

Creature Comforts: Brewing A Better Businessⁱ

"We're proud to join over 4,000 for-profit companies committed to being a force for good by using the power of business to build a more inclusive and sustainable economy." Creature Comforts Brewing Company, August 4, 2021ⁱⁱ

"We've always been deeply committed to the wellbeing of our employees, our communities, and our planet. But once we unpacked the rigorous standards of B Corp certification a few years ago, we knew we had discovered the benchmark by which we wanted to measure our impact moving forward." Matt Stevens, Sr. Director of Community Impactⁱⁱⁱ

In 2021 Creature Comforts Brewing Company achieved B Corporation certification. The brewery had to undertake an extensive process of checks to achieve this certification. As a growing company, with plenty of other things to focus on, why did Creature Comforts decide to do this?

Creature Comforts Brewing Company

Founded in Athens, Georgia, in 2014 Creature Comforts Brewing Company operated from a warehouse building in the center of the city. While keeping the character of the original building, this taproom boasted a large patio and served a wide variety of specialty brews. Athens, home of the University of Georgia, had a vibrant downtown. Indeed, a number of renowned musical groups started in Athens—R.E.M., Widespread Panic, The B-52s^{iv}. The city also had successful breweries and a thriving beer scene that Creature Comforts contributed to^v.

With success came expansion. To cope with growing demand, Creature Comforts added capacity at its Southern Mill facility, 1.5 miles from its downtown taproom. This facility gained TRUE (Total Resource Use and Efficiency) Silver Level Certification. This recognized sustainable waste management practice, the aim of which was zero waste performance. Out of 5 million pounds of waste generated by this facility only 9,000 pounds went to landfill, a diversion rate of 99.8%^{vi}.

As a craft (small and independent^{vii}) brewer, Creature Comforts lacked the scale of major brewers, such as Budweiser (AB InBev) or Miller (Molson Coors). They didn't have the financial resources for Superbowl adverts or other expensive marketing strategies. Instead, the brewery relied upon community engagement, word of mouth, and smart distribution. Possibly the brewery's greatest publicity coup was having its beers featured in the Marvel superhero movie Avenger's End Game. The movie's director had been introduced to Creature Comfort brews while filming in Atlanta. The movie depicted Thor holding Tropicália, an IPA, and Athena, a Berliner Weisse, in several shots^{viii}.

Purpose And Mission

Around the time Creature Comforts decided to pursue B Corp certification, the company had grown significantly and become a fixture of the local Athens business scene. It was a for-profit company (a privately owned Domestic Limited Liability Company) that delivered returns to a key group of stakeholders, its owners. Yet the company saw its obligations as much wider than just serving its owners. It was a company that actively embraced a purpose beyond purely financial returns to investors. They described their purpose as: "We exist to foster human connection."^{ix}

Creature Comforts' mission was tailored more toward the operations of the firm: "We hope to build an industry-respected craft brewery that helps people navigate the beautiful and complex world of beer." To make their purpose and mission a reality, the brewery noted six values that would drive their actions.

Figure 1. Creature Comforts Values



In line with these values, Creature Comforts undertook three community initiatives supported by company profits and customer donations^x:

- Get Comfortable: Supporting the local community. As of 2022, the focus is on literacy programs with a goal to raise third grade literacy (students reading at grade level) from 20% to 60% in local schools. The measurable target is in line with effective altruism^{xi}, a movement aimed at assessing and maximizing social benefits to ensure scarce resources are devoted to areas where the most good can be done.
- Get Artistic: Focused on helping local artists to support Athens' artistic community. Local artists' work features prominently in the brewery's packaging.
- Brew For One: Helps a single beneficiary in need each year. For example, one year the company established a college fund.

B Corporation Certification

"This is a truly monumental moment in our young history at Creature Comforts. From the beginning, we have desired to build a better brewery, but until we found the B Corp framework, it was hard to define what that meant and how to track our progress."

Chris Herron, CEOxii

The B Corp certification^{xiii} is run by B Lab, a not-for-profit that aims to "Make Business a Force For Good".^{xiv} The certification assesses the stakeholder impact of applicant firms based on a number of criteria. Unlike other approaches, B Corp certification does not focus on just one element of stakeholder impact, such as the environment. Instead, it looks at impact across multiple stakeholder groups. The main areas of the B Impact Assessment are:

- Governance,
- Environment,
- Workers,
- Community, and
- Customers.

Under these broad headings are various areas where firms can provide value to stakeholders beyond their shareholders. For example, B Lab assesses the working conditions of employees to see how these stakeholders are being treated. Are workplaces safe? Are the workers well paid? Under environmental impact, the B Impact Assessment investigates the use of scarce resources and any environmental externalities created by the applicant firm. Creating pollution counts as a negative and effective, sustainable environmental stewardship a plus. Up to 200 points are available on the B Impact Assessment, but no firm can hope to achieve all 200 points. The median score for an ordinary business is 50.9^{xv}, while a score in excess of 80 is a major achievement and allows the firm to be certified as a B Corp.

Pursuing Certification

The owners of Creature Comforts saw B Corp status as a valuable endeavor for their firm. Gaining certification required extensive analysis.

"Going through the B Corp certification process is not an easy feat. Obtaining this status is difficult for all the right reasons and that's why we wanted to put the time and energy behind it." Ally Hellenga, Community Manager^{xvi} In the certification process, Creature Comforts explicitly recognized two major challenges inherent to their industry. Firstly, brewing is water intensive, a problem noted in the assessment. Creature Comforts had already taken considerable steps not to place an excessive burden on the planet's water resources, but certification offered the added benefit of verification by an outside body. B Lab, in examining areas of the business, was able to highlight best practices from other firms. This provided a roadmap for improvement to facilitate further progress. Secondly, alcohol can bring negative societal impacts and health outcomes for customers. As part of the certification process, Creature Comforts documented their responsible practices with respect to selling alcohol, as exemplified by their value of Moderation Matters.

After a detailed assessment and extensive efforts to ensure the company had a positive impact on a range of stakeholders, the brewer scored 80.4. This was enough to gain B Corporation status. (See Appendix for assessment details).

Creature Comforts became a B Corporation. But this wasn't the end of their story.

"The process itself—and the supportive B Corp community—not only helps to set these standards, but it nudges companies toward continuous improvement. We at Creature Comforts talk about our values of Making It Better and Leaving a Legacy; B Corp certification will help to ensure that both remain top of mind." Matt Stevens, Sr. Director of Community Impact^{xvii}

"Throughout our certification journey, we recognized some of Creature's 'superpowers' and also areas that need attention. B Corp status isn't just a logo and declaration, it's a roadmap forward." Ally Hellenga, Community Manager^{xviii}

Appendix: B Lab Assessment For Creature Comfortsxix

Total B Score*	80.4		
Governance*	6	Environment*	16.6
Mission & Ethics	2	Air Climate	5.5
Ethics & Transparency	1.4	Environmental Management	4.5
Mission Locked	2.5	Land Life	4.4
		Water	2.1
Workers*	23.9		
Career Development	4.3	Community*	31.6
Engagement Satisfaction	5.1	Civic Engagement Giving	6
Financial Security	8.2	Designed To Give	14.2
Health Wellness Safety	6.2	Diversity Equity Inclusion	3.7
		Economic Impact	4.4
Customers	2.2	Community Score	2.2
Customer Stewardship	2.2	Supply Chain Management	1

• * Rounded

Description from the B Corp Directory: "Since opening their doors in April 2014, Creature Comforts has aspired to create an industry-respected brewery that helps people navigate the beautiful, complex world of craft beer. Creature Comforts Brewing believes in fostering human connection and that beer can be a force for good. For the last seven years, they've partnered with their local university and government to develop 'Get Comfortable'—a novel approach to community development that has been recognized, researched, and replicated. As a B Corp, Creature Comforts Brewing will continue to use beer as a force for good from our supply chain to our customers. B Corp's high standards will empower us to measure our success with even greater transparency and accountability, ultimately challenging Creature Comforts to be a better brewery for our people, our community, and our planet."

Endnotes

ⁱ Case written by Neil Bendle (neilbendle.com). You are free to use it in any way you wish.

ii "Creature Comforts Achieves B Corporation Certification", accessed April 13, 2022, https://creaturecomfortsbeer.com/creature-comforts-achieves-b-corporation-certification/

iii Communication with case writer

^{iv} "Athens Music Walk Of Fame", accessed April 13, 2022, <u>https://www.visitathensga.com/music/athens-music-walk-of-fame/</u>

v "Athens Beer Trail", accessed April 13, 2022, https://www.visitathensga.com/athens-beer-trail/

vi "Say Hello To Zero Waste!", accessed April 13, 2022, https://getcurious.com/zero-waste/

^{vii} "Craft Brewer Definition", accessed April 13, 2022, https://www.brewersassociation.org/statistics-and-data/craft-brewer-definition/

^{viii} "Thor and an IPA: How Craft Beer Caught Marvel's Attention", accessed April 13, 2022, <u>https://www.craftbeer.com/craft-beer-muses/craft-beers-get-big-screen-nod-avengers-endgame</u>

^{ix} All details of purpose, mission, and values from the "Our Brewery" section of Creature Comforts website, <u>https://creaturecomfortsbeer.com/our-brewery/</u>, accessed April 13, 2022

x "Making Serving Simple", accessed April 13, 2022, https://getcurious.com/

^{xi} "Effective Altruism is about doing good better", accessed April 13, 2022 https://www.effectivealtruism.org/

xii Communication with case writer

xiii Certification as a B Corporation is distinct from registering as a benefit corporation, a status permitted in many US states. Benefit corporation status is gained after self-reporting a stakeholder based mission as part of company registration but lacks the detailed assessment required for B Corporation status. "Benefit Corporations & Certified B Corps", accessed April 13, 2022, <u>https://benefitcorp.net/businesses/benefitcorporations-and-certified-b-corps</u>. B Corporations often register as benefit corporations and, where appropriate, this can be a condition of B Corporation certification.

xiv "Make Business a Force For Good", accessed April 13, 2022, https://www.bcorporation.net/en-us/

^{xv} "Creature Comforts Brewing Company", accessed April 13, 2022, https://www.bcorporation.net/enus/find-a-b-corp/company/creature-comforts-brewing-company

xvi Communication with case writer

xvii Communication with case writer

xviii Communication with case writer

xix "B Corp Impact Data" from data.world accessed March 2022, <u>https://data.world/blab/b-corp-impact-data</u>