** OUR ASHEVILLE BREWERY HAS A FULL YEAR OF DATA AND IS NOW INCLUDED IN THESE FIGURES.



## WASTE DIVERSION

NEW BELGIUM IS A CERTIFIED ZERO-WASTE BREWERY

**99.8%** OF OUR WASTE (BY WEIGHT) ESCAPED FINAL DEATH IN THE LANDFILL!



## SPENT GRAIN

Most brewers have a high diversion rate because spent grain has value and rarely goes to landfill. That part is usually easy. The true measure of the effort is what happens with the remaining 2%.



## LANDFILL WASTE

WASTE SENT TO LANDFILL



\* Grams (g) of landfill waste per hectoliter (HL) packaged



## ENERGY INTENSITY

2017 RENEWABLE ELECTRICITY PRODUCED ONSITE = 8.65%

### THE HARSH REALITIES OF OVERHEAD:

Of course, the more beer we make the more water and energy we use. To a point... because all factories require a baseline amount of energy and water (lights on, building heated, equipment cleaned), regardless of how much the equipment is used. With a new brewery online, we're not using the full capacity of our breweries, and are therefore less efficient. This is the primary reason these 2017 metrics are moving in the wrong direction.



Electricity and natural gas consumed in megajoules (MJ) per hectoliter (HL) of beer packaged

Brewers Association Benchmark (BA) > 100,000 bbls = 275 MJ/HL (234 MJ/BBL)  
Beverage Industry Environmental Roundtable Benchmark = 123 MJ/HL (144 MJ/BBL)

### WHAT ARE WE DOING TO IMPROVE THESE NUMBERS?

- Exploring more renewable energy in Colorado.
- Piloting treated water reuse in our Fort Collins cooling towers.
- Updating automated control systems to save water, energy, and beer loss.



## WATER INTENSITY

We lost ground on our water use ratio as we dialed in our new brewery. But Asheville's water recovery tank came online late in 2017 and we're steadily optimizing our automated cleaning. On all fronts 2018 is looking better!



Hectoliters (hl) of water to make 1 hl of beer packaged.

BA Benchmark > 100,000 bbls = 4.58 BBL water: BBL      BIER Benchmark = 3.65



## GREENHOUSE GAS EMISSIONS

### SCOPE 1: 8.3%

#### DIRECT EMISSIONS

Emissions directly occurring from sources that are owned or controlled by the institution, including: on-campus stationary combustion of fossil fuels; mobile combustion of fossil fuels and "fugitive" emissions.

### SCOPE 2: 6.1%

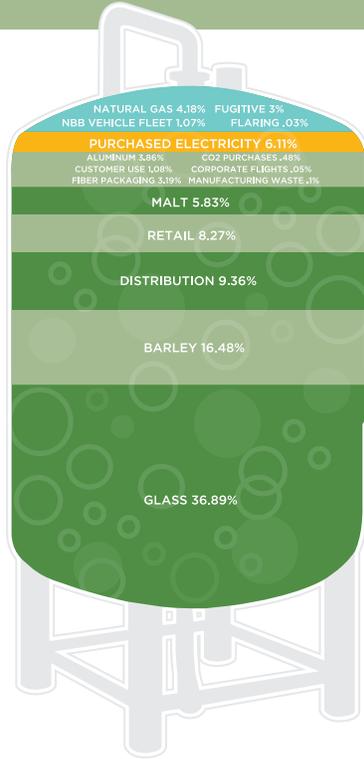
#### INDIRECT EMISSIONS

Indirect emissions generated in the production of electricity consumed by the institution.

### SCOPE 3: 85.6%

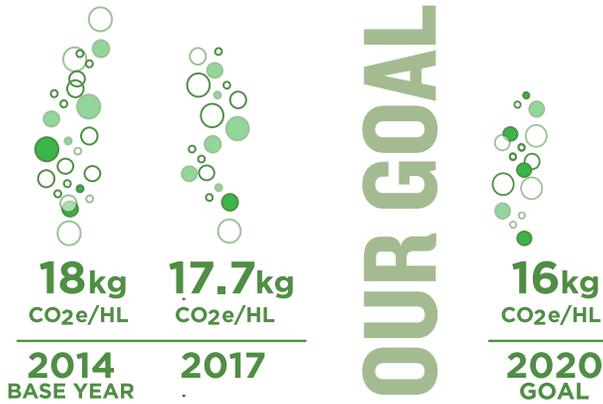
#### INDIRECT EMISSIONS

All the other indirect emissions that are a consequence of the activities of the institution, but occur from sources not owned or controlled by the institution.



BRIGHT TANK INFOGRAPHIC IS ONLY REPRESENTATIVE OF 100%, NOT ANY PARTICULAR OBJECT OR MATERIAL

## GHG EMISSION INTENSITY



Kilograms (kg) of carbon dioxide equivalents (CO2e) emitted per hectoliter (HL) of beer packaged. Scopes 1 & 2 only.



## BIG SAVINGS



## BIG CHALLENGES

- \* Opening a 2nd brewery in Asheville reduces shipping distances. This dropped our shipping emissions by 8.5 million lbs CO2e in 2017. It would take 100,000 trees to absorb that amount of CO2!
- \* The GHG intensity of our Colorado electrical grid dropped 21%, reducing our emissions from electricity by 3.2 million pounds. We're grateful for the state and municipal leaders who have driven the development of renewable energy in our region.

- \* Refrigerants have 1,000 - 9,000 times the warming potential of CO2. They usually run in a closed loop, but occasionally leaks can occur that are difficult to detect. Our fugitive emissions increased by 12% in 2017, largely due to a leak at our Asheville warehouse. We hope to avoid this in the future by improving preventative maintenance.
- \* Working out the kinks in a new brewery has an environmental impact. 2017 was the first full year the Asheville brewery was online, and while our processes are now using more optimal amounts of energy and water, it took some time to dial this in.

## CERTIFIED B CORPORATION

B Corp is to business what Fair Trade certification is to coffee or USDA Organic certification is to milk. B Corps are for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency.

Certified



Corporation

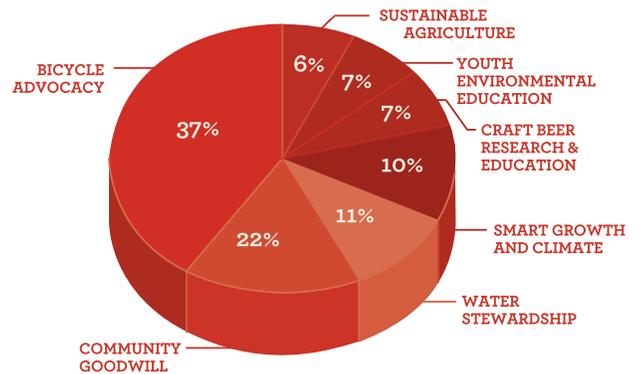
B IMPACT REPORT	NBB SCORE	MEDIAN SCORE*
WORKERS	58	18
ENVIRONMENT	48	7
COMMUNITY	20	17
GOVERNANCE	11	6
OVERALL	137	55

\*of all businesses that have completed the B Impact Assessment. 80 out of 200 is required to be eligible for certification.

## PHILANTHROPY

New Belgium donates \$1 for every barrel of beer we sell to nonprofits. We also give beer and bicycles, we throw fundraising parties like the Tour de Fat, and we pay our coworkers with 1/2 hour of vacation time for every 1 hour they volunteer. **In whole, New Belgium donated over \$1.7 million in 2017. This adds up to \$1.91 per barrel of beer sold.**

### 2017 PHILANTHROPY DONATIONS



## OUR PURPOSE:

To manifest our love and talent by crafting our customers' favorite brands and proving business can be a force for good.

## OUR CORE VALUES + BELIEFS:

- Remembering that we are incredibly lucky to create something fine that enhances people's lives while surpassing our consumers' expectations.
- Producing world-class beers.
- Promoting beer culture and the responsible enjoyment of beer.
- Kindling social, environmental and cultural change as a business role model.
- Environmental stewardship: Honoring nature at every turn of the business.
- Cultivating potential through learning, high involvement culture, and the pursuit of opportunities.
- Balancing the myriad needs of the company, our coworkers and their families.
- Trusting each other and committing to authentic relationships and communications.
- Continuous, innovative quality and efficiency improvements.
- **HAVING FUN!**