



**GREAT
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BREWING CO**



2014
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QUALITY FIRST

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Letter from the Owners
Spring, 2015

To Our Coworkers,

Since 2008, when we started cobbling together our first sustainability report, we typically addressed the cover letter to “Our Stakeholders”, of which you would naturally be the biggest part. In the past six years we found that the readers of our report tended to be more from outside our Company, like students, media, or other interested groups.

This year, we believe our report is the best it’s ever been, and we believe it is the one that would most resonate with you, our coworkers. We hope you recognize the language about more visible metrics, more safety, more training, more engagement, more philanthropy, more coworkers, more shipping improvements, and more responsible purchasing (we’re sure there are other “more’s”!) as improvements you know have been happening, and not merely words in a report. So for this year’s report, we hope that you read it the most!

One of the important elements of a good sustainability report is its honesty or transparency, and our report reveals well how we did not hit all our targets. Nonetheless, where we didn’t, we believe we were still in good pursuit of them by directing the necessary resources to them.

While it may not be immediately apparent, one area in particular where we have been dedicating more resources has been in strategic planning, which the survey results highlighted as among the most important. We’ve been involved in this planning before, but this time we are addressing the critical issues surrounding needs for capacity, decisions on the many markets wanting our storied brews, and succession planning all at the same time. As we add more specificity to these initiatives and bring them to life, we hope you’ll recognize that we continue to be consistent with the mission and values we’ve put in place since the beginning.

Thank you all for everything!

Best,

Patrick F. Conway

A handwritten signature in blue ink that reads "Patrick F. Conway".

Owner

Daniel J. Conway

A handwritten signature in blue ink that reads "Daniel J. Conway".

Owner

COMPANY

HISTORY

Over 25 years, Great Lakes Brewing Company has grown from a small-batch Brewpub in Cleveland's Ohio City neighborhood to a top 20 U.S. craft brewery in the country, and a top 50 overall U.S. brewery, distributing to 13 states and Washington D.C. A pioneer in the American craft brewing movement, for years we have prided ourselves on offering a diverse portfolio of only the freshest, preservative-free beer. Year-round we distribute five core brands: Dortmunder Gold® Lager, Eliot Ness® Amber Lager, Burning River® Pale Ale, Commodore Perry® IPA, and Edmund Fitzgerald® Porter. In 2014 we brewed and bottled nine seasonal beers: Chillwave™ Double IPA, Conway's Irish Ale®, Rye of the Tiger® IPA, Lake Erie Monster™, The Wright Pils®, Oktoberfest, Nosferatu®, Christmas Ale™, and Blackout Stout®. In our Brewpub, we serve nearly 100 rotating "Pub Exclusive" styles, and we continue to experiment with collaborations, barrel-aging, and our weekly "Firkin Thursday" offering. From the start, we were committed to more than just beer. Our Brewpub has long supported local farmers and artisans, offering visitors high-quality, responsibly sourced menu options. We were among the first to adopt a smoke-free policy, and we have always placed our community first, supporting local businesses and non-profit organizations through patronage and charitable giving. This is all part of our triple-bottom line philosophy that places value on social and environmental sustainability, in addition to our own financial bottom line.

MISSION AND VALUES

Our mission statement, which summarizes the intent of our activities from our founding, was developed in the late 1990's.

We are a principle-centered, environmentally conscious company committed to crafting fresh, flavorful, high-quality beer and food for the enjoyment of our customers. We aspire to maintain our status as the premier craft brewery in the Great Lakes region and we are dedicated to uncompromising service, continuous improvement, and innovative customer education.

Our values were developed by our own staff in our first company wide summit in 2010.

People

- Employee involvement, development, and satisfaction in a family atmosphere
- Teamwork through open, honest, and integrated communication
- Commitment to the community and consumer education \

Planet

- Energy conservation
- Water stewardship and advocacy
- Commitment to local foods and economies

Profit

- Quality products and services
- Prudent, smart, and slow money investing
- Innovative and creative entrepreneurial leadership

MATERIAL ISSUES

As sustainability reporting evolves, organizations are urged to analyze the most important ways in which their operations contribute to or detract from a sustainable society. For the first time in 2013, we documented these so-called material issues and grouped them into five main categories: Product, Employee, Community, Environment, and Business. These material issues guide a company's reporting to ensure that the organization discloses the most significant contributions it makes and the opportunities it has to improve.

In preparation for this year's report we sent a survey to a broad base of our stakeholders – employees, business partners, neighborhood and city partners – to solicit their feedback about the most significant impacts we make on sustainability.

The responses were consistent in a number of areas. First, respondents noted two main sustainability stories that they associate with our business. One set of stories revolves around the company as an anchor for economic development in our neighborhood. Our business itself continues to invest in capacity and grow our workforce, which provides stability for other investments to be made in our neighborhood. The second set of stories revolves around environmentalism in action: our efforts to produce the Burning River Fest and the Green Tour, our investment in

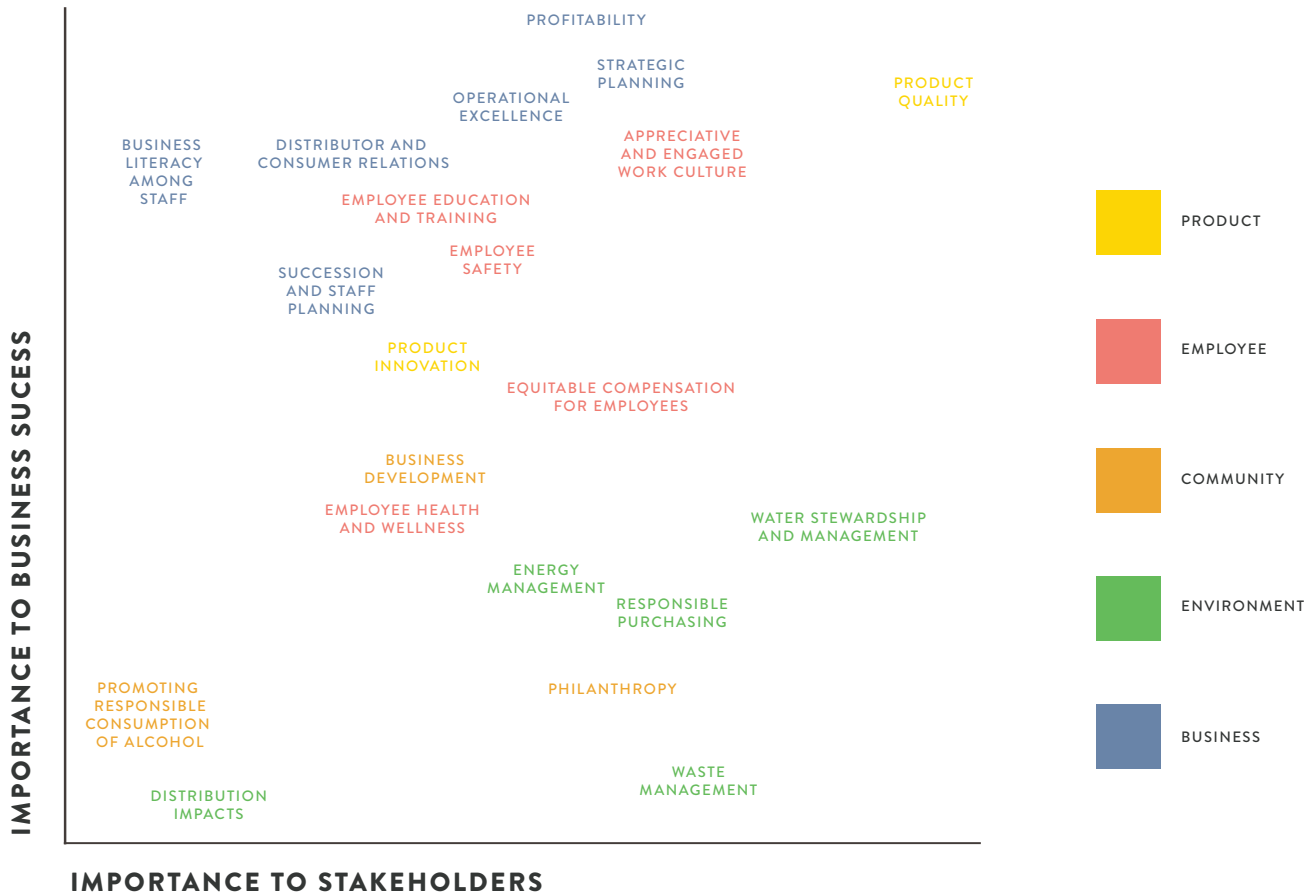
urban farming, and our outreach to other businesses and organizations.

Next, the respondents noted that the most important aspect of sustainability for our business is product quality, which allows us to succeed in the ever more competitive field of craft brewing. They argued that the consistent quality we provide in our product is a driver of business growth, which then allows our company to execute our mission and our social and environmental commitments. By contrast, profitability was not as highly ranked by our stakeholders, as they didn't believe that is was as significant a driver of business growth.

Among environmental issues, a consensus emerged that water efficiency and stewardship is our most significant impact. Respondents noted that water is the primary ingredient in our product and that without water we would not remain in business. Positioned on the Great Lakes and paying homage to water in the very name of our company, our business has a unique role to play in advocacy for water conservation. Adding to a heightened awareness of water issues were national news stories throughout 2014, including the unavailability of public water in Toledo, Ohio due to toxins produced by algae, contamination of water by industrial operations in the Southeast, and water scarcity in California and other regions.

Lastly, strategic planning and an appreciative and engaged work culture were called out as aspects that are unique to our company and that allow us to be successful and to ensure that we stay on the right track in the long term. Through an engaged work force, the right ideas surface about what needs to be done. Strategic planning is the formal process of setting the direction for our company to follow. The workforce that participated in planning is then called upon for the critical step of executing against our plan.

Below is a plot of our material issues and their relative importance as they affect our sustainability performance. On the vertical axis, we rate how important the aspects are to our business health and on the horizontal axis, we show our stakeholders' ranking of their importance.



SUSTAINABILITY GOALS

In 2013, we wrote our first set of sustainability goals, which we intend to achieve by the end of 2017. Here we report on progress in achieving those goals.

ENVIRONMENTAL

GOAL - Reduce water usage on a per unit basis by 15% by 2017 over 2013 baseline.

2014 ATTAINMENT - Reduced our water usage rate by 3%.



GOAL - Implement energy efficiency projects from a prioritized list and track total investment and return on utilities projects.

2014 ATTAINMENT - Electric efficiency decreased, but efficiency measures were addressed as capacity was added and additional metering was installed.



GOAL - Provide education to employees to encourage alignment with Cleveland's Climate Action Plan.

2014 ATTAINMENT - Sessions were scheduled for early 2015.



GOAL - Review environmental profiles of primary suppliers and distributors. Facilitate exchange of information and best practices.

2014 ATTAINMENT - We met several of our packaging suppliers and exchanged information on sustainability practices. Changes in purchasing point of sale materials were made so that 90% of our materials meet our sustainable purchasing guidelines.



SOCIAL

GOAL - Maintain company-wide annual employee retention rate of at least 85% each reporting year.

2014 ATTAINMENT - Retention rate in 2014 was 84%.



GOAL - Increase our annual training hours per employee by 25% by 2017 from 2013 baseline.

2014 ATTAINMENT - Increased our training hours by 13%, to 14.5 hours per employee. We also set a new target of 21 hours of training per employee in 2015, which will far exceed our 2017 goal.



GOAL - Improve Total Recordable Incident Rate (TRIR) by 20% by 2017 over 2013 baseline.

2014 ATTAINMENT - TRIR increased in 2014, but our safety committee continues to implement practices that will reduce TRIR in the long run.



GOAL - Continue to increase the percentage of employees who are paid at or above the market rate through 2017.

2014 ATTAINMENT - Increased the percentage of employees who are paid at an above market rate by an additional 7% in 2014.



ECONOMIC

GOAL - Maintain stable and sustainable growth through appropriate expansion of capacity, tactical distribution expansion and strong financial metrics.

2014 ATTAINMENT - Added incremental capacity in our existing brewery in 2014 and continued planning further expansion to meet future sales goals.



GOAL - Improve governance by creating a management and financial succession plan, including expanding the Board functions and aligning compensation with sustainability goals.

2014 ATTAINMENT - Over the last 18 months, we have added several key positions in Operations, Sales and Marketing to improve management and are beginning to align incentive pay with these sustainability goals.



GOAL - Improve business literacy among our staff, as a means to improve decision making.
2014 ATTAINMENT - Developed more robust key performance indicators and have begun to educate staff on them and tie them to compensation.



GOAL - Contribute 1% of sales to philanthropic efforts in our distribution territory in each reporting year, through charitable giving, new business development, and paid volunteerism.

2014 ATTAINMENT - Contributed 1.03% of sales to philanthropic causes in 2014.



ECONOMIC SUSTAINABILITY

It is more than mere profitability that allows us to achieve a thriving and enduring business. Our primary source of business strength is our ability to produce a consistent, high quality product that maintains and grows our consumer base. Developing and annually refreshing our strategic plan has ensured that we are working towards the right long-term goals. Work to continually improve our operations drives better service to our wholesalers and customers. Lastly, we feel that since our community has played a part in our Company's success, we share that success with them through our philanthropic efforts.

PRODUCT QUALITY

Our stakeholders have reported to us that quality is the primary aspect that allows us to achieve a sustainable and enduring business. Craft brewing continues to grow, with 17.6% growth in volume in our segment driving 0.5% growth in all beer volume. There are now 3,464 breweries in the nation, the most at any time since the 1870's. Over 500 breweries were added in 2014 alone. As the marketplace becomes more and more competitive, with more and more options for the consumer, it is recognized that breweries that will be successful have a focus on quality.

Driving the growth in market share for craft brewing are the so-called "regional" craft brewers who produce more than 15,000 barrels per year. The reason that these breweries have been successful, among them Great Lakes Brewing Company, is an early and committed focus on quality. Delivering a quality product to the consumer relies on our ability to continually improve production practices, determine the appropriate shelf life for our beers, and then ensure proper handling and storage of our products by wholesalers and retailers.

Around the time that we crested 15,000 barrels of production in the early 1990's, we created a lab to perform microbiological tests to confirm our chemical and sensory analysis. Additionally, these tests which measure, for example, dissolved oxygen, contaminant bacteria, and yeast stability have allowed us to pinpoint process changes to improve flavor and stability of our beer. These lab-based tests have become the norm for breweries of our size and thankfully are becoming more and more common among smaller brewers.

We are somewhat more unique among craft brewers in the methods we use to determine shelf life. Every style we make has a standard shelf life, typically around 90 days, that has been determined by taste panels. This period is then adjusted based on additional sensory and scientific data. The "best by" dates are marked on every single bottle and keg we produce and our sales and quality teams rigorously confirm that retailers sell our beers with enough days for the consumer to enjoy them.

We have more recently made strides in field quality, that is, appropriate handling and storage of our products after they leave our facility. Specifications for cold storage and rotation are written into agreements with our wholesalers. Additionally we provide education for our distributors and retailers, including sensory analysis and draft line maintenance, that allow them to ensure high quality. All of these efforts to ensure our customers enjoy the highest quality beer have allowed us to grow from a small brewpub in 1988, to 23rd largest craft brewery in the nation.

OPERATIONAL EXCELLENCE

As our business has grown from 1,000 barrels sold on premise in 1988, to the 150,000 barrels of 14 packaged styles sold in nearly 50 SKU's in 2013, the necessity of closely managing the production and

delivery of our beer to market has grown as well. In 2011, we began a Lean Manufacturing initiative to bring our process into control by improving the availability of our equipment, producing to schedule, managing inventory levels, improving maintenance response times, delivering to wholesalers in full and on time, rearranging workspaces for optimal flow, and improving communication at all levels.

In 2014, we relaunched the workgroups involved in these initiatives. Additionally, we've improved the standard communication meetings – daily 15-minute staff meetings with our production staff, weekly operations staff meetings, monthly and quarterly reviews – that allow us to diagnose and solve challenges we're facing in the brewery.

STRATEGIC PLANNING

Our stakeholders identified strategic planning as one of our top material issues because it is our means to ensure that the Company maintains the right direction over the long term. We look on a five-year horizon to determine which business imperatives must be met and which initiatives we want to put in place to meet our commitments to social and environmental benefit. The process of strategic planning that we follow is the 4D cycle prescribed in Appreciative Inquiry: Discover, Dream, Design, and Deliver. In the Discover phase, we examine our company and collect data and information about areas of strength to build upon in the future. In the Dream phase, we brainstorm the goals that we would like to meet in the coming three years. In the Design phase, we determine which structures, staff, and processes must be put in place to achieve our goals. In the Deliver phase, we set to work and report out on a frequent basis to ensure that we are on track to meet our goals. A successful Deliver phase leads us back to the beginning of the 4D cycle.

In 2014, we refreshed our strategic plan with a particular focus on sales and marketing. Teams are doing more robust work to determine what styles and packages we should be producing and how to get them to market. Groups in operations are working to ensure that we have the capacity needed to meet our sales plan and that our product is produced with the appropriate safety and quality standards. Finally, our human resources teams ensure that our workforce has the appropriate training and incentives to be engaged in our Company's mission and goals.

INDIRECT BENEFITS OF OPERATION

When we asked our stakeholders how we uniquely impact our communities when compared to our peer organizations, one of the most common responses was that our investments in our neighborhood, Ohio City, beginning in the late 1980's sparked a trend of redevelopment that has considerably improved quality of life. In previous reports, we have described the economic rebound that residents of our neighborhood have enjoyed over the past several decades.

There has been an additional flurry of economic growth, both in housing and new business development in the past several years. A few statistics suffice to tell this story. Over the past four years, commercial vacancy has dropped from 30% to 2%. Investment in Ohio City since 2009 has been \$200 million, with over 900 jobs created. The total number of businesses has grown to over 250, with 80 new businesses since 2009. We are pleased to have made some of the initial investments decades ago that helped spark these trends, as well as to continue to contribute to investment and job growth.

SOCIAL SUSTAINABILITY

We think of our influence on society in concentric rings, beginning with our workforce and expanding to our community, city, and region. Our long-term success depends on a staff that is highly trained, healthy and safe, fairly compensated, and has the ability and interest to engage in company initiatives. We engage with our society through advocacy, sharing of best practices, and philanthropy.

JOB CREATION

We ended 2014 with 218 total employees and 175 full time equivalent employees (FTE's). We added 14 employees to our workforce in 2014 and our workforce has grown by 48% since 2010. Our company-wide retention rate improved from excellent to exceptional: from 82% in 2011, to 88% in 2012, to 96% in 2013 and 2014. Our average tenure is 5.5 years and five of our employees have been with the Company for over 20 years.

COMPENSATION AND BENEFITS

Our ability to hire and retain a skilled and engaged workforce relies on fair compensation. In 2014, we increased the percentage of our workforce paid at or above market rate by an additional 7%. Aside from fair compensation, we believe that our employee's wellness at home allows them to contribute at the workplace. Benefits, including 401k with employer match and profit sharing, medical insurance paid at 81% of cost by the company, dental and vision insurance, and wellness programs contribute another 32% to the employee above base pay. Particularly in the hospitality industry, significant benefits such as these are uncommon.

TRAINING AND EDUCATION

In 2014, we had a new focus on staff training, with an expanded budget and a new team dedicated to identifying appropriate opportunities for our staff. Our training hours per FTE increased by 13% over 2013, which represents more than half our 2017 goal. We intend to achieve our full 2017 goal two years early, by the end of 2015. Opportunities for training are in many disciplines, from basic software training and professional development, to more specific trainings on equipment, raw material sourcing, safety, environmental compliance, human resources, and other areas.

HEALTH AND WELLNESS

We offer a comprehensive wellness program through an online platform. The program sets customized goals for individuals to work toward, while encouraging staff to participate in a wide variety of fitness, preventative care, healthy living, and educational activities. As a participation incentive, employees earn "bucks" which can be used to purchase items from an online mall. We sponsor monthly wellness challenges, both individual and team-oriented, and host an annual spring health fare. Staff on all shifts enjoy a monthly "healthy snack day." A new program in 2014 is free yoga and massage sessions for employees.

We also offer a no-cost employee assistance program through which employees can see a counselor for an issue that may arise in personal life that affects their work life. Our employees also have access to legal advice, financial planning advice, dependent care resources, stress reduction and smoking cessation assistance.

SAFETY

As our growing sales orders require our employees and equipment to be ever more productive, we want to ensure that all of our employees complete their work with the least risk of injury. In 2014, we expanded our safety programs and continued to develop our safety culture. Notwithstanding these efforts, our company-wide Total Recordable Injury Rate (TRIR), which is a measure of recordable incidents per 100 employee-years increased, from 3.05 in 2013 to 3.81 in 2014. Our three-year average of 3.39, continues to be below the industry averages for manufacturing of 7.3 and full-service restaurants of 4.3.

We are developing initiatives in personal protective equipment (safety shoes, eyewear and hearing protection) needed in various locations in the Brewery, laser and radiation safety, and reduction of environmental risks, for example carbon dioxide exposure. Perhaps the greatest improvement is the continued growth of a safety culture in which we analyze why incidents occurred and ensure that our employees feel comfortable avoiding and remedying hazardous situations before they lead to incidents.

APPRECIATIVE AND ENGAGED CULTURE

Appreciative Inquiry (AI) is a framework for creating positive change and culture. From our founding, our owners focused on developing a positive and inclusive work environment. As we've grown to a company of over 200 employees, we've found that AI provides a common language for us to describe and develop this positive culture. As mentioned above, one AI technique is the 4D method of strategic planning. We have used this technique for company-wide strategic planning as well as for narrower focus areas. Another AI technique is the one-on-one interview, through which we build a common, positive narrative about the company, inform common values, and improve decision making at higher levels. More informally, when we do need to problem solve, we ask our co-workers to look at existing

problems from an “appreciative” perspective, meaning that we focus on resolutions and improvements, not personal shortcomings or faults. Through these techniques, we strive to build a culture where employees’ voices are heard and they are encouraged to make their greatest contribution to the company.

Through strategic planning, we develop targets for our company to achieve. Teams of our employees are then formed to achieve these company goals. Through the process of chartering these teams, we’ve learned a lot about the ideal team size, meeting frequency, structure, agenda, and habits of a successful team. In our latest evolution of strategic planning, we’ve ensured that the teams are populated with the right individuals, meet frequently and regularly, and provide and receive appropriate feedback and oversight to be successful.

PHILANTHROPY

We formed a Philanthropic and Community Investment committee in 2011, when we established a goal to contribute 1% of our sales to philanthropic causes. Since then, we have devoted two staff persons to managing that budget, vetting potential recipients of funds, and establishing guidelines for our giving. In addition to supporting arts and cultural and environmental non-profits through traditional giving and in-kind gifts and services, we have committed to helping spur new business development in Cleveland. We achieved our goal for philanthropic activity for the first time in 2014. Philanthropic giving in 2014 was 36% higher than in 2013, and more than triple total giving in 2010. These funds often leverage additional funds, as in the case of our Kentucky Derby Party, which raises funds to reduce hunger in our community.

For the first time in 2014, we organized a Green Tour in 13 cities in our region to support the work of environmental organizations. We helped organize volunteers for a day of service with the organization and provided the volunteers with branded merchandise and a party as thanks for their efforts.

ENVIRONMENTAL

Our Company was an early adopter of environmentalism. Our owners saw the common sense approach in byproduct reuse and initiated a set of projects with the moniker “take, make, remake”. Since then we have developed additional programs in water and energy efficiency, renewable energy, and food and farming in an attempt to model how a business can reduce environmental impact while continuing profitable growth and how individuals can make impacts in their daily lives.

WATER MANAGEMENT AND STEWARDSHIP

Last year there were a number of headlines in national and industry news related to water issues. Droughts in California and other regions are beginning to change the way individuals and businesses are able to use water. Given these constrained resources, fellow craft brewers in California are drastically reducing their water usage ratio and warning that if conditions continue, availability of water could pose significant threat to business growth. Many brewers are also citing water availability as a key factor in site selection for new breweries. More broadly, surveys of the business community through the Climate Disclosure Project report that about two thirds of businesses are reporting exposure to water risk, which could generate a substantive change in their business.

In Cleveland, as we are located two miles from Lake Erie, water is plentiful, but the quality of those resources is beginning to be threatened. In August 2014, half a million residents around Toledo, Ohio didn’t have access to public water due to the presence of microcystin, a toxic byproduct of algae. Although the framework and funding for improving these issues has been put in place through federal law, little has been done to curtail the algae blooms. Another issue at the local level is the dumping of contaminated sediment from the Cuyahoga River directly into Lake Erie. If the status quo continues on these two issues, our own water resources and our ability to produce beer could be at risk.

At the brewery, our focus is on reducing our ratio of barrels of water drawn to barrels of beer sold. That ratio in 2014 was 6.3 to 1, which represents a 3% improvement year over year, and 5% improvement every year for the last 5 years. Readers of previous reports will note that we updated our metric to barrels of beer sold from barrels brewed to allow us to more accurately compare to industry benchmarks.

Continuing to improve our water usage ratio makes sense both from an environmental perspective as well as a financial perspective, as cost of water and wastewater are increasing by 5-7% on a per unit basis every year. To achieve our water reduction goal, we organized a sustainability team as one of our strategic planning teams, and we have also aligned incentive pay with this target.

As advocates of water resources, our Company organizes the annual Great Lakes Burning River Fest® on the shores of the Cuyahoga River. We commemorate the Clean Water Act that was initiated as a result of the 1969 fire and the work to clean up our waterways since then. Through the Burning River Foundation, the event has raised over \$350,000 for groups working locally in water conservation.

ENERGY MANAGEMENT

The most direct way for us to improve our environmental performance is by improving our energy usage: natural gas and electricity. Though only a small portion of the carbon footprint of our product is from on-site energy use (most is from production of raw materials, in particular glass and barley) we have most control over improvements we can make in energy efficiency. We use a standard Lean approach to managing utilities: keeping metrics, analyzing and costing out opportunities, and tracking improvement.

Our electricity usage in 2014 actually worsened by 1.4% compared to the previous year, to 16.8 kWh per barrel sold, but over a five year period, we have improved by an average of 6.7% per year. Our usage increased due to chilling capacity that we added to support the addition of new, larger fermentation and finished product tanks. We continue to ensure that those systems are operating as efficiently as possible.

Our natural gas usage in 2014 improved by 8.5% year over year, to 0.184 Mcf per barrel sold. Over a five year period, our gas usage has improved by an average of 6.9% every year. As with our water metric, our energy metrics have been recalculated using barrels of beer sold as a normalizing factor to make industry benchmarking easier.

Our 12-panel solar thermal array offset 108 Mcf of gas in 2014, the equivalent of an average American household. The installation, completed in 2009, preheats incoming city water for the domestic hot water system in our Brewpub.

WASTE MANAGEMENT

Our Company has been successful both in traditional waste diversion efforts and in inspiring our consumers to reconsider the concept of waste. In our Brewery, the main byproduct is spent brewers grain, which is used primarily as dairy feed, as is the industry standard practice, but additionally as feed on small family farms for products served in our Brewpub, compost on urban farms, and a number of other demonstrational projects. Traditional recycling efforts divert cardboard, pallet wrap and bands, glass, paper, and scrap metal from landfill. In good markets, the revenues generated from recycling efforts often more than offset the cost of waste hauling.

Our waste-to-product initiatives – a Fatty Wagon shuttle run on waste vegetable oil, spent grain used as soil amendment on our urban farms, and low-fill beers used to make ice cream – demonstrate to our consumers that so-called “waste” has an economic benefit. These initiatives are outlined in greater depth in our 2011 and 2012 Sustainability Reports.

FOOD AND FARMING

One of the first areas in which we were able to have broad success was in the purchase of local foods and in establishing two urban farms – Pint Size Farm (2008) and Ohio City Farm (2010) – to support our Brewpub’s needs. Our purchasing needs from these two farms support about three full-time equivalent farmers, an important point to us as the median age of farmers in the US continues to rise, farms consolidate, and the number of farmers declines. Since 2007, our local foods purchases, both from small family farms in Northeast Ohio, as well as our own urban farms, have averaged 30% of total food purchases for our restaurant. Over that same period, the \$1.4 million we spent on local foods was money retained in the local economy and delivered directly to the farmer. To support emerging local foods entrepreneurs and the local food economy, we also began hosting monthly Slow Money Cleveland events in our Brewpub, at which entrepreneurs can find networking and financing opportunities.

RESPONSIBLE PURCHASING

We began a Responsible Purchasing initiative in 2013. As analyses have shown, the vast majority (80% or more) of carbon emissions related to our products are in the production of raw materials and their distribution. Furthermore, 98% of the total water footprint of beer (294 barrels of water to make one barrel of beer) is related to raw material production, in particular barley agriculture. Being a business that values environmental conservation, we want to partner with businesses that share that ideal. In addition, we seek to partner with businesses that support human rights, local sourcing and community building.

In 2014, we relaunched our responsible purchasing team and added a purchasing agent for the Brewery and a local foods buyer for our Brewpub. We reviewed our point of sale materials and made improvements so that 90% of those materials match one of our responsible purchasing criteria. We also began the process of engaging with our raw material suppliers as a way to better understand their commitments to sustainability and to share our best practices. We were pleased to learn about and tour sustainable forestry operations, and learn about our suppliers' commitments to renewable energy and waste reduction.

OUTREACH AND ADVOCACY

The craft brewing industry is unique in that we have a strong relationship with our consumers and we hope that our work in sustainability over the last several decades has inspired some of our customers to adopt sustainable practices. In addition, we recognize that the field of sustainability is ever evolving and so we share our experiences with industry groups, universities, and local and international visitors and learning from them.

As noted above, most of the carbon and water footprints of our product is from the production of raw materials. Developing relationships with our suppliers will be of increasing importance to creating a more sustainable society. Working through industry organizations that represent the interests of all craft brewers will be of great importance to achieving our common sustainability goals.

SUMMARY AND CONTACTS

Thanks to all who have supported our effort to develop a sustainable business, whether by patronizing our Brewpub in Cleveland, participating in a networking event in our Tasting Room, sharing a best practice or new idea, taking a tour of our urban farms, picking up a 6-Pack, or reading this Sustainability Report. In this year's edition, we have shown what our most material impacts are and commented on how our sustainability efforts fit in the larger context of sustainability. We have also shown what progress we have made in achieving the goals we set out in last year's report. We're pleased that we have made initial steps towards achieving these goals over the next several years.

The work of sustainability is never finished, and we hope that year after year we can demonstrate our progress in making a more sustainable business. As always, we hope that our story inspires other businesses, organizations, and individuals to collaborate in creating a sustainable world and we welcome your feedback by e-mail, phone, or over a pint.

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