

# New belgium brewing company and the environmental issues



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# **1. What environmental issues does the New Belgium Brewing Company work to address? How has NBB taken a strategic approach to addressing these issues? Why do you think the company has chosen to focus on environmental issues?**

New Belgium Brewing strives to reduce its impact on the environment. NBB invested in a wind turbine, making it the first fully wind powered brewery in the United States. NBB has also incorporated a steam condenser that captures and reuses hot water used for boiling barley and hops to start the next brew. The steam is also redirected to heat the floor tiles and de-ice the loading docks during winter. NBB has also incorporated sun tubes that help to light the brew house with natural daylight, along with many other energy saving processes. I believe that the company has chosen to focus on the environment because of the owner's love of out-doors.

“ To operate a profitable brewery which makes our love and talent manifest.”

The company's stated core values and beliefs about its role as an environmentally concerned and socially responsible brewer include:

- â- Producing world-class beers
- â- Promoting beer culture and the responsible enjoyment of beer
- â- Continuous, innovative quality and efficiency improvements
- â- Transcending customers' expectations
- â- Environmental stewardship: minimizing resource consumption, maximizing energy efficiency, and recycling

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â- Kindling social, environmental, and cultural change as a business role model

â- Cultivating potential: through learning, participative management, and the pursuit of opportunities

â- Balancing the myriad needs of the company, staff, and their families.

â- Committing ourselves to authentic relationships, communications, and promises.

â- Having Fun.

Employees, believe that these statements help communicate to customers and other stakeholders what New Belgium, as a company, is about. These simple values developed 15 years ago are just as meaningful to the company and its customers today even though there has been much growth.

### **About Environmental Issues.**

New Belgium's marketing strategy involves linking the quality of its products, as well as their brand, with the company's philosophy toward affecting the planet. From leading-edge environmental gadgets and high-tech industry advancements to employee-ownership programs and a strong belief in giving back to the community, New Belgium demonstrates its desire to create a living, learning community.

NBB strives for cost-efficient energy-saving alternatives to conducting its business and reducing its impact on the environment. In staying true to the company's core values and beliefs, the brewery's employee-owners

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unanimously agreed to invest in a wind turbine, making New Belgium the first fully wind-powered brewery in the United States. Since the switch from coal power, New Belgium has been able to reduce its CO<sub>2</sub> emissions by 1,800 metric tons per year. The company further reduces its energy use by employing a steam condenser that captures and reuses the hot water that boils the barley and hops in the production process to start the next brew. The steam is redirected to heat the floor tiles and de-ice the loading docks in cold weather. Another way that NBB conserves energy is by using “sun tubes,” which provide natural daytime lighting throughout the brew house all year long.

New Belgium also takes pride in reducing waste through recycling and creative reuse strategies. The company strives to recycle as many supplies as possible, including cardboard boxes, keg caps, office materials, and the amber glass used in bottling. The brewery also stores spent barley and hop grains in an on-premise silo and invites local farmers to pick up the grains, free of charge, to feed their pigs. NBB even encourages its employees to reduce air pollution by using alternative transportation. As an incentive, NBB gives its employees “cruiser bikes”- like the one pictured on its Fat Tire Amber Ale label-after one year of employment and encourages them to ride to work.

New Belgium has been a long-time participant in green building techniques. With each expansion of the facility they have incorporated new technologies and learned a few lessons along the way. In 2002, NB agreed to participate in the United States Green Building Council’s Leadership in Energy and Environment Design for Existing Buildings (LEED-EB) pilot program. From [sun](https://assignbuster.com/new-belgium-brewing-company-and-the-environmental-issues/)

tubes and daylighting throughout the facility to reusing heat in the brewhouse, they continue to search for new ways to close loops and conserve resources.

Reduce, Reuse, Recycle- the three ' R's of being an environmental steward. The reuse program includes heat for the brewing process, cleaning chemicals, water and muchmore. Recycling at New Belgium takes on many forms, from turning " waste" products into something new and useful (like spent grain to cattle feed), to supporting the recycling market in creative ways (like turning their keg caps into table surfaces). They also buy recycled whenever they can, from paper to office furniture. Reduction surrounds them - from motion sensors on the lights throughout the building to induction fans that pull in cool winter air to chill their beer - offsetting their energy needs is the cornerstone to being environmentally efficient.

## **2. Are New Belgium's social initiatives indicative of strategic philanthropy? Why or why not?**

I do not believe that this is a case of strategic philanthropy. Jeff Lebesch seemed to have a love of the outdoors. The idea for the company began with a bicycling trip through Belgium, and he and his wife took a hike into Rocky Mountain National Park to write what the company's core purpose would be. I believe that Lebesch felt that it was his responsibility to build his business as environmentally friendly as he possibly could, regardless of whether it would be beneficial to the stakeholders or not.

New Belgium Brewing Company strives to improve communities and enhance people's lives through corporate giving, event sponsorship, and

philanthropic involvement. Since its inception, NBB has donated more than 1.6 million dollars to organizations in the communities in which they do business. For every barrel of beer sold the prior year, NB donates \$1 to philanthropic causes within their distribution territory. The donations are divided between states in proportion to their percentage of overall sales. This is their way of staying local and giving back to the communities who support and purchase NB products. In 2006, Arkansas, Arizona, California, Colorado, Idaho, Kansas, Missouri, Montana, Nebraska, Nevada, New Mexico, Oregon, Texas, Washington and Wyoming received funding.

Funding decisions are made by the NB Philanthropy committee, which is comprised of employees throughout the brewery including owners, employee owners, area leaders and production workers. New Belgium looks for non-profit organizations that demonstrate creativity, diversity and an innovative approach to their mission and objectives. The Philanthropy committee also looks for groups that involve the community to reach their goals.

NBB also maintains a community bulletin board in its facility where it posts an array of community involvement activities and proposals. This community board allows tourists and employees to see the different ways they can help out the community, and it gives nonprofit organizations a chance to make their needs known. Organizations can even apply for grants through the New Belgium Brewing Company Web site, which has a link designated for this purpose.

NBB also sponsors a number of events, with a special focus on those that involve “human-powered” sports that cause minimal damage to the natural

environment. Through event sponsorships, such as the Tour de Fat, NBB supports various environmental, social, and cycling nonprofit organizations. New Belgium also sponsored the MS 150 “ Best Damn Bike Tour,” a two-day, fully catered bike tour, from which all proceeds went to benefit more than five thousand local people with multiple sclerosis. NBB also sponsored the Ride the Rockies bike tour, which donated the proceeds from beer sales to local non- profit groups. The money raised from this annual event funds local projects, such as improving parks and bike trails. In the course of one year, New Belgium can be found at anywhere from 150 to 200 festivals and events, across all fifteen western states.

**3. Some segments of society vigorously contend that companies that sell alcoholic beverages and tobacco products cannot be socially responsible organizations because of the nature of their primary products. Do you believe that New Belgium Brewing Company’s actions and initiatives are indicative of an ethical and socially responsible corporation? Why or why not?**

People will purchase alcohol and tobacco products regardless of who is manufacturing it. Just because a company manufactures alcohol, which is legal, does not make them irresponsible. The consumers are the ones that ultimately act irresponsibly. If they are promoting responsible drinking and discouraging the sale of alcohol to minors, then I believe that they are being ethically and socially responsible. If they can go into business, being environmentally friendly in their manufacturing and be socially responsible, and keep another company from succeeding that does not care about the environment or be socially responsible, then it will be better all around.

Whether it is NBB or some else just looking to make a profit at any cost, someone will be there to manufacture alcohol and tobacco. We should applaud the companies that make genuine efforts to do the right things ethically, environmentally and socially.

According to David Edgar, director of the Institute for Brewing Studies, “They’ve created a very positive image for their company in the beer-consuming public with smart decision-making.” Although some members of society do not believe that a company whose major product is alcohol can be socially responsible, New Belgium has set out to prove that for those who make a choice to drink responsibly, the company can do everything possible to contribute to society. Its efforts to promote beer culture and the connoisseurship of beer has even led it to design a special “Worthy Glass,” the shape of which is intended to retain foam, show off color, enhance the visual presentation, and release aroma. New Belgium Brewing Company also promotes the responsible appreciation of beer through its participation in and support of the culinary arts. For instance, it frequently hosts New Belgium Beer Dinners, in which every course of the meal is served with a complementary culinary treat.

According to Greg Owsley Director of Marketing although the Fat Tire brand has a bloodline straight from the enterprise’s ethical beliefs and practices, the firm’s work is not done. They must continually re-examine ethical, social and environmental responsibilities. In 2004, New Belgium received the Environmental Protection Agency’s regional Environmental Achievement Award. It was both an honor and a motivator not to rest on our naturally raised laurels. There are still many ways for NB to improve as a corporate

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citizen. They still don't produce an organic beer. The manufacturing process is a fair distance from being zero waste or emission free. There will always be a need for more public dialogue on avoiding alcohol abuse. Practically speaking, they have a never-ending to-do list. NBB also must acknowledge that as their annual sales increase, the challenges for the brand to remain on a human scale and culturally authentic will increase too. How to boldly grow the brand while maintaining its humble feel has always been a challenge.

Every six-pack of New Belgium Beer displays the phrase, "In this box is our labor of love, we feel incredibly lucky to be creating something fine that enhances people's lives." Although Jeff Lebesch has "semi-retired" from the company to focus on other interests, the founders of New Belgium hope this statement captures the spirit of the company. According to employee Dave Kemp, NBB's environmental concern and social responsibility give it a competitive advantage because consumers want to believe in and feel good about the products they purchase. NBB's most important asset is its image—a corporate brand that stands for quality, responsibility, and concern for society. Defining itself as more than just a beer company, the brewer also sees itself as a caring organization that is concerned with all stakeholders, including the community, the environment, and employees.

#### **4. What else could New Belgium do to foster ethical and responsible conduct?**

I believe that NBB is a very ethical and responsible company. If they want to further their efforts, I believe that they should continue to be very careful of all future marketing that they do. I think that it is great that they promote sports that are "human-powered" and cause minimal damage to the

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environment, but they should always be very careful of the demographics of the fans of those sports. Most sports will have fans that are children, but they should make sure that they are choosing sports that generally have fan bases that are of legal drinking age, or they should always include something about responsible drinking and avoid portraying that consumption of alcohol can make you cool. I think that giving back to the communities that NBB does business in is a very responsible thing to do. I think that if they were to team up with organizations such as Mother Against Drunk Driving in those communities, it would further prove their desire to be responsible to those communities.

Moreover, I saw an article about this company. It says that at New Belgium Brewing Company's Ft. Collins, Colorado plant, you walk past colorful perennial flower beds and well-used bike racks and enter the building through the bustling employee break room, where recycling bins neatly line one wall and employee computers another. On the bulletin board, an announcement explains how to become an "employee owner." One of the employee owners explains that after a year of working at New Belgium, you get a new cruiser bike as a reward. On a typical sunny day, as many as a third of the company's employees ride those bikes to work, often including at least one of the company's founders-Jeff Lebesch or his wife Kim Jordan, who live about a 15-20 minute ride away. "It's a little hard to drop your child off at school on a bicycle," says Kim, "or else we'd probably drive even less than we currently do."

The bike is a symbol for much more than the company's popular Fat Tire beer. It also symbolizes the bike trip Jeff took through Belgium that launched <https://assignbuster.com/new-belgium-brewing-company-and-the-environmental-issues/>

the business. And the commitment he and his wife made to run that business sustainably. Their mission statement is “ to operate a profitable company which is socially, ethically and environmentally responsible, that produces high quality beer true to Belgian brewing styles.” This company is doing more than riding a yuppie wave of microbrewed beer. It’s also helping establish the operating principles of sustainable manufacturing.

Americans love to hear “ rags-to-riches” stories, and in terms of launching a new business, New Belgium is a classic. Jeff and his wife, Kim Jordan, began commercially brewing beer in their kitchen and basement in 1991, but decided to keep their day jobs, at least for awhile. Says Kim, “ Jeff would brew, we would bottle together with some help from our son Zack, then I would call accounts and deliver their beer. Fourteen hour days were not uncommon back then,” she adds. “ I still remember pulling up next to the 16 bay Budweiser delivery truck in my Toyota station wagon. The contrast was amusing to say the least.”

From those humble, 8 ½ barrels-a-week, basement beginnings, the pair has expanded to a new, energy-efficient facility that ships 140, 000 barrels of quality beer to 11 states. But their success has not taken them off the track of their commitments. Since 1993, New Belgium has donated \$1 for every barrel brewed the prior year to charities within its territories. “ In 1999,” says Jeff, “ we had \$104, 000 to contribute to organizations such as The Nature Conservancy, Emily Griffith Center, The Hope Center, and other non-profit organizations.”