



IMPACT REPORT

2020 - 2021



BOULDER, COLORADO



Pictured from left to right: Henry Wood, Matt Cutter, Dany Page

Letter from our Founder

With our limited days on the planet, how will future generations look back at us? Will we be recognized as thieves that reached out into the future and stole from them? Or will we have tipped the dominoes in a way that set them up for success?

A nice thought, you say, but how will we know which legacy we will be leaving behind? The best way that we know how is this: You write down your values. You create and enforce policies to uphold those values. You lead by example. You establish baselines, and you measure, measure, measure. You measure the impact of your values and actions on your governance, your workers, your community, your environment and your customers. This gives values teeth, rather than just talk.

Upslope Brewing Company set a course thirteen years ago to become more than just a profitable business. We desired a higher goal of having a positive impact on everything that we touched. While I am proud of our progress toward those goals, there is an infinite amount of work to do in order to truly be a steward to our workers, our community, our planet.

The intent of this report is not to brag about our accomplishments, but rather to demonstrate some positive impacts that we have made and, perhaps more importantly, reveal how much work we have ahead of us. This is our report card to future generations.

I introduce to you, Upslope Brewing Company's very first Impact Report.

Matt Cutter | Founder / President

A handwritten signature in black ink that reads "Matt Cutter". The signature is written in a cursive, flowing style.



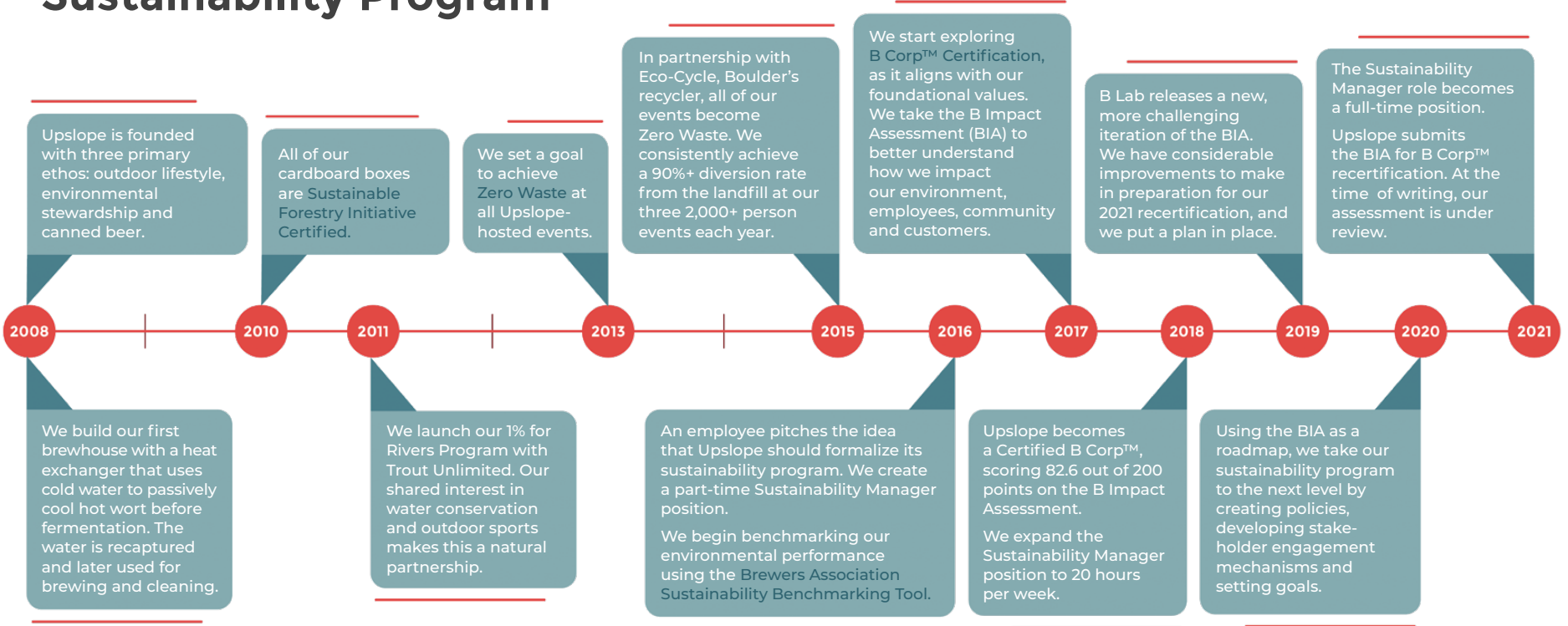
Our Mission

Through investment in our employees, continuous process improvement and a focus on innovation, we aim to deliver a high quality product, prioritizing resource efficiency in our operations and supporting environmental stewardship and access to the outdoors through our brand and partnerships.

Our Core Values

- To provide premium, fresh and approachable beer and craft hard seltzer in cans.
- To foster a fun and inclusive work culture. Hey, after all, we make beer!
- To consider all stakeholders in decision-making.
- To promote equal access to and inclusion in the outdoor and craft beer industries.
- To support outdoor adventure in all of its forms — from the backyard to the backcountry.
- To reduce our negative environmental impact and leave a mark with our beer and our seltzer, not our footprint.

Brief History of our Sustainability Program





What is a Certified B Corporation™?

B Corps™ are for-profit companies that meet high standards of social and environmental performance, transparency and accountability. Our B Corp™ Certification is a verifiable way for us to communicate to our employees, customers, suppliers and partners that we take our environmental and social impact seriously. We consider what's best for our stakeholders when making decisions and strive for continual improvement across all areas of our business.

In this report, we will discuss what this looks like in practice. We're proud to be a B Corp™ and grateful for the ongoing guidance it provides us as we develop our sustainability program. [The B Impact Assessment](#) is a valuable goal-setting and change management tool, and it's free - you don't have to be a B Corp™ to use it.

"I have always had a passion for sustainability and conservation. Upslope's B Corp™ certification was the biggest reason I wanted to work here because it demonstrated their commitment to both. The beer industry, overall, can be quite the opposite of sustainable. To work for a brewery that puts resources and effort into moving toward a brighter and more sustainable future means everything to me."

- Shaye Holdaway, QC/QA Technician



ENVIRONMENTAL STEWARDSHIP

We aim to leave a mark with our beer, not our footprint.

"Over the years, Upslope has experienced significant growth. With this growth came many decisions that had to be made about equipment, raw materials, brewery design, etc. From energy efficient boilers and chillers to Sustainable Forestry Initiative® certified cardboard for packaging, LED lighting, waste water treatment and the choice to package in aluminum cans, we have always made conscious decisions that prioritized both sustainability and efficiency- a win-win for both the environment and the business."

- Dany Page, Co-Founder and Vice President of Brewery Operations



Air + Climate: Onsite Energy Use

We use natural gas and electricity to brew, package and store our product, as well as to heat and cool our building.

Natural Gas

We use 0.95 therms/barrel packaged at our main production facility. According to the Brewers Association benchmarking data, we are within the top 25% of fuel efficiency in our size category.

>> 2022 Goal: Develop a strategy to increase our efficiency to 0.8 therms/barrel (best in class) at our main production facility.

Electricity

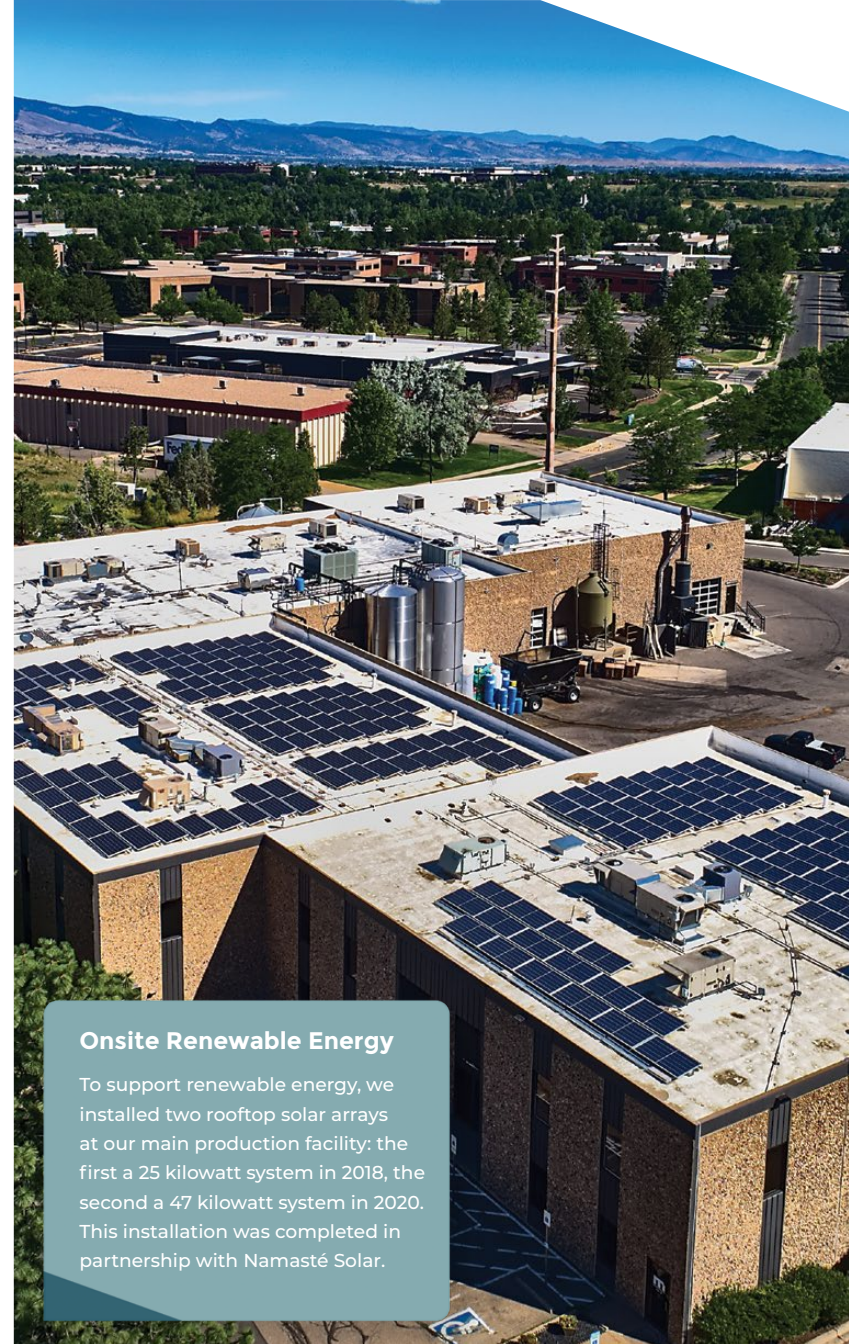
We use 12 kilowatt hours/barrel packaged at our main production facility. According to the Brewers Association benchmarking data, we are within the top 25% of electricity efficiency in our size category.

>> 2022 Goal: Develop a strategy to increase our efficiency to 10 kilowatt hours/barrel (best in class) at our main production facility.

Purchased CO2 Use

In 2020, we used an average 13 lbs of CO₂/barrel to carbonate our beer and remove oxygen from our tanks, kegs and cans. In 2021, we reduced our usage to an average 11 lbs/barrel. We achieved this by replacing leaky hoses and fittings used to deliver CO₂ into our brite tanks and performed a full fill valve rebuild on our canning line, which allowed us to significantly reduce the CO₂ pressure required to run that machine. According to the Brewers Association benchmarking data, we are within the top 75% of efficiency in our size category.

>> 2022 Goal: Continue to reduce our CO₂ consumption to 10 lbs/barrel.



Onsite Renewable Energy

To support renewable energy, we installed two rooftop solar arrays at our main production facility: the first a 25 kilowatt system in 2018, the second a 47 kilowatt system in 2020. This installation was completed in partnership with Namasté Solar.

Air + Climate:

Greenhouse Gas Emissions

Every step in Upslope's value chain, from the growing of barley to the refrigeration of our finished product, results in the emission of greenhouse gases that contribute to global climate change. These emissions can be broken down into three categories: Scope 1, Scope 2 and Scope 3. Each Scope indicates a different level of control we have over the source of the given emission. We used Fat Tire's "Carbon Neutral Toolkit for Craft Breweries," compiled by New Belgium Brewing Company and found at [Drink Sustainably](#), to improve upon our calculations of Upslope's Scope 1 and 2 emissions and to begin calculating Upslope's Scope 3 emissions.

Scope 1 Emissions

Scope 1 emissions are direct emissions from our onsite natural gas usage, our company-owned vehicles and fugitive emissions from our HVAC refrigerants and purchased CO₂. In 2020, we emitted an estimated 821 metric tons of CO₂ equivalent as Scope 1 emissions. This number is inexact because we estimated both the fuel consumption of our company-owned vehicles and the fugitive emissions from the HVAC system at our smaller brewery.

Scope 2 Emissions

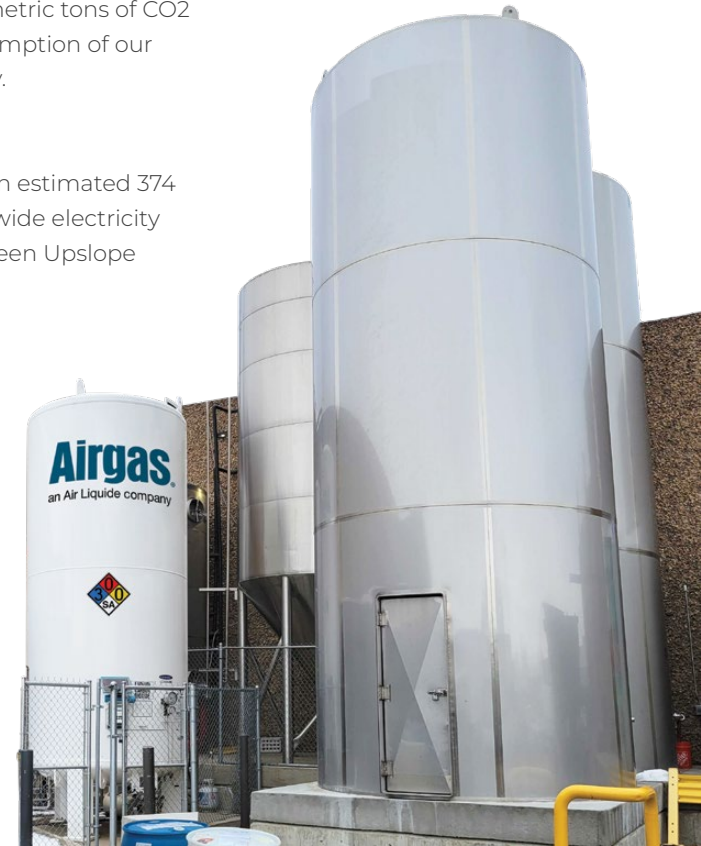
Our Scope 2 emissions are indirect emissions from our purchased electricity. In 2020, we emitted an estimated 374 metric tons of CO₂ equivalent as Scope 2. This number is inexact because, due to shared building-wide electricity metering at our primary production facility, we estimated the breakdown of electricity usage between Upslope and other building occupants.

Scope 3 Emissions

Our Scope 3 emissions are indirect emissions associated with Upslope's business activities, from sources that we don't control or own. This includes, but is not limited to, emissions from our raw ingredients; packaging; transportation, purification and quantity of purchased CO₂; distribution and retail of our product and waste disposal. We've begun calculating these emissions using Fat Tire's "Carbon Neutral Toolkit," but have a lot of data still to collect and input before we can generate a total.

>> Goals:

1. Finish calculating our Scope 3 emissions in 2022.
2. Reduce our Scopes 1 and 2 emissions by 50% from 2018 levels by 2030. This goal corresponds with global, science-based targets that must be met to effectively address climate change.





Water

Upslope's water comes from the headwaters of Boulder Creek and diversions from the Upper Colorado River on the Western Slope. Driven largely by annual precipitation and snowmelt, our supply varies year by year and is vulnerable to drought. We are working with Boulder County's [Partners for A Clean Environment \(PACE\)](#) to set water conservation goals that meet the needs of our watershed.

Indoor Water Usage

Production

Our production process accounts for greater than 90 percent of our indoor water use. In both 2020 and 2021, we used just over 4 million gallons of water to brew, filter, package and clean at our main production facility. This breaks down to about three barrels of water per barrel of beer packaged. According to the Brewers Association benchmarking data, we are considered best in class in efficiency for our size category.

>> 2022 Goal: Measure water use at each step in our process to identify improvement areas and develop standard operating procedures (SOPs) for water use.

Offices and Tap Room

Based on a 2021 PACE audit of our building, we use an estimated 310,000 gallons of water in our offices and tap room each year. This represents an estimated 7% of our total brewery water use. PACE calculated that we could save 25% of this non-production water through small upgrades, such as faucet aerators and urinal flush valves.

>> 2022 Goal: Implement PACE's recommended upgrades to reduce our office and tap room water usage by 25%.

Outdoor Water Usage

We have 23,294 square feet of irrigable land at our main production facility. In both 2020 and 2021, we used 18 gallons of water per square foot to irrigate it. We've begun installing a drip irrigation system to reduce our usage to 15 gallons per square foot, which is Boulder's commercial allotment.

>> Future Goals:

1. Finish calculating our Scope 3 emissions in 2022.
2. Reduce our Scopes 1 and 2 emissions by 50% from 2018 levels by 2030. This goal corresponds with global, science-based targets that must be met to effectively address climate change.

CASE STUDY:

Hot Liquor Tank Recapture Optimization

After the boil, hot wort must be cooled before yeast is added for fermentation. Like many breweries, we do this using a heat exchange method, passively flowing the wort past cold water. The heat from the wort is transferred to the water, which is recaptured into our hot liquor tank (HLT) for later use. This process saves water and the natural gas required to heat it.

In 2019, one of our brewers noticed that the hot liquor tank was frequently too full to recapture this water. A two-week audit showed that an estimated 50% of the water, more than 300,000 gallons per year, was going down the drain. To address this, we installed a fill gauge in the HLT to guarantee the space needed to receive most of that water.

Looking Forward

Though we're now recapturing the majority of this cooling water, to truly optimize the system, we will need to invest in a larger hot liquor tank or a buffer tank to store the preheated water before its return to the hot liquor tank. Due to limited capital and space, the purchase and installation of a new tank will take time to implement.

Lessons Learned

1. We should never assume that a process is working as intended.
2. We can't know the full implications of an inefficiency unless we measure it.
3. It can take time, attention and trial-and-error to implement sustainability improvements effectively.

"Making beer is a very water-intensive process. It is used in every aspect of brewing: from the wort itself, to packaging and cleaning tanks. We do everything we can to reduce our usage and repurpose water for other production processes so that we can conserve this precious resource."

- Alex Meyer, Head Brewer





Land + Life

From malt and hops to cardboard boxes and cans, the brewing and packaging of beer and seltzer requires a significant amount of raw ingredients and materials. We prioritize purchasing products made from reused, recycled or sustainably-sourced material that is recyclable, compostable or reusable.

Onsite Waste Generation and Diversion

Upslope generates a considerable amount of solid waste, about 98% of which - or an estimated 1.3 million pounds - is spent grain. As is the industry standard, we divert 100% of this grain from the landfill by donating it to farms for animal feed.

For the remaining 2-3% of solid waste, we have composting, recycling and hard-to-recycle infrastructure in place. To measure our diversion rate, we conducted a visual waste audit in August 2020. Using best-guess volume-to-weight conversion factors, we calculated a diversion rate of 63% in a two-week period. In November 2021, we improved upon this process by weighing all the waste we disposed of during the two-week audit. This data showed a diversion rate of 79% and enabled us to adjust our volume-to-weight conversion factors to better reflect the actual weights of our waste. Applying these updated conversion factors to our previous audit, we likely diverted closer to 80% of waste from the landfill in 2020. Additionally, all of our onsite events are Zero Waste, at which we consistently achieve 90%+ diversion from the landfill.

The Importance of Partnerships

Partnerships are crucial to the development and effectiveness of Upslope's sustainability program. We rely on partners, such as [Eco-Cycle](#), for expert guidance, resources and infrastructure. It's important for us to get input from our partners to ensure the goals we set are meaningful and align with those of our broader community.

We support our partners through charitable donation, participation in pilot programs and the provision of platforms for marketing and community engagement.

"Eco-Cycle has had the pleasure of supporting Upslope's Zero Waste efforts since 2015. In our experience, it's uncommon for organizations to embrace the challenges associated with sustainability as fully as Upslope does. The ambitious environmental goals it sets and continually achieves, careful research, planning, and execution - by its entire team - repeatedly demonstrates that Upslope has crafted a culture of stewardship that will continue to enhance its products with our care for community and our planet for generations to come."

- Bill Germain, Social Enterprise Analyst at Eco-Cycle Inc.



eco-cycle
Building Zero Waste Communities

Going forward, we plan to conduct quarterly waste audits to better track progress and account for changes in production volume throughout the year.

>> 2022 Goal: Conduct quarterly waste audits and waste composition studies to identify areas for improvement and better target employee education.

>> 2022 Goal: Achieve Zero Waste, an 85% diversion rate by weight, to align with the [City of Boulder's Zero Waste Resolution](#).

COMMUNITY

Our impact extends beyond our brewery walls.



Charitable Giving

Statement of Purpose and Structure

Upslope believes in the importance of protecting our environment and giving back to our community. We pledge to give 0.5 percent of our gross revenue, through cash and in-kind donations, to organizations that promote:

1. Conservation and restoration of wildlands and freshwater.
2. Environmental education.
3. Inclusion in and access to the outdoors for historically excluded groups.
4. Support for our community.

Beginning in 2021, all financial and in-kind contributions will adhere to the following breakdown:

- \$10,000 to [The Conservation Alliance](#).
- \$10,000 to the [Thorne Nature Experience](#) scholarship fund.
- 1% of revenue from Craft Lager can sales to [Trout Unlimited](#) through the 1% for Rivers program.
- The balance of the charitable giving budget will be allocated to organizations that support the communities in which we operate.

>> 2022 Goal: Launch our reimagined Pints for the People program, through which we will donate a projected \$1,500 each quarter to an organization that drives inclusion and access to the outdoors for historically excluded groups.

Paid Volunteer Time-Off

Upslope grants employees eight hours of volunteer paid time off each year. We work with our nonprofit partners to set up opportunities for employees to use these hours and to reinforce our partnerships.



"Upslope has donated products and funds to hundreds of charitable organizations from the beginning. We've received so much support from our community and we want to pay it forward. Out of all of our giving programs, 1% For Rivers remains the crown jewel. It's completely circular. By supporting TU to protect cold water fisheries, we are also protecting the most important ingredient in our beer- water!"

- Henry Wood, Vice President of Sales and Marketing



Trout Unlimited Partnership: **1% For Rivers Program**



Beer and fishing are two of our favorite things, and we can't have either without clean water.

In 2011, we partnered with **Trout Unlimited** to conserve, protect and restore North America's coldwater fisheries and watersheds. Through our 1% For Rivers campaign, we donate 1% of all Upslope Craft Lager can sales to local Trout Unlimited chapters. Since 2015, that's amounted to over \$77,000 donated to TU chapters across the Rocky Mountain West.

Leave No Trace Partnership: **Backcountry Tap Room**



Each fall, Upslope hosts a Backcountry Tap Room where we set up a makeshift bar in the middle of the woods. Our partnership with **Leave No Trace** began after we saw an increase in attendance from three hundred people at our first event in 2015 to nearly 2,000 at our second in 2016. We'd been unprepared to handle such high traffic and needed to devise a more sustainable and responsible way to host the event.

In collaboration with Leave No Trace, we now choose sites that have a durable surface and are wide enough to spread out hikers. We also bring Leave No Trace onsite to provide environmental education to attendees during the event. As of 2017, we donate all proceeds from the Backcountry Tap Room to Leave No Trace, which total \$85,801 to date.

Due to the pandemic, we were unable to hold the Backcountry Tap Room in 2020. In its place, we hosted a small concert in Upslope's parking lot that raised \$4,260 for Leave No Trace.

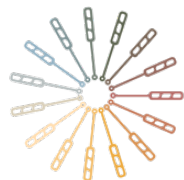
Equity, Inclusion and Justice

In the summer of 2020, Upslope employees formed our first inclusion committee. The purpose of the committee is to identify and remove perceived barriers to entry to Upslope for current and potential employees and customers and to create a more inclusive culture.

Crafted For All Commitment

In 2021, Upslope made the **Crafted for All commitment**, developed by **Crafted for All**. By taking the pledge, we committed to building a foundation of equity, inclusion and justice within Upslope through the pursuit of twenty action items across the following seven organizational areas:

1. Pipeline Development & Recruitment
2. Organizational Culture
3. Equitable Pay & Advancement Opportunities
4. Training & Employee Development
5. Discrimination & Harassment Policy
6. Community Relations & Social Responsibility
7. Communicating Your Commitment



CRAFTED FOR ALL

This framework, along with the detailed guidance provided by Crafted for All, has given our committee the direction and tools we need to move forward. So far, we've written an inclusivity statement for job postings, developed a template to ensure we use inclusive language in job postings and put together a list of job boards that have the potential to reach a more diverse applicant pool.

Establishing A Baseline

We administered culture and workplace harassment surveys to Upslope employees to help establish a baseline for this program. The survey results revealed that the majority of employees feel a strong sense of belonging at Upslope and are proud to work here. Employees also believe we have improvements still to make to create a culture of inclusion and trust. We need to turn our commitment to action to build diverse teams, improve company-wide communication, organization and transparency and increase education around harassment prevention and reporting.

>> 2022 Goals: Develop a comprehensive IEJ strategy based on the Crafted for All framework, implement a workplace harassment prevention program and administer a second round of surveys to track our progress.



"As a woman working production in a male-dominated industry, I know what it's like to feel uncomfortable and undervalued at work. Upslope has proven its commitment to combating this issue by allocating time and resources to the development of our inclusion program. I'm optimistic and hopeful for the work we're doing – both for Upslope and the greater community around us."

- Julie Feinberg, Packaging Floor Supervisor





Suppliers as Partners

The majority of Upslope's environmental and social impact lies in our supply chain, so it's important that we make informed purchasing decisions. This requires extensive research, policy development and employee participation.

In 2019 we partnered with Sophia Usow and Kayla Archibald-Hall, students from the University of Colorado Boulder Masters of the Environment graduate program, to help us with the initial research. As their capstone project, they spent a year researching our supply chain and surveying our suppliers. They authored a robust report that identified the biggest areas of impact within the craft beer supply chain, detailed the environmental performance of each of our suppliers and provided recommendations for improved supply chain management, including a proposed environmental purchasing policy. Their work laid an excellent foundation upon which we have begun to build a supply chain engagement and management program.

In 2020 we developed a set of preferred purchasing guidelines, a supplier code of conduct and updated our supplier survey. Our intention is to provide our employees with the tools to gauge the social and environmental performance of our suppliers. This will better enable them to consider sustainability when making purchasing decisions and to engage with suppliers who share our values.

Collaboration and partnership with suppliers is crucial to understanding and advancing industry-wide sustainability.

>> 2022 Goal: Fully implement the supply chain management policies we developed.



CASE STUDY:

Kernza® Kölsch With Solar Grown® Honey

In the spring of 2021, Upslope partnered with Fresh Energy, Namasté Solar, National Renewable Energy Laboratory and **The Land Institute** to brew a beer focused on sustainably-sourced ingredients.

To source the Kernza®, we partnered with The Land Institute, a nonprofit research organization dedicated to replacing current annual grain agriculture with perennial grains that don't have to be replanted year after year. Kernza® is a newly developed perennial grain that requires far less tillage, may sequester more carbon and can help protect water by absorbing excess nitrogen compared with traditional grain crops used for brewing beer. Unlike annual crops, perennial crops don't require annual tilling or herbicide application, both of which contribute to greenhouse gas emissions, soil erosion and nutrient leakage. Brewing with Kernza® supports farmers who build soil health, retain clean water, reduce carbon pollution and enhance wildlife habitat.

To source Solar Grown® honey, we partnered with a lead advisor to the National Renewable Energy Lab's InSPIRE study, which is looking into co-location of solar and agriculture, and Bare Honey, one of the nation's first solar-based beekeeping operators. Solar Grown® honey is a product harvested exclusively from apiaries on solar sites planted with acres of flowering meadows under and around the panels. Bees provide critical services to our food and agricultural systems.



"The Land Institute would not be where it is today if not for the broad consortium of innovative partners and collaborators pursuing the vision of perennial grains. We love connecting partners whose values align with our shared vision of a perennial grain future."

- Tessa Peters, Director of Crop Stewardship at The Land Institute



EMPLOYEE ENGAGEMENT

Good beer doesn't brew, package or sell itself.



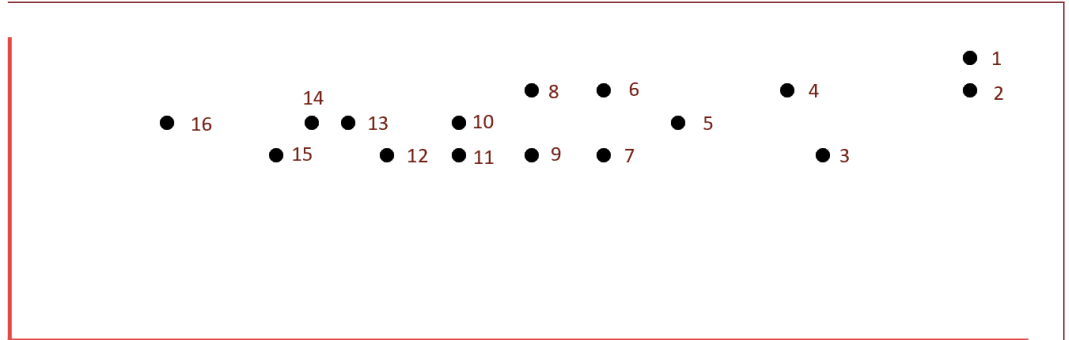


Employee Materiality Assessment

We conducted an employee materiality assessment in the summer of 2020. The purpose was to get a sense of which social and environmental topics are most important to Upslope employees and most influenceable by Upslope leadership. We identified the topics that ranked highly on both lists as areas in which we would set goals for 2021 and 2022. This exercise helped us target achievable goals that would resonate with employees.

Materiality Assessment Results

Upslope's Ability to Influence



Importance to Employees

- | | |
|--|---------------------------------|
| 1. Product Quality | 9. Employee Wellness |
| 2. Company Culture | 10. Employee Education |
| 3. Efficient Resource Use | 11. Communication |
| 4. Employee Compensation & Benefits | 12. Equity, Inclusion & Justice |
| 5. Employee Professional Development Opportunities | 13. Philanthropy & Partnership |
| 6. Innovation | 14. Industry Leadership |
| 7. Employee Retention | 15. Community Engagement |
| 8. Upslope's Founding Ethos | 16. Responsible Procurement |

Employee Engagement Metrics and Goals

Company-Wide Communication and Organization

Company Meetings: In 2019, we reduced the frequency of our all-team meetings from monthly to quarterly and began pausing all production and tap room operations to ensure attendance. Since 2011, these meetings have been integral to effective company-wide communication and transparency,

Managers Meetings: In 2021, we began holding a monthly managers meeting, which provides an avenue for consistent communication between departments and allows for easier dissemination of information to all employees.

>> 2022 Goals:

1. Allocate a budget and create a detailed plan for our employee development program to ensure that all employees have equal access to, and can provide feedback on, opportunities offered.
2. Continue to improve company-wide communication and feedback mechanisms to foster employee engagement and better equip employees with the tools and information required to meet our sustainability and EIJ goals.

Employee Committees

Inclusion Committee: Launched in 2020, this committee is driven by eight core employees and is open to all to participate.

Green Team: Formed in 2021, this team is made up of at least one representative from each department. Its purpose is to develop strategies to reach our long-term environmental goals and create a culture of shared responsibility.

>> **2022 Goal:** Relaunch our employee wellness committee. This committee was not sustainable on a virtual platform during the pandemic and will relaunch in 2022.

Benchmarking Progress

>> **2022 Goal:** Update, combine and administer our employee materiality assessment, culture and workplace harassment surveys to measure employee engagement and our progress against goals each year.

Employee Participation in Professional Development and Volunteer Opportunities

Based on the metrics set forth by B Lab, we measure percent employee participation across the following categories of external and internal professional development:

External Development

2020: 42%

2021: 67%

2022 Goal: 50%+

Skills-Based Training:

2020: 65%

2021: 55%

2022 Goal: 50%+

Cross-Job Training:

2020: 54%

2021: 26%

2022 Goal: 50%+

Life Skills Training:

2020: 26%

2021: 13%

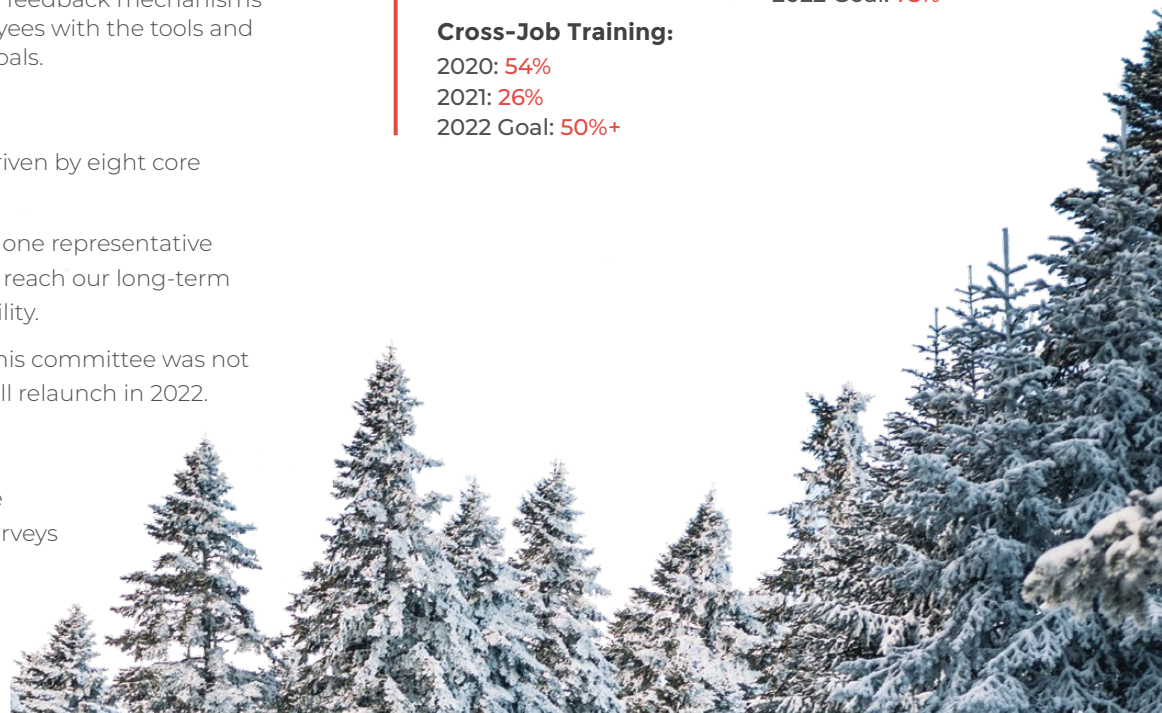
2022 Goal: 50%+

Volunteering:

2020: 4%

2021: 40%

2022 Goal: 75%



Our Friends & Partners

“Stakeholder Engagement” is the process through which we communicate with groups that are affected by and affect Upslope. Stakeholder engagement is both the foundation and aspiration of our sustainability program. To be effective and meaningful, our program must be informed by and serve our various stakeholder groups. We want our business to provide maximum value for our employees, customers, community and environment. As is evidenced in this report, we have a long way to go to realize this vision, but are taking the first steps to lay the groundwork. We’d like to extend our gratitude to all of our partners and stakeholders who have worked with us toward a shared goal of sustainability.

Our Employees

Our Customers

Our Volunteers

Owners

Matt Cutter
Dany Pages
Henry Wood

Real Estate Partner

Kachuwa Impact Fund

Financial Partners

Class VI Partners
Flatirons Bank
Live Oak Bank

Vendors

Ball Corporation
Bare Honey
Crosby Hop Farm
GBS Commercial Cleaning
Namasté Solar
Root Shoot Malting
Western Sugar Cooperative

Government

Colorado Department of Public
Health and Environment
Partners for a Clean Environment

Non-Profits/NGOs

Audubon Southwest
B Lab
Backcountry Hunters and Anglers
Boulder Transportation
Connections
The Conservation Alliance
Eco-Cycle
Fresh Energy
Leave No Trace
National Resource Defense Council
Recycle Colorado
The Alliance Center
The Land Institute
There With Care
Thorne Nature Experience
Trout Unlimited

Academic and Research Institutions

National Renewable Energy
Laboratory
University of Colorado Boulder
The University of Utah
Intermountain Industrial
Assessment Center

Trade Associations and Industry Leaders

Brewers Association
Colorado Brewers Guild
Master Brewers Association
New Belgium Brewing Company

Consultants

Bolder Energy Engineers
Crafted for All
Kiera Murphy Sustainability
Consulting







BOULDER, COLORADO