

# Fifty Shades of Green

in the

# Craft Beer Industry

Prepared for the

## Alberta Small Brewers Association

Calgary, Alberta  
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**ALBERTA  
CRAFT  
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# Getting Green in Craft Beer:

## So where is it all coming from and why?

- Its not about the colour of the beer, but it is about ROI, doing what's right for the environment and consumer preferences.
- Many breweries understand that sustainability initiatives are good for business, as well as the environment, and embrace related initiatives at varying levels or shades of 'green'.
- Still the potential is largely untapped.



# Moving into the Future with Sustainability

- When asked about sustainability - 'oh yeah, we are already doing that'. Whether starting out or well advanced, there is always more that can be achieved on the sustainability journey (*Fifty Shades of Green*).
- Market research has shown that customers are attracted to and willing to pay more for sustainable products - initial investment is then offset.
- When combined with increased market share and operational cost savings, sustainability results in opportunities for **higher profitability** and a 'win-win' for producers and consumers.





# Sustainability - looking after business, people and the environment

- Organization, planning and management capacity of a brewery to make it more profitable, reduce its environmental footprint and attract more customers.
- Research strongly supports the business case, showing that businesses with well planned sustainability models can improve profits by up to 80% within 3-5 years.



# Sustainability Business Case for the Craft Beer Industry

- Sustainability is a driver for innovation and business growth, delivering shared value and resulting in better financial returns.
- Competitive brand distinction, increased market share and reach are also possible through strong sustainability programs.
- Increasing interest of consumers for implementing sustainability practices.





# Building Sustainability into the Business to Improve the Bottom Line and Environmental Performance



- Breweries pursuing sustainability benefit through operational efficiencies and their supply chains, while reducing their environmental footprints.
- The more sustainable a brand is perceived, the more meaningful it becomes to consumers and the more they are attracted to it.
- Significant opportunities for further development and implementation of sustainability in the craft beer industry in Alberta.



# Leveling the Sustainability Playing Field for our Craft Beer Industry

- Advanced breweries have management and operational systems in place that integrate sustainability and build it into their brands.
- Sustainability reporting and certification programs are gaining traction, lending a competitive market edge to producers.
- Industry sustainability progress in the U.S. led by the Brewers Association Sustainability Sub-committee.





# Is Your Brewery Ready for new Regulations?

- New rules on groundwater use, monitoring and mandatory reporting, requiring closer attention to compliance.
- Water supply for beer production to be squeezed.
- End of low cost water. Costs of water use may double, reflecting the effect of use on the resource.
- Water Sustainability Plans being introduced under the BC Water Sustainability Act





# New Municipal By-laws and Government Taxes

- By-laws being introduced to reduce and prevent spent grains, fruit and yeast from smaller fermentation operations being drained into municipal sewers.
- Water consumption and conservation are further concerns.
- Introduction of carbon levy in Alberta raises operating costs for all small businesses to  $\approx \$1.52$  /GJ tax for natural gas consumption.

## Metro Vancouver Fermentation Operations Bylaw Guide

Winter 2015/2016



# Sustainability Planning and Implementation



- Any plan or program is only as good as its implementation.
- Communications, outreach, support and resources required to extend implementation of sustainability in the craft beer industry.
- Need to facilitate participation of breweries through education and sustainability assessments.



# Sustainability Ingredients

- Sustainability assessments to establish baseline conditions, benchmark performance and reduce environmental impacts
- Operations review to introduce best practices, optimize efficiencies and reduce costs
- Development and implementation of strategic plan for all aspects of the brewery enterprise





# Best Practices, Tools & Resources

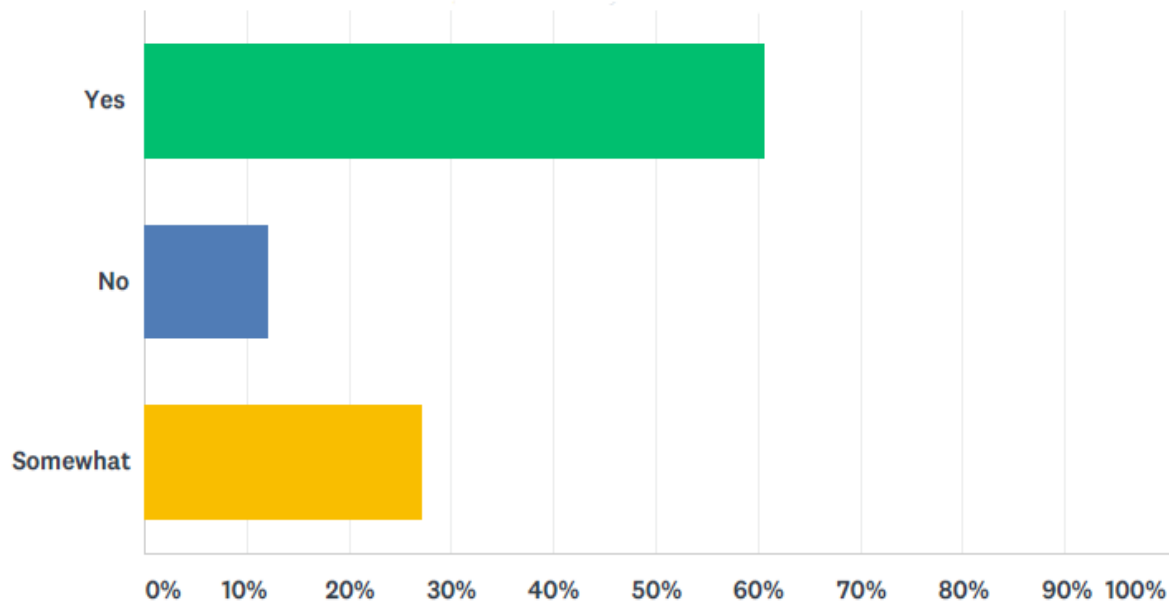
- Energy technology efficiencies and renewable energy
- Water conservation and waste water recycling
- Packaging and waste recycling - cardboard, aluminum cans and process materials recovery
- [Brewery Edible Six Pack Rings](#)



# Sustainability in your Brewery's Brand

## 2017 Survey

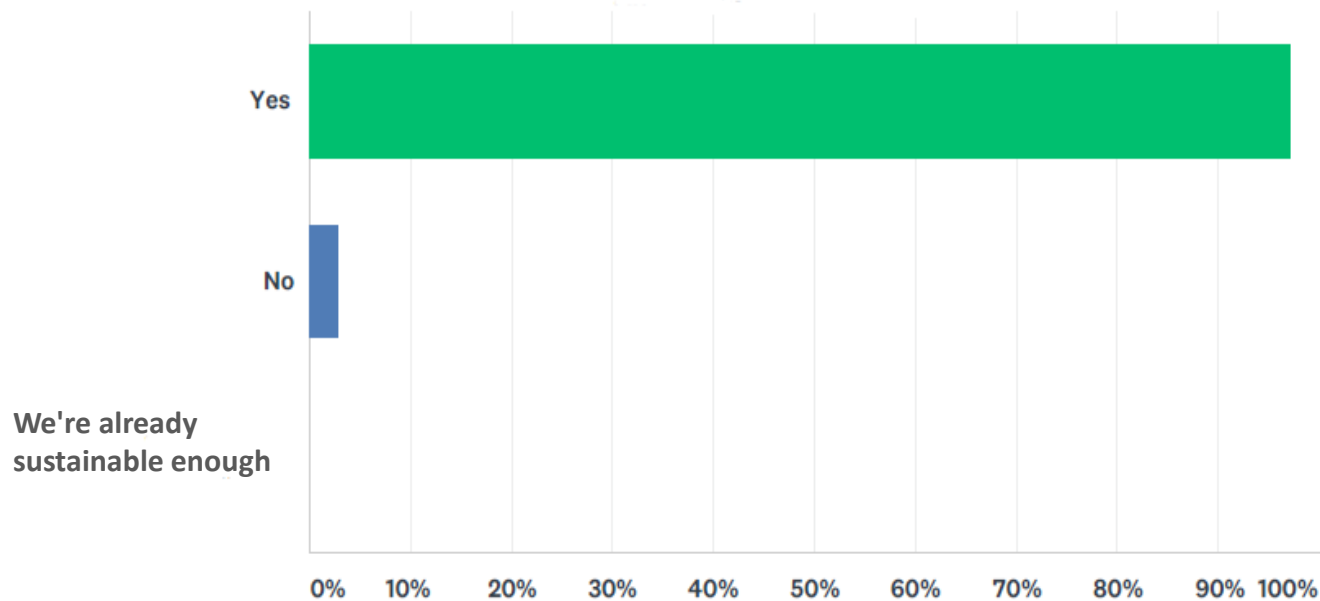
**Q1 The business case for sustainability is well documented. Is sustainability important to the bottom line (financial return) of your craft beer business?**



# Sustainability in your Brewery's Brand

## 2017 Survey

**Q6** Would you like for your brewery to extend sustainability in its business?

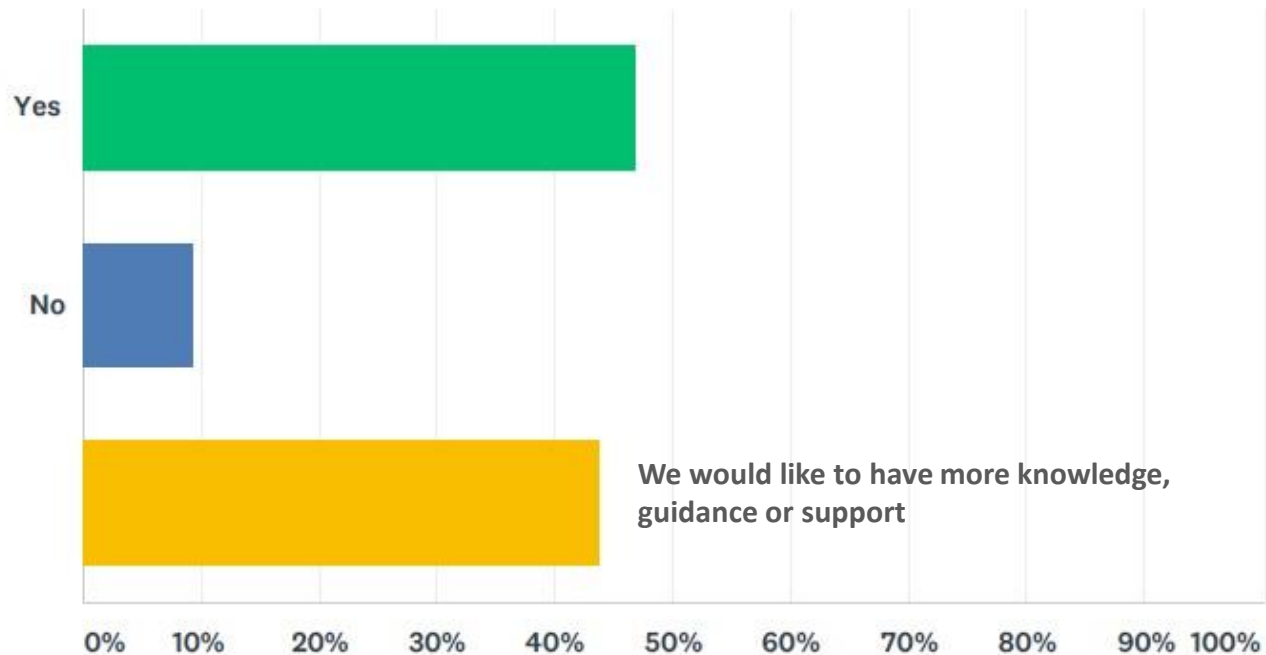




# Sustainability in your Brewery's Brand

## 2017 Survey

**Q9** Would you know how or where to start to advance sustainability for your brewery?



# Survey Comments

- *We make sustainability decisions because they are the right ones to make.*  
Henderson Brewing Company, Toronto, Ontario
- *Our primary motivation for building sustainability into our business is our responsibility to be stewards of the resources we use in the energy and water intense industry, as well as the real cost savings that our efforts achieve and impact we are able to make on our local communities.*  
Craft Brew Alliance, Portland, Oregon
- *Closed loop brewing system - sourcing all brewing and process water from an on site well, then treating all water on site with zero impact on the municipal water treatment facility. Carbon neutral operation - working to quantify our operations. First 'rectification boil system' in North America - increases the efficiency of our kettle by 80%.*  
Cowbell Brewing Company, Blyth, Ontario



# Is your Brewery Leveraging the Full Potential of Sustainability?

## *Top 3 Sustainability Questions*

- Has your brewery established a sustainability baseline and/or policy?
- Has it considered the range of options to reduce water, waste and energy costs, along with its carbon footprint?
- Does it have an overall environmental framework or strategic plan in place to advance sustainability practices and reporting, enabling the business to grow?





# Getting the Right Support

- Build sustainability framework with goals and action plans to track and report on progress.
- Target environmental initiatives - water and energy conservation, recycling and waste reduction, greening procurement and transportation, and branding opportunities.
- Getting started in sustainability can be relatively easy and less costly than often thought.

