

# PLEASE DRINK RESPON- SIBLY

Famous for its Fat Tire brand, New Belgium Brewing is also bottling an innovative business model based on employee engagement and environmental stewardship

BY MATT ALDERTON





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—Jennifer Orgolini, Sustainability Director, New Belgium Brewing

## Facts

Location: Fort Collins, CO

Established: 1991

Employees: 372

Business Structure:  
Employee owned

2010 Beer Sales: 661,000+ barrels

Geographic Reach: 26 states

Flagship Brand: Fat Tire

Beers: 18

Vitamin A 0% • Vitamin C 0%  
Calcium 0% • Iron 2%

\*Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:  
Calories: 2,000 2,500

Total Fat	Less than	65g	80g
Sat. Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

**INSPIRATION IS A FUNNY THING. SOME** people find it in the middle of the night, some in the shower, and others at the gym. If you know where to look, inspiration is everywhere. For Colorado native Jeff Lebesch, it came neither in bed nor in the bath, but on the seat of a bicycle.

It was 1988 and Lebesch, an electrical engineer, was mountain-biking through Belgium, on a tasting tour of the country's famous beer. An avid home brewer, he fell in love with the Belgian brewing tradition, which uses more fruits and spices than its German and English counterparts. Lebesch was so enamored that once back to Fort Collins, Colorado, he decided to duplicate the Belgian method in his home. He built a home-brewing kit in his basement out of repurposed dairy equipment and produced two basement brews: a double-brewed Belgian ale called Abbey and an amber ale that he named Fat Tire, in honor of his Belgian bike tour.

His friends and family loved them. Lebesch decided to commercialize his homebrews in 1991 and founded New Belgium Brewing with his wife, Kim Jordan, who now serves as CEO.

Lebesch and Jordan determined at the outset that their company would be about more than beer. Prior to establishing New Belgium, they created a written list of standards on which they'd build their business. That list later became New Belgium's "Core Values and Beliefs," a set of 10 guiding principles, at least three of which promise environmental stewardship. For instance, in addition to "producing world-class beers," New Belgium is committed to "kindling social, environmental, and cultural change," and making "continuous, innovative quality and efficiency improvements." New Belgium began as a basement brewery, selling just eight and a half barrels of beer a week. Now

it's the nation's third largest craft brewery, selling more than 670,000 barrels of beer a year in 26 states. Yet even as the company grows, its carbon footprint continues to shrink, giving new meaning to the phrase, "please drink responsibly."

## THE BICYCLE

For 20 years, the image of a red bicycle has adorned every bottle, box, and can of Fat Tire beer, which continues to be New Belgium's flagship brand and its No. 1 seller. More than a keepsake from its founder's brainstorming bike ride, however, the bicycle is a treasured symbol. The brewing company rewards all employees with a custom New Belgium cruiser bike on their one-year anniversary with the company. As a result, there are often more bikes than cars parked outside the brewery, where as many as a third of all employees bike to work.

"The bike is very important to New Belgium," says sustainability director Jennifer Orgolini, who began working at New Belgium on its bottling line in 1993. "It's an elegant solution. It's human-powered, it's fun, and it's carbon-free. It's the perfect sustainable machine, and it really symbolizes who we are."

Still, New Belgium recently decided it needed more than a mascot to deliver its mission. "Environmental stewardship has always been a priority at the brewery," Orgolini says. "Certainly, we've always talked about it, and we've always made decisions around being more efficient. We realized, however, that we hadn't been very systematic about environmental stewardship, and that perhaps we needed to put a little more structure in place. So about five years ago we came to a consensus and created a Sustainability Management System (SMS), which was really the launching-off point of our modern-day focus on environmental sustainability."

The SMS was created in 2007 as a



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response to concerns from employees who wanted more guidance, data, and executive-level support for sustainability. Based on their feedback, New Belgium convened a group of 16 people from throughout the company, who met over nine months to establish environmental baselines, specific sustainability goals, and companywide targets. The resulting SMS includes tools for green purchasing, design, and strategic planning, as well as guidelines for metrics, measurement, and reporting.

"As we grow—in revenue, territory, and age—we become more concerned with securing our legacy," reads the SMS handbook. "How can we make sure newer coworkers understand what is important to us and continue to uphold those beliefs? We felt there needed to be a bridge between the Core Values and Beliefs, which guide our actions companywide, and our daily striving to become more environmentally sustainable. The Sustainability Management System is designed to be that bridge."

According to the SMS, sustainability includes caring for the planet; honoring natural resources by closing the loops between waste and input; minimizing the environ-

mental impact of shipping beer; focusing on conservation and efficiency; supporting innovative technology; and modeling "joyful environmentalism" through a commitment to relationships, continuous improvement, and the "camaraderie and cheer of beer."

"In our own words," Orgolini says, "sustainability is sustaining quality of life for humans, which depends upon the health of the natural environment, as well as meaningful work in community. For us, the essential questions are, 'What problems is the planet facing?' and 'How does the brewing industry impact those issues?' as well as, 'What can we, as New Belgium, do to substantively improve our industry?'"

#### BREWFFICIENCY

New Belgium has already been answering those questions for the past 13 years, says Orgolini, who recalls a pivotal moment in New Belgium history that's known simply as "the wind-power vote."

In 1998, the company was considering carbon-dioxide-recovery technology that would allow it to reduce its greenhouse-gas emissions by capturing the carbon dioxide

Just from the number of bikes in the parking lot (above), New Belgium's commitment to the environment is clear. Inside the Brewhouse (opposite page), the story is the same.



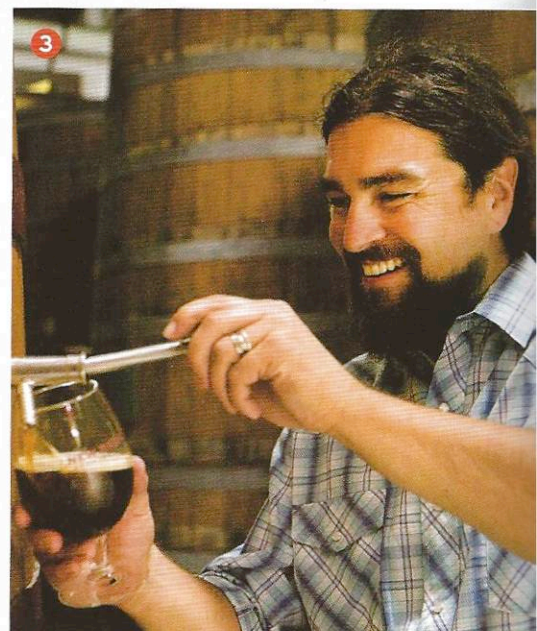
## SUSTAINABLE BREWING CHECKLIST

Although it's already all natural—it's just hops, water, yeast, and malt—beer is not an environmentally friendly beverage. "Brewing is an energy-intensive production process," explains Jim Spencer, New Belgium's director of engineering. But there's plenty that brewers can do to minimize their environmental impact, starting with the following checklist, courtesy of BlueMap Inc., a San Francisco-based consultancy that specializes in sustainable business practices:

- Utilize biochar processing to reuse spent grains
- Implement water-use-reduction measures
- Install variable-speed fans or motors
- Ensure a regular maintenance regimen
- Use an on-site water-treatment facility to capture methane gas
- Recapture CO<sub>2</sub> during fermentation
- Optimize thermal resources within the brewing process
- Implement alternatives to diatomaceous-earth filtering
- Optimize refrigeration, lighting, construction, and other building controls
- Offset consumption with renewable-energy technologies







that's produced naturally during fermentation and then clean, condense, and reuse it during the bottling stage. An energy audit, however, revealed that the brewery was producing more carbon dioxide from coal-powered electricity than from fermentation. At the same time, the City of Fort Collins was establishing a new wind-energy program. Although it would cost 57 percent more than coal power, employees voted unanimously in favor of wind power, making New Belgium the country's first brewery to purchase 100 percent of its electricity from renewable energy.

"It was a very seminal moment in the history of the brewery, because that's when everyone here self-identified as having an environmental mission," Orgolini says. "When we voted in favor of wind power, we said, 'We're going to put our money where our mouth is,' and we did it in a very public, group-oriented way."

Since then, New Belgium has con-

tinued to reduce its environmental impact with unique capital investments, according to director of engineering Jim Spencer. "On some level, we're a lot like other breweries," he says. "We use the same basic ingredients—hops, water, yeast, and malt—and the same basic processes to convert those ingredients into sugar, then ferment them into alcohols that we filter and package. If you dig a little deeper, though, you'll see we have some things that are really unique. More than most breweries, we try to invest in technologies and processes that can help us not only with making good beer, but also with doing it in a sustainable, energy-efficient fashion."

New Belgium's most significant piece of sustainable brewing technology is its \$5 million onsite Process Water Treatment Plant (PWTP). Completed in 2001, the plant treats the company's wastewater with microbes that clean it. As the microbes eat organic matter that's present in the wastewater, they produce methane gas, which New Belgium then har-

**1** Employees play ping-pong while on a break from the bottling line.

**2** A group enjoying a tour of New Belgium's brewhouse.

**3** A brewer samples beer from aged wooden barrels called foeders.

**4** Solar panels line the top of the brewery's packaging hall. Photo: Tye Eyden.

**5 & 6** Free spirits and New Belgium Brewing founders, Kim Jordan and Jeff Lebesch, have plenty of reasons to toast to life.



vests and pipes back into the brewery, where it powers a 292-kilowatt combined-heat-and-power (CHP) engine that produces up to 15 percent of New Belgium's electricity.

Since the PWTP, New Belgium has tackled several other renewable-energy projects, including a 200-kilowatt solar array on the roof of its packaging plant, which, when it was installed in 2010, was the largest privately owned solar array in Colorado.

Because the brewing process is so energy-intensive (a large amount of natural gas is needed to boil water and malt for the purpose of extracting sugars, and an equally large amount of electricity is necessary to cool the boiling beer for fermentation and maturation), New Belgium knew it needed to not only generate energy, but also conserve and manage it. So in 2010, it used money from a Department of Energy grant to install Smart Grid technology that provides information to the brewery about its energy consumption. To further reduce usage, New Belgium is in the process of installing energy-storage systems that will use pre-chilled water to more efficiently cool its beer for fermentation.

Of course, these are only the latest in a long line of sustainable solutions. In 2008, the company produced a report on the carbon footprint of a six-pack of Fat Tire, purchased 30 pounds of the first-ever Colorado-grown organic hops, created and implemented sustainable purchasing guidelines, and removed the cardboard dividers in its 12-packs in order to save 150 annual tons of paperboard material. In 2009, it conducted a comprehensive assessment of its greenhouse gas emissions, doubled (from 44 percent to 88 percent) the recycled content in its 12- and 24-packs, and recycled a record 99.9 percent of its waste. The company has 39 hybrid vehicles, a Steinecker "Merlin" brew kettle that reduces natural-gas consumption, water-efficient native landscaping, and a 55,000-square-foot bottling facility that was built to LEED standards.

"We are known at New Belgium for our broad approach to sustainability," Orgolini says. "While some folks focus only on renewable energy or waste reduction, we are known for attacking the problem at every single place we can."

### COMPANY CULTURE

Without question, its capital investments have helped New Belgium become more sustainable. But if you ask the folks who work there, they'll tell you that the company's environmental stewardship doesn't hinge on technology—it hinges on people. In fact, people are the first thing a visitor notices

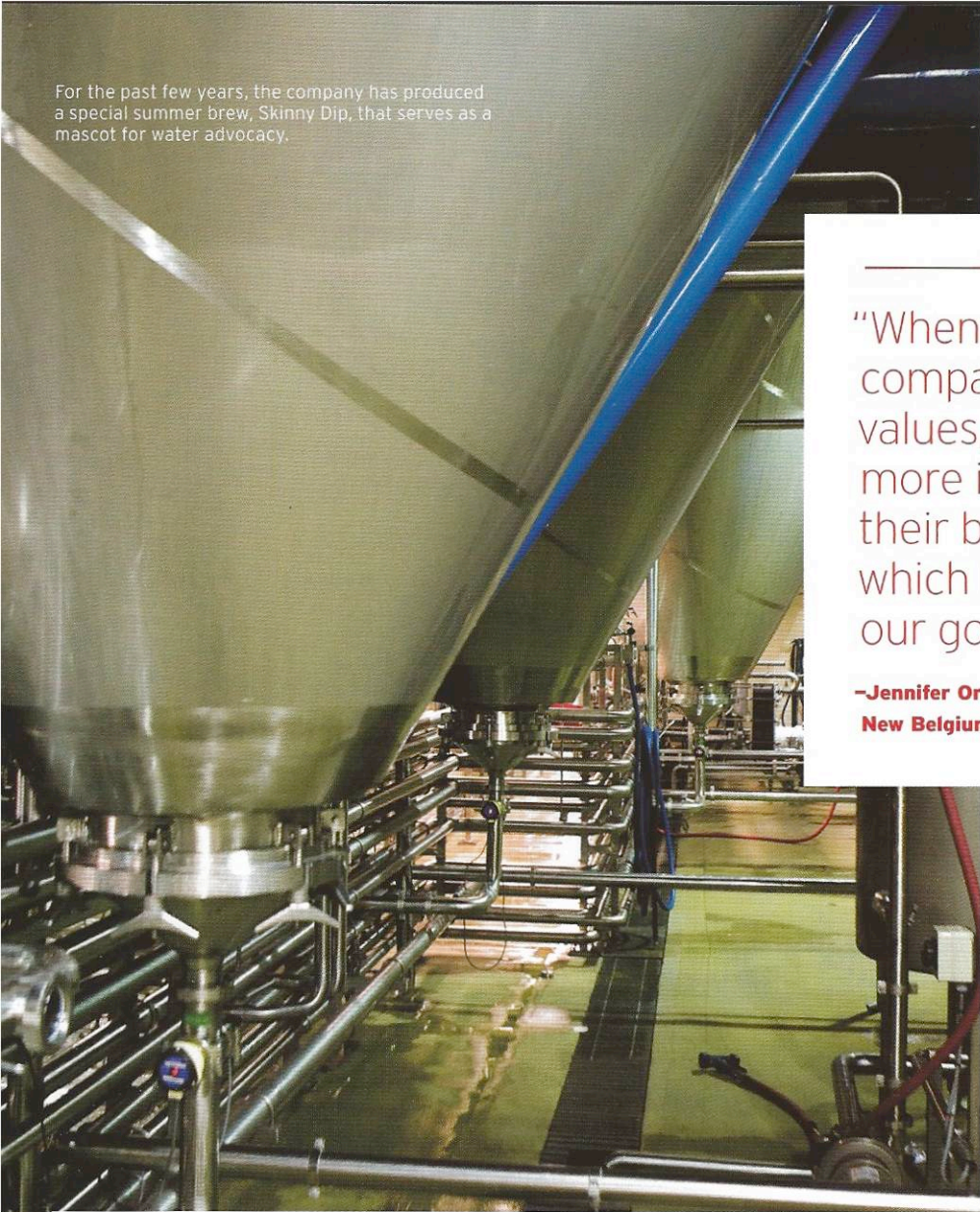
### THE TEN COMMANDMENTS

#### NEW BELGIUM'S CORE VALUES AND BELIEFS

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







For the past few years, the company has produced a special summer brew, Skinny Dip, that serves as a mascot for water advocacy.

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upon visiting the brewery. "Everyone who comes to the brewery remarks on the vibe here," Orgolini says. "It's palpable that people here enjoy their jobs."

"Enjoy" is an understatement. Consistently ranked among the best places to work by publications such as the *Wall Street Journal*, New Belgium gives employees a free lunch every other week, a free massage once a year, and an all-expenses-paid trip to Belgium to "study beer culture" on their fifth anniversary. It also lets them bring children and dogs to work and delivers on its Core Values and Beliefs—one of which is "having fun"—with onsite yoga, a volleyball court, a climbing wall, and more.

"Without employee engagement, you won't achieve environmental sustainability," Orgolini says of the importance of people. "It's all your co-workers who are making beer day in and day out. Ultimately, they're the ones who'll determine how efficient your company is. When they work for a company that shares their values, folks are much more invested. They bring their best

selves to work, which helps us execute all our goals." Employee engagement is more than a giant twisty slide. It requires democracy. According to Orgolini, New Belgium's "high-involvement culture" is one secret to its success. In 2000, New Belgium became 43 percent employee owned, with employees now sharing in both the risks and rewards of sustainability. "A long time ago, we realized that people spend a majority of their waking hours at work," Orgolini says. "So it was important for us to make that a meaningful experience. When the company prospers, our people prosper; and when our people prosper, they help the company prosper. It's a virtuous cycle."

#### SPREADING THE WORD

In the same way that it engages its employees, New Belgium involves its community. In 1995, the company established a Philanthropy Committee and began donating \$1 to local nonprofits for every barrel sold. Two years later, it joined 1% for the Planet, an alliance of businesses that donate 1 percent

of annual revenues to environmental causes. And for the past four years, the company has produced a special summer brew called Skinny Dip that serves as a mascot for water advocacy, highlighting the plights of local rivers.

New Belgium isn't just sharing its money; more and more, it's sharing its message. "For a very long time, we intentionally did not talk about our sustainability work," Orgolini says. "But then we realized there was an opportunity to be a role model. We wanted to prove that you can operate with strong values and still be very successful, in the conventional sense. So, we've made an effort to do a better job at spreading the message." To tell the New Belgium story, the company hosts more than 120,000 people a year for brewery tours and publishes a "Sustainability Report" on its website.

Ultimately, though, it all comes back to the bike: New Belgium's crown jewel of sustainable storytelling is the Tour de Fat, an annual bicycle festival that takes place in 13 cities nationwide. Proceeds from the festivals are donated to local nonprofits for the purpose of promoting environmental stewardship and bike culture.

"Our goal is to leverage our excellence to achieve our mission of being a sustainable business role model," she continues. "Being considered leaders is incredibly gratifying for us. It's what we work toward every day. For as long as we continue to live up to that expectation—for as long as we're leaders—we'll consider ourselves successful." **GBQ**