A Sustainable Future? Or A Future to Survive?: Stories from the Frontlines of Climate Change and Plans For Brewing Under Duress



UNITED WE BREW

What is brewing under duress?



Key Areas of Interest within a Vast Topic

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Environmental Health + Safety

-Preparedness plans, incl. drills and communication systems
-Novel vs. known risks
-EHS staffing

Operational Issues

-Maintaining operations during/after a major climate event

- -Support networks for staff
- -Brewery as community resource
- -Indirect impacts to operations (e.g. supply chain)

Engineering Controls + Infrastructure/Risk Mitigation

-Technologies and infrastructure to manage extreme weather

-Auxiliary power

-Rebuilding after a natural disaster

Personal Stories and Anecdotes



Stability Amidst Global Uncertainty

Making The Brewery a Safe Haven

Ryan Dunnavant Canarchy Craft Brewery Collective





UNITED WE BREW

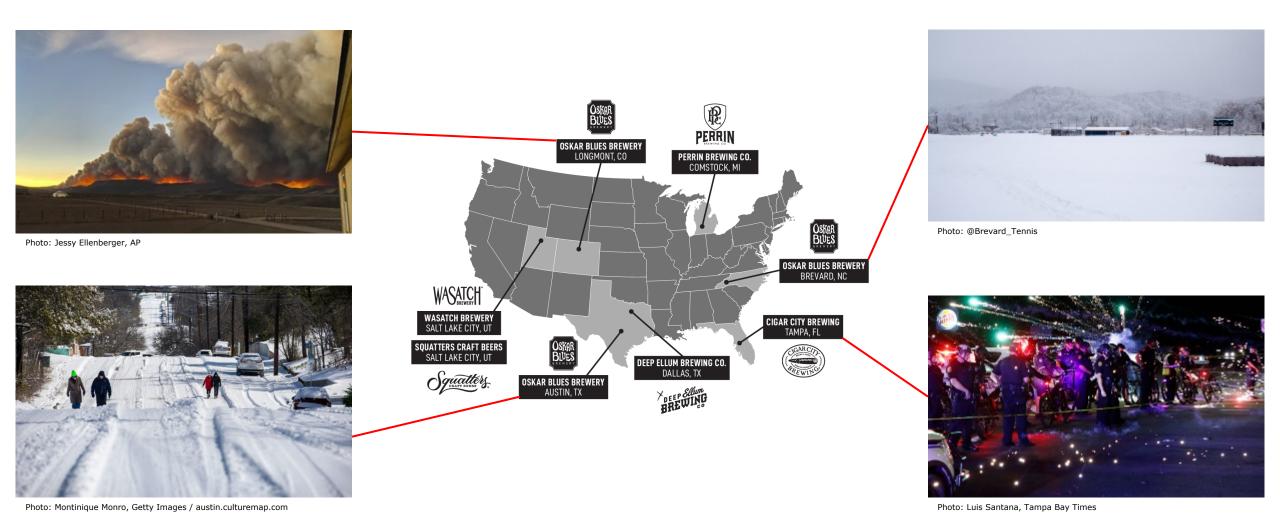
Entropy

"The increase of disorder or entropy is what distinguishes the past from the future, giving a direction to time." – Steven Hawking, A Brief History of Time

Why does this seem relevant?



You Never Know...

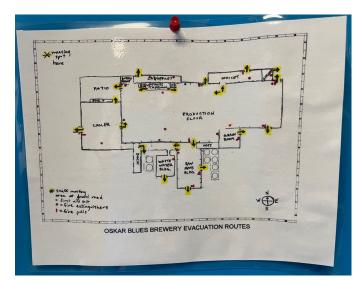


ESTE BRENCERO ESTE 1887

How can we provide our employees with support and an element of certainty?

Culture of Safety First

- Emergency Action Plans
 - Prepare for any potential emergencies
 - Clear responsibilities and checklists
 - Rapid equipment shutdowns
 - $_{\odot}~$ Evacuation oversight
 - Emergency services notifications
 - Education and training
 - Accessible documentation
 - Repeat, <u>ANY</u> potential emergencies...
 - Natural disaster (fire, hurricane, earthquake, etc.)
 - Active shooter(s), robbery, rioting
 - Medical (heat stroke, heavy bleeding, overdose, etc.)
 - Catastrophic equipment failure



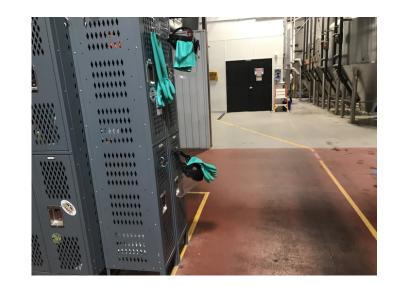




Culture of Safety First

- Create Predictability
 - PPE
 - Clear, unquestionable protocols
 - Maintain supplies
 - Make it routine
 - Air Quality
 - CO2, particulate, etc.
 - Labeling and documentation
 - Confined space, hazardous chemicals, etc.
 - Organization...





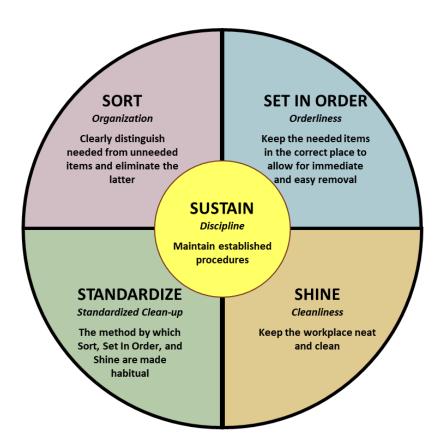








- The 5 Pillars of the Visual Workplace
 - Seiri = Sort
 - Seiton = Set in Order
 - Seiso = Shine
 - Seiketsu = Standardize
 - Shitsuke = Sustain
- 5S & Lean Manufacturing
 - Foundation of most Lean improvement tools
 - Process for DAILY cleaning, organization, and maintenance across the facility







• WHY

- Improve the quality of working conditions
 - Safety
 - Efficiency
 - Equipment reliability
 - Product quality
 - Protect IP and confidentiality
- Reduce
 - Accidents and injuries
 - Equipment breakdowns
 - Unacceptable and/or unsafe facility conditions
 - Waste of materials and resources
 - Time lost on non-value activities
 - Employee dissatisfaction and frustration





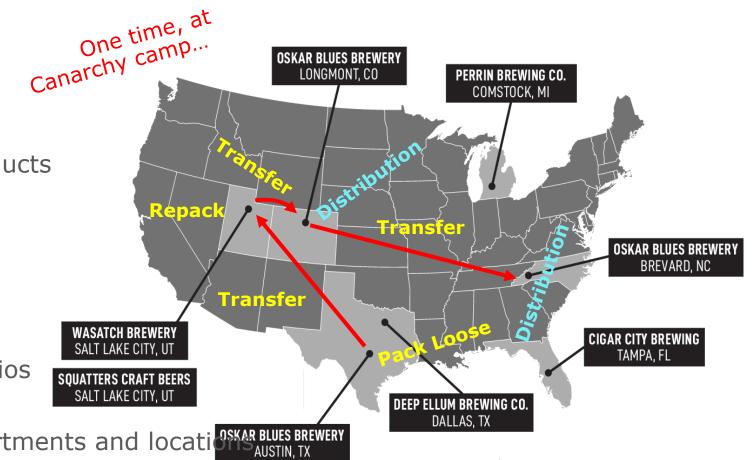






Logistics

- Changes are inevitable
 - Factors
 - Shifting consumer preferences
 - Proliferation of brands and products
 - Inflation*
 - Supply Chain*
 - Staffing shortages*[%]
 - Consequences
 - Order changes
 - Inefficient demand:capacity ratios
 - COMMUNICATION
 - Must be facilitated across departments and locations of the servery Austin, TX

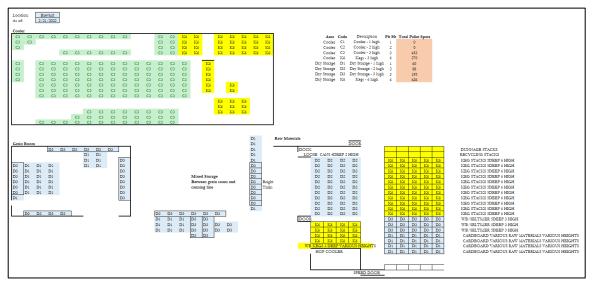


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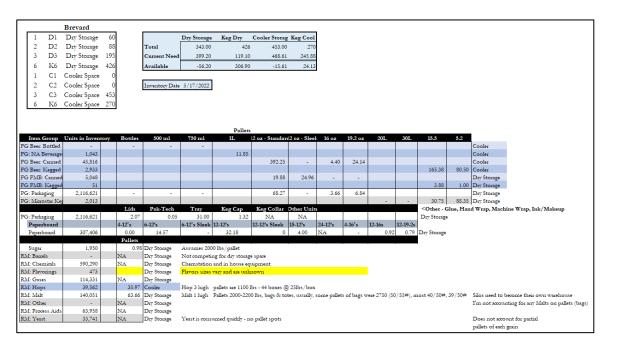


Logistics - Communication Tools

- Warehouse Analyses
 - Maps
 - Inventory assumptions
 - Conditional calculations



- Warehouse Capacity
 - Inventory reports
 - MRP imports
 - Capacity calculations





Logistics - Communication Tools

• Warehouse Capacity Reports

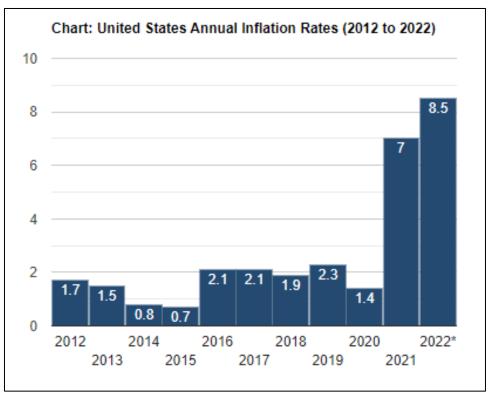
Current

- "As-Is" report
- Dependent on Inventory in Warehouse data
- Are we utilizing space to its fulle potential?
- Future
 - Dependent on MRP data
 - Utilize for planning
- Visibility and Flexibility
 - Control what you can control
 - As for what you can't...

	Inventory Dat	e:	5/17/2022							
	AU	BV	Ecusta	DL	Madison	GR	LM	SL	TP	CANarchy
Dry Storage										
Available Pallet Spots	600.00	769.00	1,917.00	65.00	390.00	259.00	1,840.00	294.00	597.00	6,731.00
DG Pallets	256.57	399.20	1140.53	75.82	206.26	158.03	590.93	219.88	156.19	3203.41
Empty Kegs	144.08	119.10	NA	179.60	NA	70.00	252.40	283.33	220.18	1268.68
FG Seltzer	21.37	49.72	28.00	1.20	3.40	4.92	240.79	36.17	0.26	385.82
% Capacity	42.8%	67.4%	59.5%	116.6%	52.9%	61.0%	45.2%	74.8%	63.0%	66.4%
Cooler Storage										
Available Pallet Spots	194.00	723.00	966.00	59.00	493.00	393.00	737.00	556.00	360.00	4,481.00
FG Pallets	56.77	468.61	198.51	30.32	64.04	90.01	530.71	225.40	88.67	1753.03
Kegs Palletized	50.58	245.88	NA	36.13	66.90	171.75	145.95	218.00	88.98	1024.16
% Capacity	55.3%	98.8%	20.5%	112.6%	26.6%	66.6%	91.8%	79.7%	49.3%	62.0%



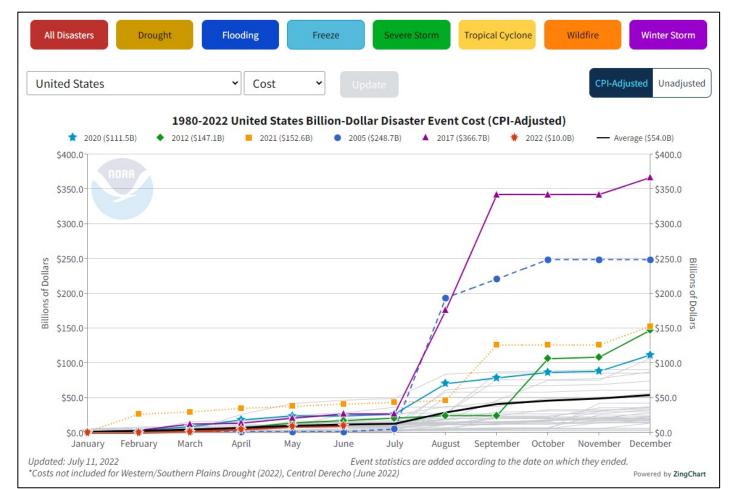
- More than meets the eye...
 - COVID lockdowns
 - Reduced manufacturing
 - Exponential ramp in demand
 - Just as importantly...CLIMATE CHANGE!



Current US Inflation Rates: 2000-2022 | US Inflation Calculator



- Climate Disasters
 - More and more frequent
 - Examples of captured costs
 - Physical damage, asset loss
 - Time element loss
 - Damaged infrastructure
 - Examples of uncaptured costs
 - Environmental degradation
 - Healthcare
 - Disrupted supply chains
 - Contingent business interruption



Billion-Dollar Weather and Climate Disasters | National Centers for Environmental Information (NCEI) (noaa.gov)



- Transportation
 - Catastrophic weather disasters
 - Deteriorating roads and infrastructure
 - Rising fuel prices
 - Aging fleets
 - Driver shortages
- Product & Material Availability
 - Material shortages, cost increases
 - Extended lead times
 - Volatile markets
 - Limited expertise

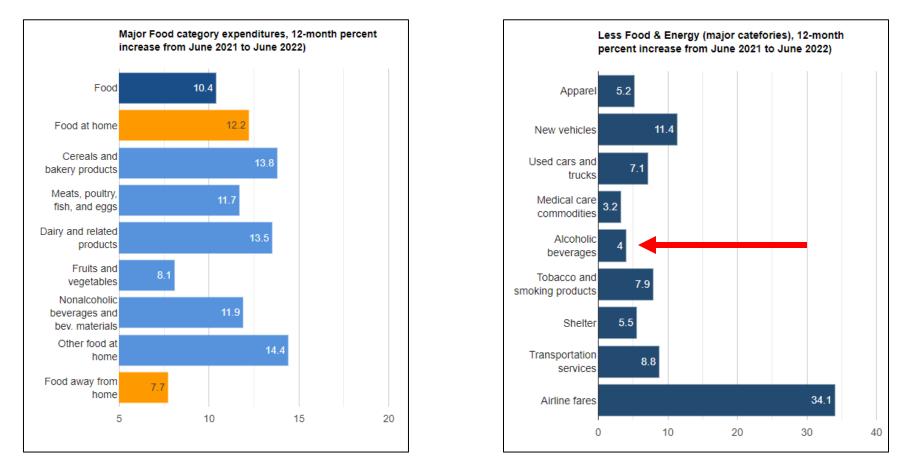




If only CO2 were this readily available...



• Alcohol is a luxury...

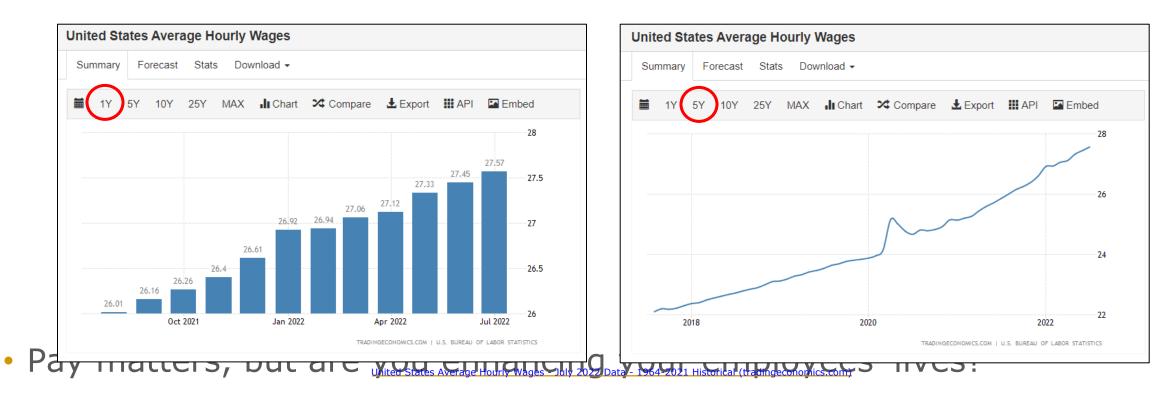


U.S. Inflation Near 41-Year High as CPI Hits 9.1% in June | US Inflation Calculator



Workforce

Competition is fierce





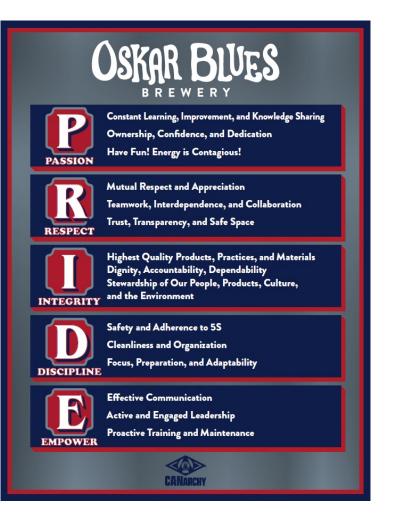
Employee Support

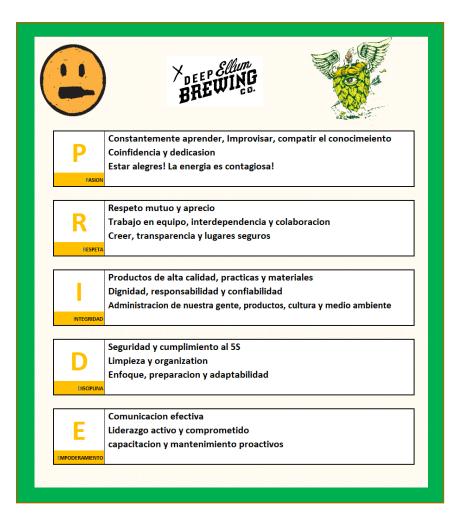
- Incivility promotes:
 - Harassment
 - Intimidation, bullying, fear
 - Discrimination, judgment
 - Inaccessibility, isolation
 - Disengagement, mindlessness
 - Violence

- Civility promotes:
 - Assistance, facilitation
 - Group think, confidence
 - Open-mindedness, compassion
 - Friendliness, connection
 - Engagement, awareness
 - Creativity



Employee Support







Community Engagement

- Your platform
 - Be a positive force
 - Sustainability
 - Participation
 - JEDI
- Climate POLICY
 - Solutions require policy
 - Support the vote
 - Embody positive change



Oskar Blues Brewery (Austin Taproom) Feb 19, 2021 · 🚱

!! We've got clean fresh water at Oskar Blues Brewery in Austin. If you or anyone you know needs water in North Austin, please send them to us this Saturday and Sunday, 12-5pm. **!!**

-Masks required at all times.

-Bring clean containers to fill with fresh water – please take only what you need and help others by delivering to them.

-Please only bring containers you can carry yourself. -Head to the North side of the building, toward the grain silos. Our brewers will help fill your containers near our loading dock.

-No charge, no registration. If you need water, we'll help you get clean delicious water.





Resources & Sources

- National Centers for Environmental Information
 - https://www.ncei.noaa.gov/access/billions/
- U.S. Inflation Calculator
 - <u>https://www.usinflationcalculator.com/inflation/current-inflation-rates/</u>
- Trading Economics, U.S. Bureau of Labor Statistics
 - https://tradingeconomics.com/
- U.S. Bureau of Labor Statistics
 - https://www.bls.gov/
- Can'd Aid
 - https://candaid.org/





Acknowledgements

- Jon Lee, Canarchy VP Brewing Operations West
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- Keith Moszczenski, FS180 Consulting
- Canarchy Production, Analytics, and Quality teams
- MBAA
- ASBC
- You!

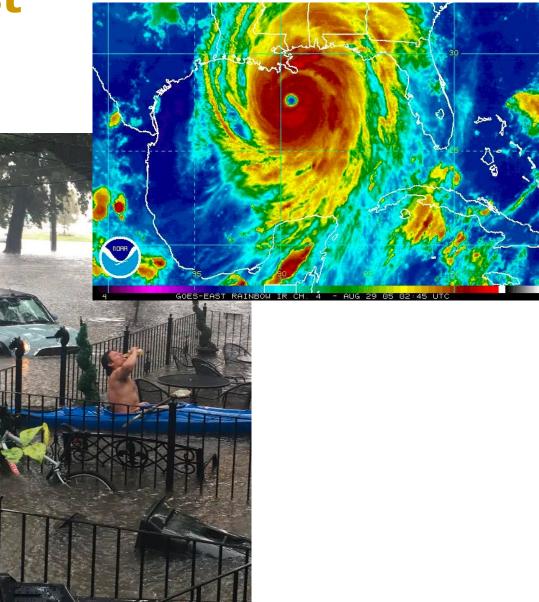




Brewing On The Gulf Coast

Operating a brewery at the mouth of the Mississippi River amongst hurricanes and flooding

> Eric Jensen Owner/Head Brewer Parleaux Beer Lab New Orleans, LA





Recent Hurricanes Impacting SE Louisiana

Category 1

- July 5, 2005: **Cindy**
- Sept. 13, 2007: **Humberto**
- Sept. 13, 2008: **Ike**
- Aug. 28-29, 2012: **Isaac**
- Oct. 8, 2017: **Nate**
- July 13, 2019: **Barry**

Category 2

- Sept. 1, 2008: **Gustav**
- Oct. 9, 2021: Delta

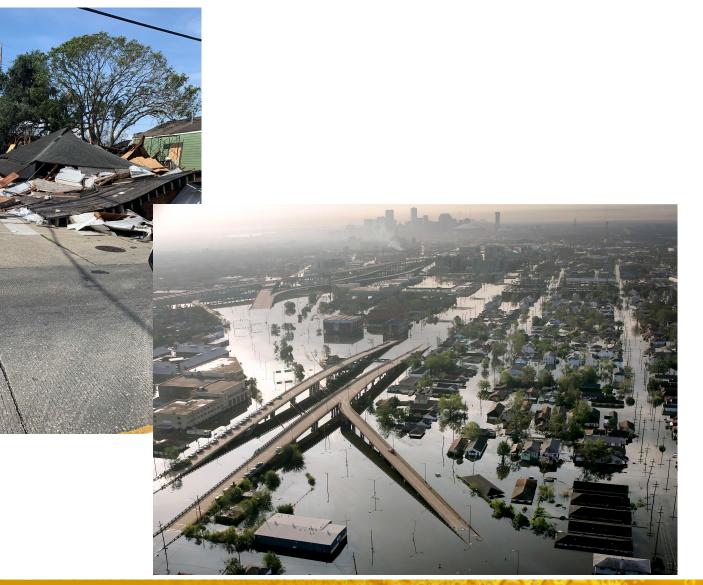
Category 3

- Aug. 29, 2005: **Katrina**
- Sept. 24, 2005: **Rita**
- Oct. 28, 2020: **Zeta**

Category 4

- Aug. 27, 2020: **Laura**
- Aug. 29, 2021: Ida

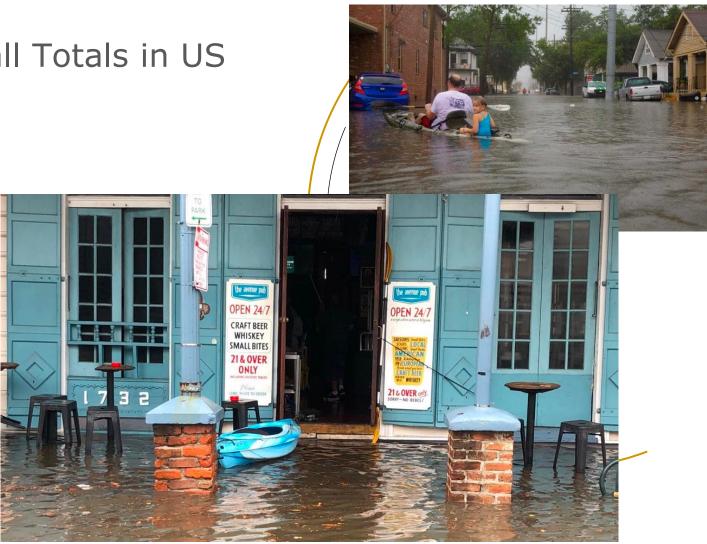




SUMMER FLOODING

- NOLA's One of Highest Rainfall Totals in US
- Flash Flooding Common

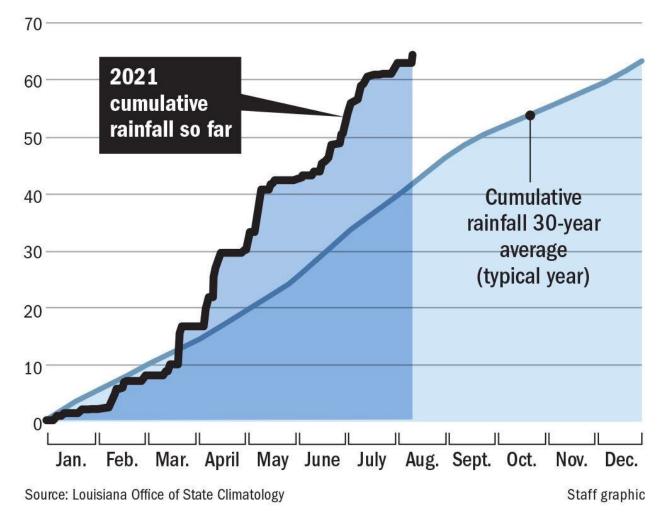




Rainfall in New Orleans IN INCHES

Rainfall 2021

2021 New Orleans had 86 inches of Rain (Average Annual Rainfall is 68 inches)



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Impacts on Community

- Loss of Utilities
- Roads Impassable
- City Services Limited
- Health Services Limited
- Schools Shut Down
- Community Trauma



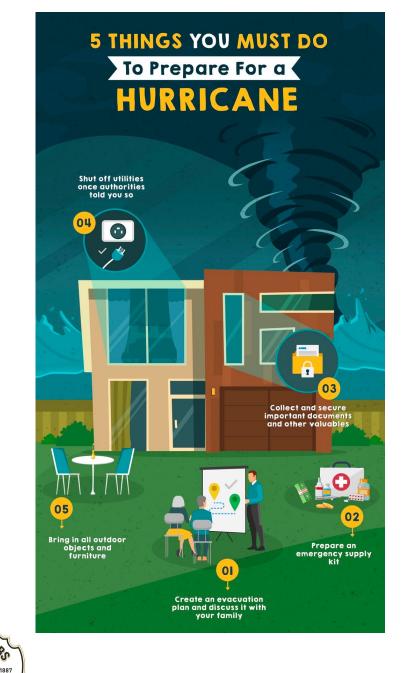
MANAGING BREWERY OPERATIONS DURING A CLIMATE EVENT

Written Emergency Operation Plan (Hurricane Plan)

- Checklist to prepare for a Climate Event
- Operational
- Human Resource
- Production Plan
- Communication Plan
- Business Interruption Plan







Before The Climate Event

- Staff communication/evacuation plan activated
 - Where is staff going
 - How will you communicate during evacuation & how often
- Communicate with neighboring business/residents
- Staff response, who will return first and when
- Secure property including packing essential financial/legal docs, and other items such as computers
- Activate Production Plan:
 - Plan for no power
 - Crash tanks
 - Secure walk In coolers
 - Prep raw ingredients
 - Fill CLT and HLT full
 - Power plan post event



During an Event



• Monitor local news and emergency outlets

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- Stay in active communication with staff (and loved ones)
- Stay calm
- Prepare for response





After an Event

- First response staff returns when safe
- Assess property and state of production
- Call relevant insurance companies
- Prepare for no power, utilities, city services for weeks
- Monitor and be aware of social and emotional support services that may be required
- If safe, open brewery to community as a place to gather, get fresh water, for emergency services to mobilize



MITIGATION AND MOVING FORWARD

- Building to hurricane code
- Installing more solar and alternative energy
- Working with city/state on climate related improvement initiatives
- Working with local city and state services on partnerships to make the brewery an emergency response space





Resources

- <u>https://www.fema.gov/emergency-managers/national-</u>
 <u>preparedness/plan</u>
- <u>ready.nola.gov</u>
- https://www.sba.gov/sites/default/files/2020 09/HurricanePreparednessSBA.pdf
- <u>https://www.redcross.org/get-help/how-to-prepare-for-</u>
 <u>emergencies/types-of-emergencies/hurricane.html</u>





Fire Does Not Discriminate

Experiences, Stories, & Insights from the 2017 – 2020 Northern California Fire Season



Vinnie Cilurzo Russian River Brewing Company



2017: Tubbs Fire





2017: Tubbs Fire

- Details
 - Start Date: October 8, 2017
 - Date Contained: October 31, 2017
 - Total Days: 23
 - Acres Burned: 36,807 Acres
 - 5,636 Structures Destroyed
 - Fatalities: 22
 - Counties: Sonoma & Napa
 - Effects on Brewery: Hundreds of thousands of dollars in lost sales, outside work limited by smoke

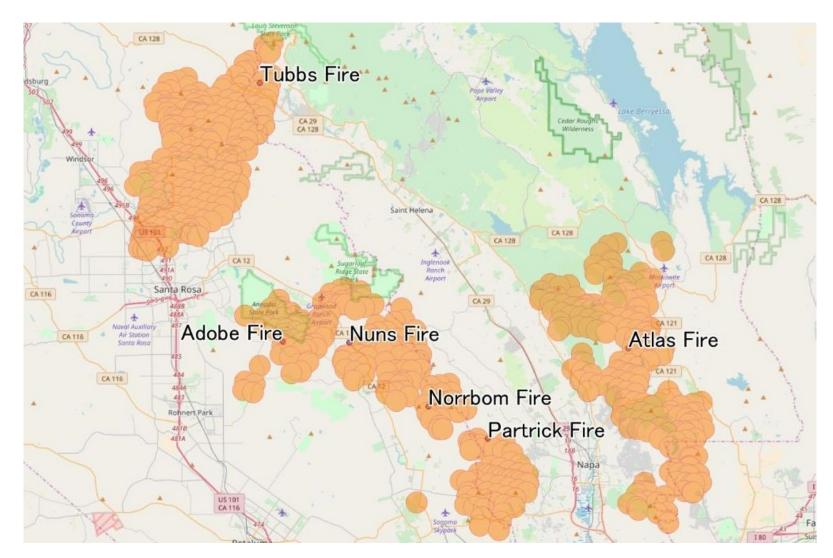
• What We Learned & Implemented:

- This can happen to ANY community
- Fire does not discriminate
- Community gathering spot
- Fund raiser helping local community





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• What We Learned & Implemented:

- This can happen to ANY community
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- Community gathering spot
- Fund raiser helping local community





2018: Camp Fire





2018: Camp Fire

- Details
 - Start Date: November 8, 2018
 - Date Contained: November 25, 2018
 - Total Days: 17
 - Acres Burned: 153,336 Acres
 - 18,804 Structures Destroyed
 - Fatalities: 85
 - Counties: Butte
 - Effects on Brewery: Outside work limited by smoke

• What We Learned & Implemented:

– Fire drill

- Rented industrial HEPA filters
- PPP safety equipment



2018: Camp Fire







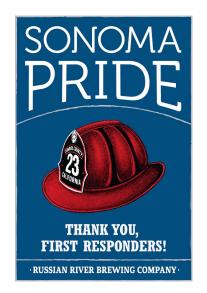


2019: Kincade Fire

What We Learned & Implemented:

- Details
 - Start Date: October 23, 2019
 - Date Contained: November 6, 2019
 - Total Days: 13
 - Acres Burned: 77,758 Acres
 - 374 Structures Destroyed
 - Fatalities: 0
 - Counties: Sonoma
 - Effects on Brewery: Hundreds of thousands of dollars in lost sales, outside work limited by smoke, open top fermenter rooms affected, interior smoke damage

- Generator
 - What size?
- Evacuation plan
- Phone tree
- Insurance policy
- Outdoor cameras
- Purchased HEPA filters
 - Industrial size
 - Office size
- Key Equipment
 - Open top fermenter rooms
 - HVAC filters
- Fund raiser helping local community





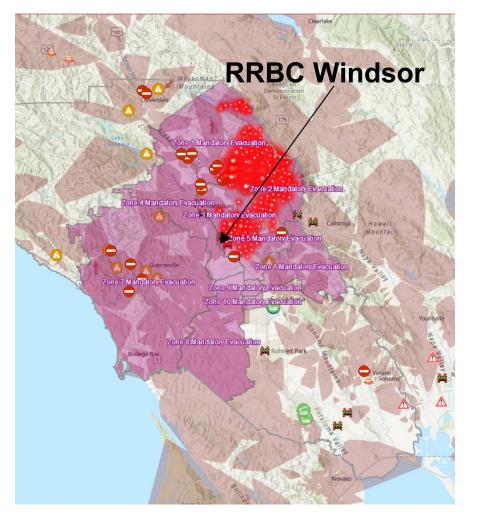
2019: Kincade Fire







2019: Kincade Fire







2020: LNU Lightening Complex (Wallbridge) Fire

- Details
 - Start Date: August 17, 2020
 - Date Contained: October 2, 2020
 - Total Days: 46
 - Acres Burned: 363,220 Acres
 - 1,491 Structures Destroyed
 - Fatalities: 0
 - Counties: Sonoma, Napa, Solano, Lake, Yolo
 - Effects on Brewery: Tens of thousands of dollars in lost sales, outside work limited by smoke, limited use of open top fermenter rooms

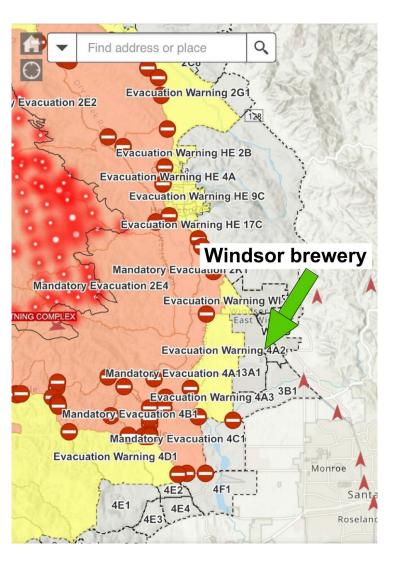
• What We Learned & Implemented:

- Generator & switch gear
 - Risk / reward
- Purple Air customer and employee wellness
- Key equipment action plan
- Employee wellness PTSD



2020: LNU Lightening Complex (Wallbridge) Fire







2020: Glass Fire





2020: Glass Fire

Details

- Start Date: September 27, 2020
- Date Contained: October 20, 2020
- Total Days: 23
- Acres Burned: 67,484 Acres
- 1,555 Structures Destroyed
- Fatalities: 0
- Counties: Sonoma & Napa
- Effects on Brewery: Tens of thousands of dollars in lost sales, outside work limited by smoke, limited use of open top fermenter rooms

What We Learned & Implemented:

- Continued use of Purple Air
- Have more then one point persons for your emergency plans





In Summary

- This can happen to ANY community
- Fire does not discriminate
- Community gathering spot
- Fund raising to help your local community
- Fire drill
- Rent or purchase both industrial and office HEPA filters
- PPP safety equipment
- Generator

- Evacuation plan
- Phone tree
- Insurance policy
- Outdoor cameras
- Key equipment action plan
- Purple Air
- Employee wellness PTSD
- Have more then one point persons for your emergency plans

• This can happen to ANY community!





- Photo credit: Russian River Brewing Company, Sierra Nevada Brewing Company, Cal Fire, California National Guard
- Fire.ca.gov (Cal Fire web site)
- Socoemergency.org

- Natalie Cilurzo
- https://www.pressdemocrat.com/article/news/inside-thefight-to-save-windsor-from-the-kincade-fire/



