Diversity and Sustainability: An Inseparable Pair

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In a fleeting social media cycle reflecting the whimsy of the consumer, sustainability has gone viral. The United Nations (1) defines sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." Breweries are manufacturing facilities but can also be a community nexus that has to look beyond the daily bottom line to future opportunities to thrive. While at times sustainability can seem a hazy concept, simple changes in strategy can contribute to addressing the following (2):

- Climate change
- Income inequality
- Depletion of natural resources
- Human rights issues
- Fair working conditions
- Pollution
- Racial injustice
- Gender inequality

These concepts are intertwined, braided together like a river that flows directly into a key focus according to Dr. J. Jackson-Beckham, director of social impact at the Brewers Association.

> "When you focus on creating value, health, and wealth, you're a positive force in your system."
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> **Dr. J. Jackson-Beckham**
> Director of Social Impact
> Brewers Association

The diversity index is the chance that two people chosen at random will be from different race and ethnicity groups. A value of 0 indicates a racially and ethnically uniform group, and a value of 100 indicates a group in which most people have different racial and ethnic characteristics. In the 2020 census, the diversity index increased 6.2 points from 54.9% in 2010 (3). This shift in diversity augurs future changes, and our industry must implement sustainable practices to ensure the next, more diverse population, thrives.

This leads to a concept for structural change: environmental, social, and governance (ESG). ESG reframes DEI as inseparable from sustainability (4). As the brewing industry has matured, there is an expectation of economic sophistication that goes beyond making a product. This includes connecting the product with the pillars of ESG (Fig. 1).

Environmental

It is easy to tout "going green" when referring to changes being made for environmental impact, but what are breweries actively doing to commit to sustainability efforts?

- **Responsible sourcing of ingredients:** In choosing to purchase from local farmers and businesses, there is a reduction in fossil fuel consumption, supporting the community directly and improving the local economy. At Arizona Wilderness Brewing (Gilbert, AZ), they look for ways to be conscious of food systems, through ethical sourcing (when possible), to support their customers and the community.
- **Water conservation:** Brewing is a water-intensive manufacturing process, but there are ways to conserve water, from cleaning practices to working with engineers and scientists to find better opportunities. The Brewers Association *Water and Wastewater Sustainability Manual* (5) provides tools to assess water usage and reduce water usage.
- **Energy efficiency:** Finding ways to produce energy without fossil fuels is a challenge, but there are multiple incentives available for investing in the infrastructure for solar and wind power. Sierra Nevada Brewing Co. (Chico, CA) has the largest solar installation in the brewing industry and is looking to expand this opportunity by allowing their private land to be used for community renewable energy benefits.
- **Waste reduction and recycling:** Spent grains can go to farmers for use as animal feed, but there are multiple restaurants (e.g., pizza crust), dog biscuit companies, and even composting facilities that can use this brewing by-product. Collaborat-

Environmental
- Carbon Emissions
- Energy Consumption
- Climate Change
- Resource Depletion
- Waste Management
- Renewable Energy
- Pollution

Governance
- Leadership
- Hiring Practices
- Promotions
- Procurement

Sustainability

Social
- Discrimination
- Diversity
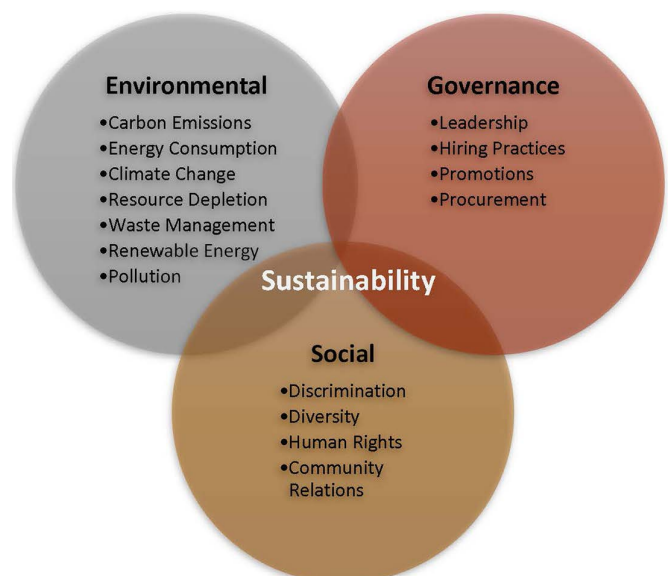- Human Rights
- Community Relations

Figure 1. ESG model.

ing with these local companies creates a network of shared resources and opportunities for growth in the community. Sierra Nevada Brewing Co. sends its spent grain to dairy farms within a 15-mile radius of their brewery. While cardboard, glass, and aluminum are readily recyclable, plastics can present a challenge.

- **Greenhouse gas emissions:** Carbon dioxide, a greenhouse gas (6), is one of the main products of fermentation. Transportation of beer (especially over the last mile) relies heavily on vehicles whose emissions further impact the production of CO_2. It is not only a business concern (e.g., price fluctuations of CO_2), but a long-term sustainability concern to maximize the use of CO_2 generated in situ before considering the purchase of this gas. Technologies to capture and reuse CO_2 can require a large infrastructure investment, but as these technologies mature and adapt to a smaller scale, they are becoming more affordable.

Social

While breweries have a long-standing reputation as hubs for community gatherings, they are often not recognized for fostering a diverse ambience. In making moves toward being more environmentally friendly and focusing locally, this perception can change significantly.

- **Hiring innovations:** From company websites to third-party hiring sites, there are a plethora of job opportunities out there. However, these sites are not necessarily where people in the community are looking for positions. In looking at census data for the local area, breweries can get an idea of whether their staff is reflective of their local diversity. To change this, breweries can look at community gathering places like cultural centers, educational institutions, and even laundry facilities.

- **Community outreach:** Multiple groups are working across the country to address social inequities in housing, food security, and political representation that require places to perform fundraisers and raise awareness. Pure Project (San Diego, CA) does food pairings with chefs to elevate local flavors and businesses, but also food markets, garden clean-ups, and more!

- **Social justice:** Perhaps the most emblematic way that a brewery can participate is by collaborating with breweries or non-profit organizations that support DEI initiatives. Pure Project has participated in Black Is Beautiful (7), All Together (8), and Brave Noise (9), to name just a few. Well-done branding aside, breweries also can engage in fair trade practices when it comes to ingredients. Inspecting source farms and producers for how they pay and support their employees directly promotes a stable income for communities, uplifting economic status by reducing exploitation and fostering equitable trade relationships. Breweries like Arizona Wilderness and Pure Project connect their employees to this through field trips and education, creating stimulating relationships and conversations across the bar.

- **Education opportunities:** Perhaps the most powerful tool for social transformation is investment in education for employees, extending opportunities that can contribute to breaking the cycle of poverty and promote social mobility. In the brewery, this can be achieved by offering internships, basic off-flavor courses, and memberships in professional organizations that offer scholarships. Higher education institutions have ex-

tension programs that provide educational events and strengthen the local community.

Governance

For sustainability to work, it needs to come from intentional efforts by leadership to make choices that will make this work not only possible but effective as well.

- **Values:** Every company has a value statement explaining what the brewery believes in and how it operates. How these values are applied in internal practices, organizations supported, suppliers, and community outreach should be transparent. Employees should be educated in how the brewery implements its value statement and how it's conveyed to consumers and, more importantly, the community.

- **Employee engagement:** Empowering with education and shifting hiring practices to be direct to the local community (rather than bringing someone in) makes employees feel valued but also encouraged with opportunities for career advancement, directly impacting company success. Adding equitable pay advances financial security and wealth accumulation, but breweries can also compensate employees for volunteer work in the community.

- **Branding:** The eyes eat first, and they also impact the choices companies make to support the community. Thoughtful branding and ensuring it is inclusive and celebrates the community sends a powerful message to consumers. Representing accurately and authentically conveys a commitment to diversity and inclusion, reflecting the community.

- **Procurement:** Breweries must consider more than monetary value when choosing with whom they will work. Asking producers about their hiring ethics, charitable giving, and sustainability practices shows impacts on where those dollars go and who is supported. Marginalized communities are often situated along trade routes and can be positively or negatively impacted directly by these choices, not to mention the impact of environmental pollution.

- **Wages:** Fair and equal pay ensures that employees are rewarded for their work and knowledge. It can also increase motivation, reduce poverty, promote equity, and establish an egalitarian workplace (10).

Challenges to Sustainability

Sustainable practices can have an impact on the longevity of a business, as well as the well-being of its employees and surrounding community. However, the decisions leading to a sustainable business often come with challenges.

- **Cost:** Building systems that reduce negative impacts on the environment often require technology that isn't mass manufactured. Some systems also may require added labor to operate.

- **Time:** ESG-positive solutions often have a longer return on investment, but once integrated require little maintenance.

- **Quality and quantity:** Sourcing high-quality, eco-friendly ingredients and adopting environmentally sustainable brewing techniques can be challenging. If there is enough product to meet requirements for particular beverage goals, it may not meet standards for quality, impacting the consumer experi-

ence. Meeting market demand and value statement goals simultaneously presents a challenge when the suppliers' values are not aligned with the brewery.

- **Availability:** Switching to locally produced ingredients may mean that these are not produced elsewhere, increasing the fragility of the supply chain. Similarly, the labor required to produce them may be limited, which will inherently impact cost, time, quality, and quantity.
- **Communication:** Sustainable business practices are often managed under a different umbrella than DEI efforts. It is important to ensure leadership and employees alike understand the impact policies may have on both areas.
- **Greenwashing:** Using sustainability as a publicity hook without the commitment and practices that ultimately impact ESG will eventually yield counterproductive results. Some businesses have been accused of installing empty wind turbines (not connected) as a greenwashing strategy. Greenwashing ultimately undermines real efforts to impact underrepresented communities, environmental initiatives, and financial goals through informed business decisions.

Structural Suggestions

Small measures can be taken to incorporate sustainability into a brewery's business and social structure.

- **Incremental changes:** It can seem overwhelming when trying to incorporate these initiatives, but not if it is small changes made one at a time. For example, improve hiring practices by looking at the local demographics, creating SOPs for how to hire from the community, and then developing plans for how to maintain the workforce through education.
- **Investment opportunities:** Initial costs may be high, but there are ways to mitigate this issue by researching grants, subsidies, and green business incentives that are offered by governments and other organizations.
- **Partnering with suppliers:** Symbiotic relationships with farmers can be formed by creating contracts paying in advance for products to help offset initial investment in sustainability and offer opportunities to businesses that might not be able to afford them otherwise.
- **Dedicated time:** Set quarterly meetings for employees and leadership to discuss how business values are being applied and if these are being shown transparently and authentically to the community. Create task forces for short-term assignments with achievable and reasonable goals like collaborations, researching suppliers, and community outreach.
- **Research:** We don't know what we don't know. Luckily, there are scientists, engineers, and businesses that want to help breweries achieve goals in elevating the community. They can help with finding the right suppliers, connecting with the right local leaders, and further opportunities that may otherwise be limited by personal viewpoints and experiences.
- **Brewing data usage:** There are multiple platforms for running a brewery and tracking operations, but they also provide data that can be applied for targeting efficiency points, training opportunities, and areas for growth. that can be applied for targeting efficiency points, training opportunities, and areas for growth.

- **Diversifying suppliers:** As shown in the malt recipe in many beers, it takes multiple suppliers to create the goal product, and this should be applied to other aspects of production and merchandising. Establishing a preference for local suppliers directly impacts the community, but having a backup provider that can make up the difference helps avoid the inability to meet consumer demands.
- **Transparency and authenticity:** Posting the brewery value statement and initiatives for employees and consumers is the first step in a promise to live up to its values in the community. This means setting goals and then showing up, even if it is in small daily increments.
- **Educate the consumer:** Communicating what the brewery is doing to create a more sustainable local community and impact the environment matters to consumers. In choosing where they spend their dollars, they are looking for more than just a great quality product—they are also looking for a business that is making direct, positive impacts so they can feel proud of their purchase.
- **Collaborations:** Work with other peers in the brewing industry. Many of them can offer insights on methods that have worked for them. This is also the first step in setting standards for others to follow in creating change in their locale.

Summary

Traditionally, business development is a pipeline heading toward more growth with significant milestones along the way. However, breweries are burdened with the complicated responsibility to not just grow a business but to also create a community that reflects its values, locale, and sustainability. It may help to think of a brewery as a way to dismantle the pipeline by behaving as a braided river that represents the broad range of talent and opportunities to make change, as well as the setbacks and difficulties in carving a space for everyone and their future on this planet.

Consider the environmental aspects as tributaries that gradually add to the larger river. We can see this in ingredient sourcing, engagement of local businesses, and working with others to improve water and energy conservation. When all of these combine, we see an impact reflected in the value of the community.

This community is then carried on the current of inclusivity through fostering diversity. This is done through partnerships with cultural hubs, educational institutions, and local businesses. In being selective about these initiatives, it is possible to address social issues by creating channels for wealth to flow to underserved and/or marginalized communities. In being intentional about the brewery, leadership and governance are the riverbanks. Transparent communication and shared values form the bedrock on which empowered and fairly compensated employees can rely for inclusive methods and wealth accumulation. Consumers should be able to see this commitment to improving the health and sustainability of the community in how the brewery handles itself.

There is no one way to connect sustainability and DEI, because there are many ways they can flow to create value, health, and wealth. It takes multiple sources of water to build a river, much like it can take

small movements to create a well-rounded business that becomes a positive force for change and sets the example for others to achieve and exceed.

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