



2013 ANNUAL REPORT



OUR MISSION GOES BEYOND BREWING GREAT BEER.

At CBA we believe that we have a responsibility to be a leader in both the quality of our beers and the sustainable ways in which we make them. Sustainability is a cornerstone of our business, and we are committed to minimizing our environmental impact across our breweries and our brewpubs.

We're proud to share our 2013 sustainability results with you. Our efforts have the dual benefit of reducing our environmental impact as well as decreasing our costs, proving that sustainability isn't just good for the environment, it is good for business.

Each of our breweries in Oregon, New Hampshire, Washington and Hawaii contributes to our overall sustainability plan through participation in the Craft Brew Alliance Sustainability Committee, which is charged with steering progress towards three long-term objectives:

1. Identify and track the environmental impact of CBA activities, products and services.
2. Set sustainability targets; measure, demonstrate and certify progress towards those targets.
3. Communicate sustainability policies, plans, and accomplishments internally and externally.

The following pages highlight some of our bigger accomplishments over the course of 2013, and our ongoing progress towards our long-term sustainability goals.

CBA Sustainability Committee



For more information, write to sustainability@craftbrew.com

SUSTAINABILITY FOCUS AREAS

We're committed to tracking our performance across several Key Performance Indicators (KPIs) to identify opportunities and report our progress against our objectives.

Water:

The Main Ingredient in Beer

We know that you can't make beer without water, which is why we take great pride in making sure we do everything we can to conserve this valuable resource. All of our breweries are located in U.S. states with beautiful natural water sources, and our teams are committed to finding ways to reduce the amount of water we use to produce our beer. In 2013 we achieved a 3.7% reduction in the water used to brew a gallon of beer. That number seems small, but when you think about the hundreds of thousands of gallons of beer brewed, every drop helps. Our water usage per gallon of beer is now 4.73 gallons, and an industry-leading 4.07 gallons at our Portland brewery.

Our Portsmouth brewery implemented an innovative water reclamation system that allows us to get more mileage out of the water used - at our bottler the water is reused 3 times for rinsing and equipment cooling.



Energy:

Turn Off the Lights!

It's amazing when you think about the positive impact that a few simple conservation actions can make on the environment. At CBA, we rigorously track several Key Performance Indicators around reducing our carbon footprint. In 2013 we reduced the amount of natural gas therms used to produce a barrel of beer by 6.3%, putting our overall therms per barrel at 1.67.

Additionally, we reduced our electricity usage by 7.9% to 19.49 kilowatts per barrel of beer -- through simple measures such as repairing compressed air leaks and upgrading inefficient lights (or even better, completely removing fixtures in well-lit areas)!

Our Portland brewery underwent an Energy Diet in partnership with an Energy Trust of Oregon program to achieve an 8.4% reduction in electricity usage for an industry-leading benchmark of 12.20 kWh per barrel.

Our brewery in Hawaii provides 50% of its electricity needs through a cool photovoltaic solar panel system.



Recycling:

One Man's Trash...

As an avid supporter of numerous recycling programs across our breweries, pubs and offices, we're proud to announce that in 2013, we achieved a whopping 99.4% recycling diversion rate at our Portland brewery. Including the truckloads of spent grains, yeast and hops that leave daily to nearby dairy farms, we recycled our bottle caps and malt sacks for the first time, which meant that less than 1% of our trash hit the landfill.

Additionally, our brewery recyclables in Portsmouth travel less than 11 miles to our manufacturing partner, Poly Recovery, who helps us turn 100% of our plastic "recyclables" into new products such as carpeting, clothing and shoes. The brewery was recognized by the Green Alliance for our zero waste efforts.



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PROGRESS YOU CAN COUNT ON



How many tons of carbon dioxide we eliminated last year with the new lighter Kona glass bottles.



\$600,000

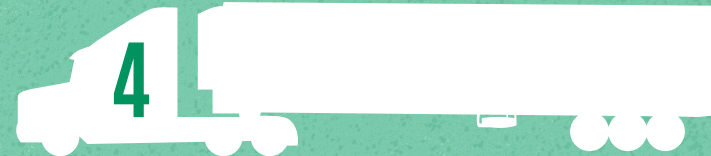
Annual savings as a result of our sustainability efforts company wide.



Truckloads of spent grain picked up by farmers at our breweries each day and fed to cattle.



Tons of glass recycled each month in Portland, made into new beer bottles just 8 miles down the road.



Having four breweries distributed across the U.S. gives us the ability to reduce the number of miles we need to travel to get our fresh and delicious beers to consumers.

\$650,000



The amount of money raised for environmental, educational and cultural organizations in Hawaii through our partnership with the Kona Brewer's Festival.

9,000,000

gallons of Oregon water offset through our partnership with Bonneville Environmental Foundation



of our grain is delivered in bulk, which creates more shipping efficiency and because most of the journey is via railcar --a transportation mode that is more environmentally friendly -- we're also being kind to the planet.

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PARTNERS IN SUSTAINABILITY

At CBA we know the power of great partners, and we're excited about the impact that we make with our partners in sustainability.



City of Portland Sustainability at Work Gold certified business.



Oregon BEST & Waste2Watergy partners with Widmer in a commercialization grant with the Oregon State University researchers-led startup to pilot onsite an innovative microbial fuel cell technology for cleaning wastewater and generating electricity.



CBA has been an early partner with BEF, playing an important role in the program's success by purchasing over 9 million gallons of water offsets since 2010. 100% of the water used to produce Widmer's Columbia Common Spring Ale was offset in 2013.



100% of the Widmer Brewery Pub's electricity is sourced from renewable wind power through Pacific Power's Blue Sky program.



All 5 of CBA's pubs are certified by the Green Restaurant Association.



Woodinville brewery partners with Washington's Department of Ecology TREEs (Technical Resources in Energy Efficiency) team. In one effort, the team tagged and repaired over 30 compressed air leaks, for \$20,000 in electricity savings.



Puget Sound Energy's Industrial System Optimization Program, Woodinville brewery.



Portsmouth brewery is a green-certified member of Green Alliance, joining a union of local sustainable businesses to encourage local choices with consumers in the community.

Portsmouth is a New Hampshire Business for Social Responsibility, fostering the important link between social responsibility and the bottom line.

Portsmouth strives for a zero waste packaging department with the help of recycling partner Poly Recovery.

GOING FORWARD: OBJECTIVES FOR 2014

- Achieve 5% savings across all utilities
- Reduce impact of materials and increase packaging efficiency
- Achieve 3rd party certification
- Track greenhouse gas emissions

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