## NORTH\*COAST® BREWING CO.—

INDEPENDENT SINCE 1988

#### **2022 SUSTAINABILITY REPORT**



MAKING THE WORLD A BETTER PLACE,

One Pint at a Zime.

## **A Letter** From Our CEO



In recent years, many businesses have embraced sustainability as a company value. At North Coast Brewing Company, we consider sustainability an imperative, and we are always focused on finding ways to improve our practices. To us, "Making the World a Better Place, One Pint at a Time" is not just a slogan; it is our constant and determined mission. As we head into our 35th year of brewing delicious, high-quality craft beer, we are grateful for our fans and friends who have supported us as we, like many other businesses, have in recent years faced a variety of challenges including supply chain issues, rising costs, and staff shortages. Despite those hurdles, we are proud to report that we have never stopped living our B Corp values. In fact, with change comes opportunity, and in 2022, NCBC:

- · Improved our leadership diversity by promoting and hiring new employees with varied backgrounds;
- · Increased transparency by engaging managers in presentations about the company's financials;
- · Continued our innovative partnership with Fortunate Farm to compost our spent grain and to repurpose filter media from our Plate and Frame filter, which improves the soil and nourishes the growth of organic produce and flowers;
- · Continued to encourage our employees to donate their time to support nonprofit organizations in their communities;
- Donated beer and gift cards to a variety of non-profit organizations to help them raise funds to carry out their missions;
- · Continued to fund the Mark E. Ruedrich North Coast Brewing Company Diversity Scholarship at UC Davis;
- Continued to donate funds from Brother Thelonious beer sales to music

education and from North Coast Steller IPA sales for marine mammal research; and we added a new campaign to donate proceeds from Old Rasputin to support the people of Ukraine.

Sustainable practices are a way of life for us. We are always looking for ways to minimize our impact on the environment, especially because we



### "Sustainable practices are a way of life for us."

live and work in a beautiful, rural community. Our efforts range from attention to smaller details, like purchasing BPA-free receipt paper for our retail store, to more significant impacts like the zero waste practices in our brewery.

As you read through this report, we hope to inspire you to embrace the B Corp Values that are helping to make this world a better place. Small things can turn into big things. From composting your kitchen scraps to reducing the use of plastic where possible, we encourage you to join us in making a difference.

With gratitude,



B Lab is the independent third party nonprofit that awards B Corp certification. See our B Corp profile at www.bcorporation.net.

CEO/CFO Jennifer Owen in the barrel warehouse.

Corporation

Jennifer Owen, CFO/CEO

# Committed to Community

In March of 2022, North Coast Brewing Company (NCBC) took a stand with the people of Ukraine in their fight against Vladimir Putin. The leadership team at NCBC took a hard look at what would be meaningful and immediate.

One of our top-selling beers is Old Rasputin Russian Imperial Stout, made in Fort Bragg, CA. We decided that a percentage of proceeds from Old Rasputin packaged and draught beer would be donated to two 501 (c) (3) non-profit organizations: The Cooperative for American Remittances to Europe, known as CARE, and Doctors Without Borders/Medicins Sans Frontieres.

CARE's Ukrainian Crisis response team has been providing critical aid, including water, food, psychosocial support and hygiene kits, for the people of Ukraine. Their focus has been to assist women and girls, families, and the elderly. The need is great and the response from NCBC's fans and business partners has been overwhelmingly positive.

Doctors Without Borders/Medicins Sans Frontieres is known for their impartial medical humanitarian aid for people who are affected by conflict and disease outbreaks, along with natural and human-made disasters. The care they give to people in need has benefitted over 72 countries and territories.

"Children and elderly people make up a large proportion of the patients with war-related injuries that we care for on our medical trains," said Avril Benoît, executive director of MSF in the United States. "Many have wounds associated with blasts that suggest the use of explosive weapons with a wide impact area, such as missiles, or artillery. When weapons like these are used in residential areas, it's highly likely that civilians

will be killed and injured."

If you would like to donate to these organizations you can access the links through our website:

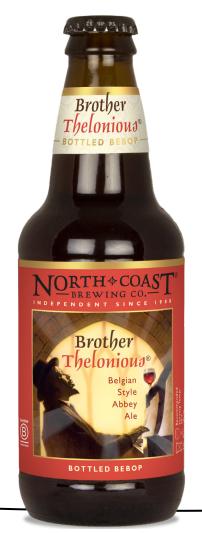
https://northcoastbrewing.com/ north-coast-brewing-companystands-with-the-people-of-ukraine/ In 2022 we contributed another \$10,000 to the Mark E. Ruedrich North Coast Brewing Diversity Scholarship at UC Davis and we're happy to report it's over halfway funded. Our program is inspiring others to create change in the industry as well. The crowdfunded UC Davis Tapping Potential Diversity Scholarships, for example, have provided five students from across the globe with full-ride scholarships to UC Davis professional brewing programs. "The entire brewing community – from breweries to suppliers to beer lovers – have been incredibly supportive of Tapping Potential," said John O'Neill, UC Davis Continuing and Professional Education marketing director. "But it all started with North Coast Brewing. They lit the fire."

Chijindu Onwuchekwa, the winner of a 2022 UC Davis Tapping Potential Diversity Scholarship to the online Master Brewers Certificate Program, is a brewer and quality control supervisor at Nigeria's first microbrewery. Her goal is to open the first female-led brewery in Nigeria. "There are not many female craft brewers where I am from. I hope I am able to inspire women from around these parts that they can also brew amazing beer because brewing started with ale wives. We can take back the reins."



\$40,000 2023

\$20,000



NCBC's support for education extends beyond our Redwood forests and curvy roads. Our Brother Thelonious beer raised \$23,446 in 2022 for the Monterey Jazz Festival's Education (MJFE) programs. Bringing professional jazz artists into the schools and summer camps, and promoting touring all-star student ensembles are an important way to keep music education alive.

The money donated by NCBC also contributes to the MJFE online resources, instrument rentals, and scholarships. MJFE provides high-quality jazz education programs that serve middle, high school, and college-aged students regionally and nationally. Thousands of students have benefitted from the festival's efforts, including Jazz in Schools Program, Summer Jazz Camp, Next Generation Jazz Festival, Next Generation Jazz Orchestra, Next Generation Women in Jazz Combo, and Monterey County All-Star Ensembles.

"North Coast Brewing Company has been one of the most steadfast partners of the Monterey Jazz Festival's Education programs in the organization's 66-year history. Every bottle and keg of Brother Thelonious sold across the country contributes to ensuring that students across the country have the opportunity to learn directly from jazz legends." — Colleen Bailey, executive director,

Monterey Jazz Festival.

## Beer That Does More

When you pop open that cold bottle or can of NCBC beer, it is reassuring to know that our beer does more. Not just in the way that it quenches your thirst or tantalizes your taste buds, but through our beer brewing practices. The way we go about making craft beer prioritizes the care of our planet. Our beer was born in a community that enjoys the beauty of the majestic Redwood Forest, the rugged Pacific Ocean, clean air, and water. Our town is a unique place, and we brew delicious craft beer while caring for our environment.

Our brewery team takes waste seriously and works hard to divert paper, cardboard, and more to the recycling bin instead of landfill. By waste diversion, we can maintain our TRUE Zero Waste Platinum certification. We divert more than 98% of all our solid waste away from landfill and/or incineration. Our brewery roof is equipped with solar panels to help reduce our carbon footprint. In 2022, our solar array generated 113,378 kWh. That is a 32.4% increase over 2021! We are also proud of the fact that all our core brands are verified by the non-GMO Project. One more way to help you feel good about what is in your food!





NCBC's long-term partnership with Fortunate Farm, a 40-acre inter-generational family farm and learning center just 6 miles south of the brewery in the small town of Caspar in Mendocino County is another area that makes us proud. The farm comprises pastures, creeks, a forest, and a large spring-fed irrigation pond. Gowan Batist runs the farm and is a teacher and mentor to those who work at Fortunate Farm. Her care for the plants and animals ranges from incorporating our spent grain into the soil





and diesel: 396.72 metric tons of CO2e

+

SCOPE2 - Company-wide use of purchased electricity:

**SCOPE 2** - Company-wide use of purchased electricity: 565.89 metric tons of CO2e

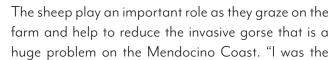
**SCOPE 1** - Company-wide use of propane, gasoline

#### TOTAL ESTIMATED CARBON FOOTPRINT

962.61 metric tons of CO2e This is a 5.1% reduction over 2021!

Scope 1 and 2 emissions are calculated from our owned or controlled sources. At NCBC, that means the fuel used by company vehicles, heat for water, and the electricity we purchase to run operations. We used the GHG emissions calculator provided by the Bonneville Environmental Foundation.

to sequester carbon, to hand shearing the sheep for their wool. She has been known to refer to this as "spa day" as it includes a haircut, and massage followed by a mani-pedi for the sheep.



manager of the Noyo Food Forest program for three seasons. During that time, I began composting spent grain from NCBC as a hobby. My hobby grew into an obsession and a career; I was hired on as the sustainability manager at NCBC before I started my own non-profit and remain a consultant to NCBC." – Gowan Batist, Fortunate Farm.

The care for soil health is shared by both NCBC and Fortunate Farm, and both have committed to a 20-plus year Carbon Farm Plan. It takes years to pull carbon from the atmosphere into the soil. This is a long-term approach to cultivating healthy soil that had been depleted of nutrients over time. NCBC's spent grain and beer is helping to improve the soil that grows healthy organic produce and beautiful flowers.

The repurposing of NCBC's used plant-based cellulose filter pads is an effective way to promote the growth of critically endangered native grasses. The pads have also been used to experiment with growing a small crop of corn and had some success. These pads are used in the final filtration of making beer, which means they contain nutrients that help make healthy soil.





Gowan Batist uses filter pads to promote native grass growth

#### **FOR EVERY BARREL OF BEER...**

**ELECTRICITY USED:** 15.2 kWH (Industry median was 28 kWh in 2018)

CO2 PRODUCED: 7.4 pounds (a 2.5% reduction over 2021)
PROPANE USED: 1.49 gallons (a 5.6% reduction over 2021)

# Celebrating Our Coast

When your backyard is the rugged Northern California coast you can't help but be inspired by the sea and the giant mammals that pass your way. We are adjacent to the migratory path of gray whales and the southern habitat of orcas. The endangered blue whale is also no stranger to our coastline, nor are the humpback whales. NCBC's Co-founder and original Brewmaster Mark Ruedrich has a long-standing love and respect for the health of the ocean. His passion for making the world a better place is shared by our leadership team and all our employees.

Our water reuse practices resulted in the reclamation of 86,088 gallons of water in 2022. Along with our recycling practices, the NCBC brewery team is diligent in maintaining our equipment and managing our resources. From inspecting our water lines for leaks to modifying the drain to ensure that we discharge our water into the municipal wastewater treatment plant, our team looks out for the beautiful Pacific Ocean, which is just a few blocks from our facility. The respect we have for the ocean and environment is genuine, and our facility meets the California State Water Resources Control Board requirements at the highest level, "No Exposure". Our team works hard to keep brewery contaminants (anything that isn't stormwater) from entering the stormwater system.

This is the birthplace of whale activism, and the whale artwork in our logo was created by one of the 1976 Mendocino Whale Wars activists, the late JD Mayhew. Mayhew was a local Fort Bragg artist who cared deeply about our ocean and sea life. He passed away in 2004 but his art lives on through our brand art. His pen and ink drawing continues to be a popular design on our Scrimshaw Pilsnerstyle beer label. We like to think that Mayhew's activist soul and love of the ocean continue to inspire others through our label.

In the spirit of the Mendocino Whale Wars, NCBC pledges a portion of the proceeds of every bottle and keg of North Coast Steller IPA to marine mammal research and rescue through the North Coast Brewing Company Marine Mammal Research Fund, a project of The Ocean Foundation. The Ocean Fund distributes the funds raised to three non-profit organizations that are special to us. In 2022, the sales from NC Steller IPA generated \$11,749. One of the three organizations benefitting from the sales is the Marine Mammal Research Unit at the University of British Colombia, which works with other departments and institutions to provide independent research and advice on matters related to marine mammals. They have been studying the Steller sea lions since 1993.

The habitat for the Steller sea lion is the Pacific Rim, which ranges from southern California to northern Honshu in Japan, and to

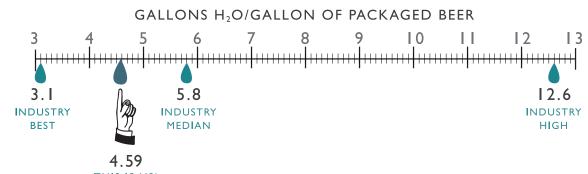
We also support the Marine Mammal Center in Sausalito, California. Their work in global

the Bering Strait. Find out more at https://mmru.ubc.ca/.









"We are facing increasing threats to ocean life due to climate change and each of us needs to do something about it. These non-profit partners

are all doing something about it. We have an opportunity to support them, and, in the process, we are giving our customers the chance to be part of the solution."

- Mark Ruedrich, Co-founder, North Coast Brewing Company

ocean conservation through rescue and rehabilitation is near and dear to our hearts. Their scientific research and educational programs help bring awareness to the issues facing our marine ecosystems. Their center is the world's largest marine mammal hospital, and they rescue more marine mammals than any other organization in the world. To learn more about their programs please visit: https://www.marinemammalcenter.org/.

The third organization that benefits from the sale of our North Coast Steller IPA is the Noyo Center in Fort Bragg, CA. The Noyo Center for Marine Science is committed to advancing ocean conservation through education, exploration, and experience. Their Discovery Center on Main Street in downtown Fort Bragg offers exhibits to the public and a retail store. Their exhibits have included a killer whale skeleton, over 50 California Sea Lion skulls, an Alaskan walrus skull, and many other fascinating displays. They host science talks, educational summer camps, and interesting exhibits at the Crow's Nest Interpretive Center on the Noyo Headlands South Trail in Fort Bragg. Their newest retail venture is the Slack Tide Café in the Noyo Harbor, which supports their research and programming. Read more at https://www.noyocenter.org/



## Perfect Pairings

Our B Corp way of life includes supporting our fellow B Corps in our county and beyond. In 2022 our B Corp score was 96.2 points out of 100. Our employees volunteered 238.7 hours of service to non-profit organizations.

We love our B Corp friends at Bonterra Organic Vineyards in Hopland, CA. They planted their first organic vineyard in 1987 after being inspired by an organic produce garden. After touring Bonterra's organic vineyard and their winemaking facility several years ago, learning about their Zero Waste certification along with other Mendocino County B Corps, we were inspired to pursue the Platinum Zero Waste certification for our brewery. Our pub and restaurant serve Bonterra wines here in Fort Bragg and we keep in touch with the Bonterra staff throughout the year. You can read more about them at: https://www.bonterra.com/commitments/americas-1-organic-winery/

Another B Corp friend to NCBC is a local coffee roaster that has been operating since 1972. Thanksgiving Coffee partners with small family farms and Fair-Trade coffee cooperatives on five continents. Their message resonates with coffee lovers, "Not Just A Cup, But A Just Cup". We serve their coffee in our pub and have it available in our employee break rooms for our employees and visitors. The NCBC team loves





having access to delicious quality coffee. You can learn more about them here: https://thanksgivingcoffee.com/pages/ourstory.

Supporting our fellow B Corps is important to us. Just as being a B Corp is central to our way of life, our team members tell us they value being a B Corp. People such as Vice President of Sales Chris Hudson, who joined our company in March 2022 said, "Aside from their great beer, I was drawn to NCBC's work as a Certified Benefit Corporation and their efforts to be a good steward of the planet. The work they are doing to fortify the soil at Fortunate Farm, a few miles from the brewery, through composting their spent grain, hops and yeast slurry is something to be proud of."

We are always looking for ways to be a better B Corp and recently we examined our case cartons, which have always been recyclable. By working with our supplier to find a more ecofriendly choice, we are converting to compostable cardboard and using less ink. Moving to a compostable cardboard case box means the box can be used in a variety of ways. Consumers can use these boxes in their gardens as weed barriers by flattening the boxes, and placing directly onto the ground before covering them with soil. The cardboard then slowly breaks down over time naturally. Just one of the many ways compostable cardboard can benefit consumers. To learn more about being a B Corp: https://www.bcorporation.net/en-us/



#### **NORTH COAST BREWING CO. BOARD OF DIRECTORS**



Mark Ruedrich Board President



Tom Allen



Doug Moody

"The North Coast Brewing Company team continues to fulfill their commitment to B Corp values. Whether it's in the area of education, the environment or social awareness, our employees' dedication to doing things the B Corp way makes us proud." - Mark Ruedrich, Board President



## Thank You!



## NORTH COAST® BREWING CO.— 1 N D E P E N D E N T S I N C E 1 9 8 8