

Implementing the Sustainable Development Goals: Six Steps for Small- and Medium-Sized Enterprises

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CASE STUDY



Case Study

Key Learnings

Resources

Case Study

Implementing the Sustainable Development Goals in Practice

Canadian Brewing Limited (CBL)¹ is a craft brewery headquartered in Oakville, Ontario. CBL produces its product, a lager, in a single production facility located in Oakville. Its product is distributed to retailers, bars and restaurants throughout Ontario (which accounts for the majority of its sales) and several other Canadian provinces. CBL operates a retail store and beer garden at its production facility. Recently, the company began direct delivery to local customers using a leased fleet of vehicles.

The privately held company employs about 80 full-time and 25 part-time employees. CBL's employees are non-unionized. In addition to employees working in production, delivery and the beer garden, CBL also employs staff in finance, sales and marketing, purchasing, stakeholder relations and human resources. The company is run by a senior management team, including a CEO, CFO and several directors. CBL's three owners founded the company 20 years ago. They recently stepped away from the day-to-day operation of the company but continue to meet regularly with senior management.

CBL has not yet implemented any sustainability initiatives. However, the company has noted an uptick in questions from its customers about its impacts on society and the environment. Employees are increasingly asking similar questions. Sustainability has also come up in recent interviews with prospective employees.

CBL has noticed that many large companies in the beer industry, such as [Anheuser-Busch](#), [MolsonCoors](#) and [Carlsberg](#), among others, are now implementing sustainability initiatives in their organizations, including a focus on their contributions to the United Nations Sustainable Development Goals (SDGs). While the CEO recognizes that CBL cannot be expected to implement all the same initiatives as large companies, she also believes implementing the SDGs will soon become table stakes in the industry. More than this, if implemented well, they could provide a reputational edge, help reduce risk and provide ideas for new initiatives.

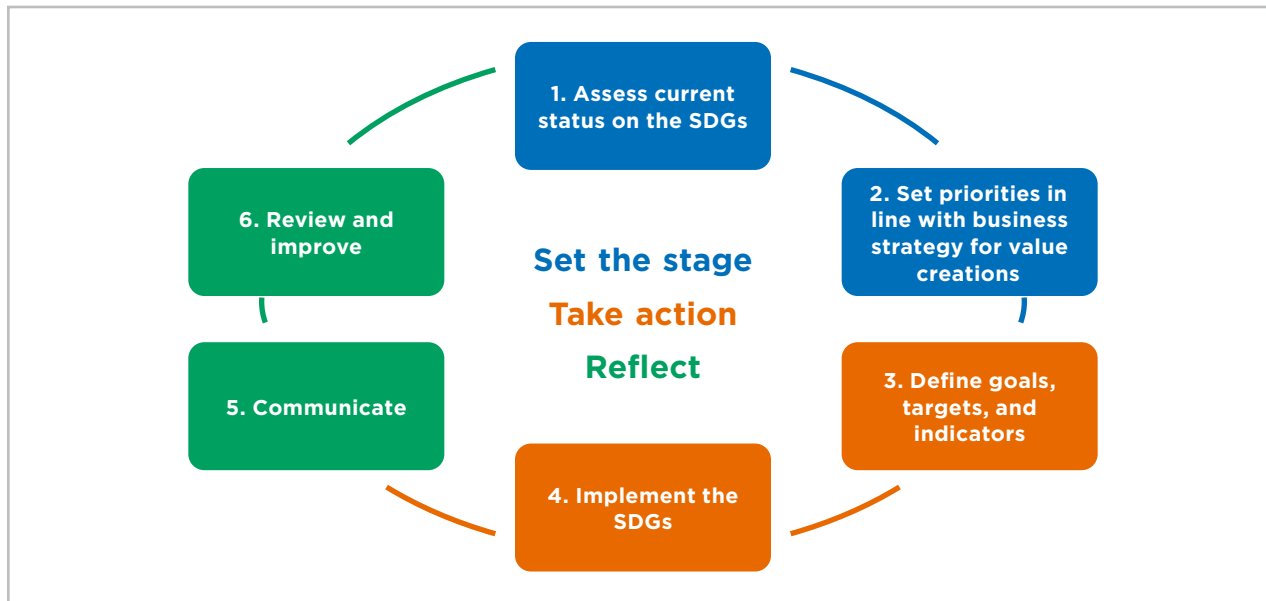
Following a conversation with the CFO, a CPA with 15 years of experience in the industry, the CEO decided CBL would apply the process described in the CPA Canada Management Accounting Guideline (MAG®), [Implementing the Sustainable Development Goals: Six Steps for Small- and Medium-Sized Enterprises](#). To navigate the process, the CEO established a team with representatives from operations, sales and marketing, purchasing, stakeholder relations and human resources. She tapped the CFO to lead their efforts.

¹ Canadian Brewing Limited (CBL) is a fictional craft brewery. The case study was based on publicly available information from many real-world breweries (including many referred to throughout the case study), as well as the author's research experience of the industry.



Process

FIGURE 1: SIX STEPS TO IMPLEMENT THE SDGs (SUSTAINABLE DEVELOPMENT GOALS) IN SMEs (SMALL- AND MEDIUM-SIZED ENTERPRISES)



CBL recognized there was no expectation that it would simultaneously address all 17 SDGs. Rather, the CEO stressed that any SDGs selected for action must add to CBL’s value creation strategy while paying particular attention to the needs of customers and employees.



Image source: [United Nations](https://www.un.org/sustainabledevelopment/)

Step 1

Assess current status on the SDGs

1a Build internal understanding of the SDGs

Each member of the implementation team at CBL had a high-level understanding of some sustainability issues, notably climate change. However, their exposure to the SDGs was limited. It was clear they would need to develop their personal understanding of the SDGs.

To begin, the team committed to individually reviewing each of the SDGs on the [UN website](#). They also committed to spending time individually reviewing the [SDG Business Hub](#), particularly the [SDG Essentials for Business](#). Finally, all team members committed to reading CPA Canada MAG, [Implementing the Sustainable Development Goals: Six Steps for Small- and Medium-Sized Enterprises](#). Throughout this initial reading, each team member was asked to reflect on several broad questions, including:

1. What is the role of a company in society?
2. What are the core responsibilities of a company?
3. What are some of the most important social and environmental challenges in the beer industry?
4. What does everyone at CBL need to learn about the SDGs to provide a basis for implementation?

The team quickly recognized that all employees at CBL would require some background information on the SDGs and why the company was implementing them. They would also need to reflect on everyone's potential roles and responsibilities. The CFO developed a two-hour interactive training session for all employees. This was delivered multiple times to ensure all could attend. Each training session involved employees from different functions to provide a basis for building shared understanding of the SDGs across CBL. The key issues addressed were:

- introduction to sustainable development, including some short- and long-term trends
- overview of the SDGs
- the role of business in addressing sustainable development
- examples of business activities in the beer industry to meet the SDGs
- CBL's key motivations for implementing the SDGs
- facilitated breakout discussions on roles and responsibilities in addressing the SDGs at CBL
- information on the company's process for implementing the SDGs
- key questions from employees

This provided the foundation necessary to begin implementing the SDGs at CBL. The team recognized the implementation would be iterative and ongoing. Regularly scheduled progress reports on implementation and employee roles in implementation would be required. This would be integrated into regular staff meetings as needed.



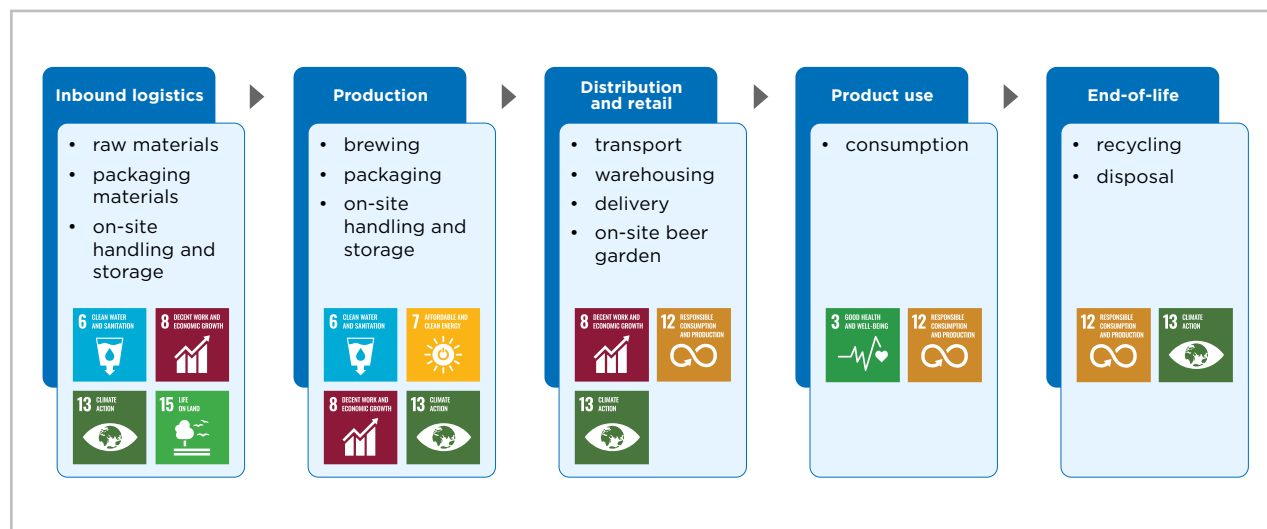
1b Identify the organization's key impacts on the SDGs

Having developed an understanding of the SDGs, the team's next step was to identify CBL's key impacts on them. CBL had already developed high-level process maps of its core activities, which provided a strong basis for completing a value chain analysis (VCA). Each team member individually reviewed the existing process maps in preparation for a two-hour session led by the CFO, where the team sketched out a high-level overview of CBL's value chain. In each stage of the value chain, the team considered:

- the most relevant SDGs impacted by the value chain stage
- CBL's potential positive and negative contributions to the SDGs
- potential future impacts on the SDGs

The results of that exercise are illustrated in the figure below.

FIGURE 2: CBL'S VALUE CHAIN ANALYSIS



CBL considered its key impacts with respect to the following key stages:

- **Inbound logistics:** CBL's suppliers provide raw materials including the malted barley, hops and yeast required to produce its lager. Water is sourced from the municipal water system, while electricity is supplied through Oakville Hydro. Bottles, cans and kegs, as well as materials for its restaurant, retail shop and equipment to support production are some of the other key supplies. CBL sources locally wherever possible. It receives deliveries by truck at its production facility.
Relevant SDGs: 6, 8, 13, 15
- **Production:** The production stage includes brewing (i.e., milling, mashing, lautering, boiling, fermentation, filtration, etc.), primary packaging (including canning, kegging and bottling), secondary packaging and refrigeration. CBL has a single production facility in Oakville.
Relevant SDGs: 6, 7, 8, 13

- **Distribution and retail network:** CBL's products are delivered to retailers, bars and restaurants through major regional distributors. Prior to delivery to consumers, its beer is cold-stored in a warehouse. Most of its product is delivered by truck, though rail is used to transport product to locations outside Southern Ontario. CBL recently started direct delivery to consumers in Oakville and Burlington using its own vehicle fleet. The company also runs a small retail store and beer garden on-site at its production facility.
Relevant SDGs: 8, 12, 13
- **Product use:** CBL's lager is consumed in bars, restaurants, private residences, its own on-site beer garden and other locations. The implementation team stressed the need to continue to emphasize responsible consumption of alcohol, including its lager.
Relevant SDGs: 3, 12
- **Product end-of-life:** CBL's cans, bottles and kegs are recyclable. However, some consumers dispose of them directly in the garbage.
Relevant SDGs: 12, 13

The team recognized that impacts on the SDGs other than those shown in the figure were conceivable, but they agreed that the VCA fairly represented CBL's most relevant impacts. The team believed CBL positively contributed to the SDGs, notably through the provision of decent work (SDG 8). However, it also recognized that its activities negatively impacted other SDGs, such as through the generation of greenhouse gases throughout its value chain (SDG 13). The team noted that its efforts to implement the SDGs could reduce its negative impacts in the future. Additionally, it was clear that while CBL had direct control over its own impacts, this was not the case for all key impacts across its value chain. The team recognized CBL would need to work with others to implement the SDGs.

Step 2

Set priorities in line with business strategy for value creation

2a Conduct an analysis of stakeholder interests on the SDGs

Internal and external stakeholder interests played an important role in CBL's decision to implement the SDGs. The team recognized that some of its stakeholders could potentially play a critical role in the implementation process, particularly through participating in or facilitating partnerships. The results of the team's stakeholder mapping exercise are shown in Figure 3.



FIGURE 3: CBL'S KEY STAKEHOLDERS



CBL recognized that other stakeholders were possible, such as non-governmental organizations (NGOs) and academics, but they were viewed as possible partners rather than groups that had previously shown interest in the company.

For each of the seven key stakeholder categories identified, CBL considered three key issues:

- the potential interests of each stakeholder in its efforts to implement the SDGs
- the priorities for addressing stakeholder interests, classified into high, medium, or low priority
- the options for addressing stakeholder interests (i.e., monitor, inform, engage)

Further details are available below.

Stakeholder	Interest in SDGs	Priority
Retailers, restaurants and bars	Several major grocery chains and alcohol retailers have implemented sustainability or corporate responsibility programs. They are increasingly interested in supporting sustainable practices in their suppliers. Interest could also grow in bars and restaurants over the next few years.	High priority: CBL's retail customers are increasingly asking questions about its environmental and social impacts. This is expected to continue. It will be important to keep customers informed of CBL's progress in implementing the SDGs.



Stakeholder	Interest in SDGs	Priority
Owners	CBL's owners are environmentally and socially conscious but they are not involved in the day-to-day operation of the company. However, they recognize that sustainability is increasingly an expectation of its customers, and that other companies in the industry are beginning to take action.	High priority: The owners will want to see progress on the SDGs and they must be informed of progress. They will expect the SDGs are implemented with limited new resources. A sound business case for any new investments will be required.
Employees	Environmental and social responsibility is increasingly becoming an issue in employee recruitment and retention. CBL is being challenged by its employees to do more on the sustainability front.	High priority: CBL's employees are its greatest asset and they have shown increasing interest in sustainability. Employee engagement is critical to successfully implementing the SDGs.
Local community	CBL is located within a community with growing environmental and social awareness. CBL engages in some community development initiatives but it has not been pressured by the community to engage in sustainability.	Low priority: CBL will need to monitor the community for any change in its interest in the company's SDG initiatives. Only limited action is currently necessary.
Suppliers	Many of CBL's key sustainability impacts are in its supply chain. Some of its suppliers have limited environmental programs (e.g., Oakville Hydro) but most have limited explicit focus on sustainability (e.g., farmers).	Medium priority: CBL has a keen interest in working with its suppliers to improve the sustainability performance of its supply chain. However, the company currently has limited leverage over its suppliers. It will engage with its key suppliers on the SDGs to identify areas of shared concern and interest.
Consumers	Awareness of key environmental and social issues is rising in the general public. A growing segment of consumers is indicating a willingness to pay for goods that are environmentally and socially responsible.	Medium priority: CBL recognizes that it must satisfy its end-users (i.e., consumers). It will engage its consumers where applicable, such as in responsible consumption messaging and recycling, while monitoring the situation for further action.
Government	CBL has limited direct involvement with the municipal, provincial and federal governments. It complies with all relevant regulations. Implementing the SDGs goes beyond current mandated requirements.	Low priority: CBL will continue to monitor government policy and regulations, ensuring that it is compliant with all requirements and providing any required information.

The analysis showed that owners, employees and retail customers (including retailers, restaurants and bars) are particularly critical stakeholders in implementing the SDGs at CBL, though suppliers and consumers would likely also require some engagement throughout the process. The team also recognized that stakeholder interests, priorities and options could change over time but felt the initial analysis provided a reasonable basis for the rest of the process.



2b Set priorities for action on the SDGs

CBL has a relatively informal strategic planning process. The company had a brief written strategic plan, which included mission, vision and values statements.

- Mission: Our mission is to provide great-tasting craft beer at competitive prices.
- Vision: We will become one of Canada's largest and most respected independent craft breweries.
- Values: We value our independence. We will be a company where our employees are proud to work. We will promote the responsible consumption of our products. We will act ethically. We will continually improve our operational practices. We are committed to producing great beer.

CBL also had written policies on terms of employment (i.e., working hours, compensation, holidays, and leaves); hiring, discipline and termination; anti-discrimination and anti-harassment; and health and safety, among others. As a privately held company, CBL did not make its business strategy or policies publicly available.

CBL did not have a sustainability policy and sustainability was not explicitly integrated with the company's existing strategy or policies. However, the team immediately recognized that the SDGs intersected with CBL's mission, vision and values in many ways. For example, SDG 12 (responsible consumption and production) is linked to CBL's core value of promoting responsible consumption of its products, while SDG 8 (decent work) intersects with its desire to be a company where its employees are proud to work. More broadly, the SDGs as a whole are grounded in a need for ethical development, which aligns with CBL's commitment to act ethically. Implementing the SDGs could also support its vision to be one of Canada's most respected independent craft breweries, as well as supporting its growth by meeting its customers' and employees' expectations for social and environmental responsibility.

It was clear the SDGs could contribute to CBL's value creation strategy, though that would require further articulation. The team discussed the need to revise the business strategy to better incorporate the SDGs and the benefits of creating a sustainability policy. However, it decided these initiatives would best be undertaken once the company had made additional progress implementing the SDGs.







In order to set priorities for action, the team developed a set of criteria to assess the contribution of the SDGs to CBL's business strategy. To centre on the most relevant SDGs and to keep the process manageable, the team decided to limit its focus to the SDGs identified in the VCA. In a workshop facilitated by the CFO, the team evaluated each of the identified SDGs on the basis of three criteria:

- contribution of the SDG to CBL's ability to create value now and in the future, ensuring consistency with its mission, vision and values
- importance of action on the SDG to stakeholders
- internal capacity to take meaningful action on the SDGs




The team scored each criterion as high (assigned a score of 3), medium (a score of 2) or low (a score of 1). The scores were then multiplied to help the team identify the most essential priorities. The results of the prioritization exercise, including some brief rationale that guided the team's scoring, are shown in Figure 4.

FIGURE 4: CBL'S PRIORITIZATION OF THE SDGs.

SDG	Value Creation	Importance to Stakeholders	Capacity to Take Action	Score	Rationale
 3 GOOD HEALTH AND WELL-BEING	3	3	2	18	CBL recognizes the potential consequences of alcohol consumption on the health and well-being of its consumers. It is committed to promoting responsible drinking.
 6 CLEAN WATER AND SANITATION	3	2	2	12	Water is a key input into the production of beer. It is critical that CBL improves its water-use efficiency in its operations. This will require substantial investments.
 7 AFFORDABLE AND CLEAN ENERGY	2	1	1	2	CBL recognizes the importance of using clean energy but there is no viable alternative to Oakville Hydro. Carbon offsets could be an option, though limited funding is available. Its stakeholders have also not yet raised this issue.
 8 DECENT WORK AND ECONOMIC GROWTH	3	3	2	18	CBL values its employees and recognizes how important an excellent working environment is to employee safety, recruitment and retention. CBL currently has limited capacity to improve working conditions in its supply chain.
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	3	3	2	18	CBL recognizes the connection with SDG 3 (i.e., responsible consumption is a core responsibility of any alcohol producer). It also recognizes the need to reduce production waste and reconsider its procurement practices.
 13 CLIMATE ACTION	2	3	3	18	Climate change is a high-profile issue in Canada, including for CBL's customers. CBL has not yet focused on reducing its GHG emissions and believes there are opportunities to do so. CBL notes connections between SDG 13 and SDG 7.



SDG	Value Creation	Importance to Stakeholders	Capacity to Take Action	Score	Rationale
	2	2	1	4	Many of CBL's key inputs, such as barley and hops, are grown on farms throughout Ontario. This SDG emphasizes the need to protect ecosystems, soil, forests and biodiversity. CBL currently has limited supplier leverage.

***Note on scoring:**

High = 3; Medium = 2; Low = 1

Total score is the multiple of the individual scores for the three criteria

The results show that the highest priority SDGs for CBL are SDGs 3, 8, 12 and 13. SDG 6 is in the next tier of relative importance, while SDGs 7 and 15 are ranked as the lowest priorities. Noting the close connection between SDGs 3 and 12, as well as SDGs 7 and 13, CBL decided to prioritize its actions using themes that group tightly related SDGs as follows:

- high priority: Responsible alcohol consumption and production (SDGs 3 and 12), climate and energy (SDGs 7 and 13), and decent work (SDG 8)
- medium priority: Water use (SDG 6)
- low priority: Raw material sourcing (SDG 15)

The team recognized that medium- and low-priority SDGs were important, but it was also aware that CBL had limited resources or capacity to address some of the SDGs, and that it needed to focus its efforts on the highest priorities. Each team member was asked to consult with employees in their unit on the prioritization exercise. There was broad agreement that the process and result was reasonable.



Based on the prioritization exercise, the team agreed the company's primary implementation focus would be on the high-priority SDGs. CBL would keep other SDGs in mind as it moved forward, but they would not be a primary focus of the company's implementation efforts in this initiative.

Step 3**Define goals, targets and key performance indicators****3a Define goals and targets**

The implementation team recognized the need to translate the SDGs into achievable goals and targets that would allow it to demonstrate and build on early successes. To ground its goals and targets in the latest science, the team reviewed examples from the beer industry in the [Science-Based Targets Initiative](#), including Carlsberg and MolsonCoors. For additional ideas, it also reviewed goals from the [Pivot Goals](#) and [Embedding Project](#) websites. Relatively few publicly available goals and targets were available from other craft brewers. CBL's key goals and targets for the SDGs are identified in the figures below.



FIGURE 5: CBL'S GOALS, TARGETS AND INDICATORS: RESPONSIBLE ALCOHOL CONSUMPTION AND PRODUCTION THEME

SDGs	Goals and targets***	Indicators***
	<p>Increase efforts to promote the responsible consumption of alcohol.</p> <p>Reduce the impacts from primary and secondary packaging of CBL's products.</p>	<ul style="list-style-type: none"> description of efforts to promote responsible consumption of alcohol¹ number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes²
	<p>Develop a plan to characterize and reduce waste generated at CBL's production facility by 2023.</p>	<ul style="list-style-type: none"> discussion of strategies to reduce the environmental impact of packaging throughout its life cycle³ solid waste generation by year⁴

Notes:

*** CBL recognizes responsible alcohol consumption is critical. However, it currently has limited ability to set quantitative targets or indicators related to consumption. CBL further believes it needs time to better understand its existing packaging and waste before it can set quantitative targets and indicators on production. It will focus on these targeted areas while recognizing the need to consider measurable targets and indicators over time.



1 This indicator is from the SASB industry standard on alcoholic beverages, code FB-AB-270a.4.

2 This indicator is from the SASB industry standard on alcoholic beverages, code FB-AB-270a.2.

3 This indicator is from the SASB industry standard on alcoholic beverages, code FB-AB-410a.2. CBL will explore using other indicators suggested by the SASB and setting clear targets for them, including total weight of packaging, percentage made from recycled and/or renewable materials and percentage that is recyclable, reusable and/or compostable (SASB code FB-410a.1.). Building capacity to measure these indicators may take some time.

4 CBL does not currently track its waste generation or recycling. It will develop a plan to do so over the next 18 months, including costed options to consider in reducing its solid-waste generation.

FIGURE 6: CBL'S GOALS, TARGETS AND INDICATORS: CLIMATE AND ENERGY THEME

SDGs	Goals and targets	Indicators
	<p>Reduce GHG emissions from direct operations by 10 per cent by 2025, using a 2019 base year.</p> <p>Reduce GHG emissions from purchased electricity by 10 per cent by 2025, using a 2019 base year.</p>	<ul style="list-style-type: none"> emissions from production by year¹ emissions from vehicles by year² total electricity consumed³
	<p>Reduce GHG emissions from indirect employee travel by 10 per cent by 2025, using a 2019 base year.</p>	<ul style="list-style-type: none"> emissions from purchased electricity by year⁴ emissions from employee travel by year⁵

Notes:

1 CBL does not currently track emissions from production per year. This will require developing a baseline of emissions from its key production processes based on estimates of their amounts and publicly available GHG emission factors for those processes.

2 CBL will use a publicly available GHG calculator to estimate its emissions based on the type of vehicle and kilometers traveled.


3 This data is available through its Oakville Hydro bills.

4 CBL will use a publicly available GHG calculator to estimate its emissions based on Oakville Hydro's energy mix.

5 CBL will survey its employees on how they get to and from work, and then use publicly available GHG calculators to estimate emissions from employee travel. CBL will work to characterize other emissions from indirect activities (e.g., emissions from supply chain activities) over time and develop indicators and targets on those over time.



FIGURE 7: CBL'S GOALS, TARGETS AND INDICATORS: DECENT WORK THEME



SDGs	Goals and targets***	Indicators***
	<p>Develop a workforce that is broadly representative of provincial demographics by 2027.</p> <p>Increase the percentage of employees receiving a living wage to 100 per cent by 2025.</p> <p>Continue to foster a work environment where all employees are safe and supported.</p>	<ul style="list-style-type: none"> workforce demographics relative to provincial demographics¹ percentage of employees paid a living wage² lost-time injury frequency (LTIF)³ description of efforts to support employees' mental health⁴

Notes:

*** CBL already tracks indicators related to this SDG, such as total employees (full-time and part-time), absenteeism, investment in training and turnover rate. It also reports workplace injuries or illnesses, as required by Ontario's WSIB. CBL has some limited employee engagement initiatives and has previously surveyed employees on job satisfaction and the company's effectiveness in capturing staff feedback. CBL recognizes these could be expanded but existing indicators and initiatives like these are not included in the SDG goals, targets and indicators.

- CBL is committed to a diverse workforce. It intends to monitor its workforce demographics relative to provincial demographics using a defined range to account for reasonable variation over time. CBL has not yet determined target ranges (e.g., 51 per cent women).
- CBL already pays all of its employees above the minimum wage. Only a small number of employees are currently below the living wage. It will determine the reference living wage using figures for Oakville, Ontario.
- CBL is committed to reducing and eliminating workplace injuries. LTIFR is a widely-used indicator that measures workplace injuries that result in an employee missing work, relative to the total number of hours worked (commonly normalized per 200,000 or 1,000,000 hours worked).
- CBL recognizes that workplace well-being also includes mental health. It recognizes that indicators such as absenteeism, satisfaction, etc. are commonly used as proxies for employee mental health. CBL feels the most effective approach at this time is to develop a plan to further support employees' mental health going forward. This could potentially include new initiatives and/or re-thinking existing initiatives.

FIGURE 8: CBL'S GOALS, TARGETS AND INDICATORS: WATER AND SOURCING THEMES

SDGs	Goals and targets***	Indicators***
	<p>Develop a costed set of options to reduce water consumption and to mitigate water risks by 2023.</p>	<ul style="list-style-type: none"> description of water management risks and discussion of strategies and practices to mitigate those risks¹ total water consumed²
	<p>Develop a procurement plan that considers the key environmental and social risks in CBL's supply chain by 2023.</p>	<ul style="list-style-type: none"> list of priority beverage ingredients and description of sourcing risks due to environmental and social considerations³

Notes:

*** CBL recognizes that even its lower ranked SDGs will require action over time. Currently, it is committing to develop plans for water consumption and procurement over the next 18 months. CBL recognizes that measurable targets and indicators may be required following the development of the plans, though it also notes that will depend on its capacity at the time.

- This indicator is from the SASB industry standard on alcoholic beverages, code FB-AB-140a.2.
- This indicator is from the SASB industry standard on alcoholic beverages, code FB-AB-140a.1.
- This indicator is from the SASB standard on alcoholic beverages, code FB-AB-440a.2. CBL will explore additional supply chain indicators, including those related to ingredient sourcing.



As illustrated, CBL established a mix of quantitative and qualitative goals and targets. This reflected the fact that CBL was at different starting points for different issues. The team agreed these goals and targets best represented CBL's key priorities and capacity to act in the near term, but it also recognized the need to consider its other relevant SDGs going forward. The focus on lower priority SDGs was largely on developing plans and options for future consideration.

3b Define key performance indicators

For each goal and target, the implementation team considered potential performance indicators to measure progress. To prepare for their scheduled discussion session, each team member reviewed published examples, including through industry sustainability reports, the [SDG Compass](#), and the [Pivot Goals](#) website. During the session, the team also closely reviewed the indicators listed in the Sustainability Accounting Standards Board²'s (SASB) [industry standard for alcoholic beverages](#), which the CFO argued were highly relevant. Following the meeting, the CFO and two other team members developed a consolidated set of potential indicators for further consideration by the team.

The team reconvened and evaluated the indicators based on their clarity, measurability and available data. The potential to use the indicator in education, communication and decision-making was also considered. Indicators deemed viable by the team formed the basis for consultation with stakeholders potentially impacted by their use. The final set of indicators selected by CBL is provided in Figures 5, 6, 7 and 8.

The team noted the utility of the selected indicators would be evaluated as part of the SDG review and improvement process. Additional indicators would also be considered over time as CBL's progress, priorities and capacity continued to evolve.

Step 4

Implement the SDGs

4a Identify and prioritize implementation options

CBL recognized that there were many initiatives that could potentially contribute to implementing the SDGs in the company. The implementation team developed a brief overview of its implementation process, including a summary of the selected SDGs, goals, targets and indicators. It then invited employees at all levels of the organization to submit suggestions on potential implementation ideas.

In parallel to the employee solicitation, the implementation team reviewed sustainability initiatives at other craft breweries, such as [Beau's](#), [Phillips Brewing and Malting Co.](#), [Cowbell Brewing Co.](#), and [Karbon Brewery](#).

2 In June 2021, the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB) announced their merger to form the Value Reporting Foundation (VRF). In 2022, The IFRS Foundation Trustees announced the consolidation of the VRF and the Climate Disclosure Standards Board (CDSB) into the IFRS Foundation.



- [Phillips Brewing's](#) environmental initiatives included a partnership to design its in-house recycling program, a lifecycle analysis of its beer, recapturing CO₂ from its fermentation process, recapturing steam from brewing, using heat from its refrigeration system to heat its office and an ambitious water reduction strategy.
- [Cowbell Brewing](#) had implemented initiatives such as high-efficiency LED lighting with motion sensors, low-flow water fixtures, an on-site wastewater treatment plant and cleaning its beer cans with ionized air to conserve water.
- [Muskoka Brewery](#) had made a commitment to equity, diversity and inclusion, as well as to provide its employees with a living wage.

Many examples were also available from international brewers, such as [Anheuser-Busch](#), [MolsonCoors](#), and [Carlsberg](#). While CBL does not have the resources to mirror all initiatives implemented by large organizations, the company recognized they could serve as useful examples. For example, [MolsonCoors](#) had committed to source its barley and hops from sustainable suppliers, implement programs to promote responsible drinking, provide low- or no-alcohol options, improve representation of women, improve water-use efficiency, reduce carbon emissions and use recyclable, reusable or compostable packaging, among other initiatives.

At the close of the employee suggestion period, the team met to discuss and prioritize the options. The team considered each of the suggested initiatives' contribution to the following:

- CBL's ability to create value
- importance to stakeholders
- internal capacity
- upfront and ongoing costs
- connection to current initiatives
- feasibility of implementation
- alignment with the goals, targets and indicators selected earlier

On this basis, the team discussed the viability of each option. The prioritized initiatives are summarized in the figures in Step 4c.

4b Identify key partnerships for implementing the SDGs

CBL recognized that partnerships were required to implement the SDGs. The company did not have full control over all of its key impacts on the SDGs, and it also had limited capacity to implement the SDGs.

Outside of its direct suppliers and distributors, CBL did not have many existing collaborations. It had recently joined the [Ontario Craft Brewers](#) (OCB) trade association, which also provided them membership in the [Canadian Craft Brewers Association](#) and the [Canadian Federation of Independent Business](#).



While these associations were not active in explicit SDG implementation, many of their members had undertaken interesting partnerships that could provide a starting point for CBL's efforts. For example, [Beau's brewery](#) implemented a supplier code of conduct to encourage ethical sourcing, a renewable energy sourcing program focused on achieving net zero CO₂ electricity emissions and worked with [Carbonzero](#) to have its beer certified as a carbon neutral product. Beau's is also partnering with its own employees to promote carpooling. [Muskoka Brewery](#) was a member of the [Ontario Living Wage Network](#), which explains that a living wage "reflects what people need to earn to cover the actual costs of living in their community."

Building on these examples, CBL decided that one key priority would be to encourage a carpooling initiative in partnership with its employees. This would help reduce indirect greenhouse gas emissions from CBL's activities. Given the relatively early stages of its efforts to implement the SDGs, CBL decided to explore memberships in relevant organizations, which would provide key contacts, support on sustainability initiatives and help identify future priority partnerships. CBL set several objectives:

- Explore joining the [Global Compact Network Canada](#), which is open to SMEs and has initiatives focused on helping companies strengthen their sustainability target-setting and actions, as well as a sustainability reporting peer review program.
- Explore joining the Ontario Living Wage Network, as CBL works to raise the wages of all of its employees to a living wage ([estimated](#) at \$20.75 per hour in the Oakville region).
- Explore joining the [Circular Innovation Council](#) (formerly Recycling Council of Ontario) to provide CBL with insight on issues such as building collaborative supply and value chains.
- Explore a funded research project with a local university on options for addressing sustainability in its supply chain and/or conducting a life cycle analysis of its beer.
- Support registered charities or NGOs devoted to responsible consumption of alcohol, including those working to eliminate impaired driving (such as [arrive alive DRIVE SOBER](#)).
- Increase the company's engagement in the OCB trade association. While this would not immediately impact its implementation of the SDGs, CBL could work with other companies to promote the SDGs and related initiatives, such as responsible consumption.

CBL recognized other partnerships were possible and decided it would continue to explore other possibilities in the future. The implementation team believed the partnerships noted above were manageable given its capacity constraints and would help better position the company to move towards its SDG goals and targets over time. The team also recognized it may take some time to realize benefits from partnerships and that different partnerships would progress differently.





4c Act

The CEO shared the prioritized initiatives and partnerships with all employees. She noted that specific timelines and responsibilities had been identified but it would require everyone's efforts to implement the SDGs. The company would monitor progress and she encouraged employees to raise any implementation enablers or challenges they identified.

Many of CBL's initial activities were focused on establishing needed baselines as reference points, as well as costed options (including upfront and ongoing costs, as well as financial and non-financial benefits of implementation) for future consideration. This is common in organizations undertaking new initiatives, and CBL felt that these efforts would provide a strong basis for informed decision-making on implementing the SDGs going forward. CBL also identified many initiatives for immediate implementation. The key implementation details are summarized in Figure 9.



FIGURE 9: CBL'S SDG INITIATIVES FOR IMMEDIATE IMPLEMENTATION

SDGs	Initiative	Responsibility	Timeline
	Identify registered charities or NGOs devoted to responsible consumption of alcohol and explore possible levels of support.	CFO	3 months
	Explore potential partnerships with retailers, bars, restaurants and trade associations (i.e., OCB) to promote responsible alcohol consumption.	Director, Sales Director, Stakeholder Relations	12 months
	Develop costed set of options to reduce the environmental impact from primary and secondary packaging (e.g., reducing packaging weight, increased recycled content, improved reusability, etc.).	Director, Operations Director, Purchasing CFO	18 months
	Establish a baseline of solid waste generated in CBL's direct operations.	Director, Operations	6 months
	Develop costed set of options to reduce solid-waste generation in CBL's direct operations (e.g., process reviews, increased on-site recycling and reuse, etc.).	Director, Operations CFO	18 months



SDGs	Initiative	Responsibility	Timeline
	Establish a baseline of GHG emissions from CBL's direct operations.	Director, Operations	6 months
	Develop costed set of options to reduce GHG emissions (e.g., recapturing CO ₂ from fermentation, capturing heat from refrigeration for use in other heating, offsetting emissions through Bullfrog Power, etc.).	Director, Operations CFO	18 months
	Install high-efficiency LED lighting with motion sensors throughout CBL's facility.	Director, Operations	18 months
	Replace existing vehicles with internal combustion engines with electric vehicles as leases expire.	CFO	36 months
	Partner with employees to develop carpooling options.	Director, HR	3 months
	Establish a baseline of GHG emissions from CBL's supply chain.	Director, Purchasing	24 months
	Conduct an employee self-identification survey to determine workforce representation.	Director, HR	3 months
	Establish target ranges for workforce demographics relative to provincial demographics.	Director, HR CEO	6 months
	Phase-in salary increases for employees currently being paid below the living wage.	Director, HR CFO	36 months
	Conduct a safety audit of CBL's operations and identify costed options for improvement (e.g., training, ergonomic workstations, improved lighting or equipment, etc.).	Director, Operations	12 months
	Develop costed options to further support employees' mental health going forward (e.g., improved benefits, peer support groups, improved culture of openness, improved employee engagement, etc.).	Director, HR CFO	18 months



SDGs	Initiative	Responsibility	Timeline
	Develop a costed set of options to reduce water consumption and mitigate water risks (e.g., install low-water fixtures, low- or no-water can and bottle cleaning, on-site wastewater treatment, etc.).	Director, Operations CFO	18 months
	Develop a procurement plan that considers the environmental and social risks in CBL's supply chain (e.g., supply chain mapping, raw material traceability, purchasing criteria, supplier code of conduct, supplier assessment, etc.).	Director, Purchasing CFO	18 months

The implementation team recognized that different initiatives would proceed at different rates, that all initiatives selected for future consideration would not necessarily be implemented and that other viable options could emerge in the future. It also stressed that, while key responsibilities were assigned to all projects, executive leads would be supported by other staff as needed throughout the company. As reflected in Step 6 of the process, review and continual improvement would also be keys to successfully implementing the SDGs at CBL.

Step 5

Communicate

5a Identify target audiences and determine framework for disclosure

CBL identified current and prospective employees as its most important audience for communication on the SDGs but it recognized other stakeholders may also have an interest. Going forward, CBL would prioritize communication to its current employees, both through external, public-facing disclosures, as well as through internal disclosures. The company decided that external reporting would also be tailored to its customers (i.e., retail, restaurants, bars, consumers) and prospective employees.

The SDG implementation team reviewed several disclosure frameworks, focusing its initial screen on the [GRI](#), the [SASB](#), the UN Global Compact [guidelines](#) on SDG reporting, and the CPA Canada [resource](#) on the social pillar of sustainability. It also reviewed several publicly available reports on the SDGs from companies in the beer industry. In addition to the companies referenced in earlier stages, the team noted other examples were available, including the many beverage companies that have [committed](#) to the UN Global Compact. The team quickly concluded that full reporting on the GRI or SASB would be too complex and time-consuming at this time, but it did note the SASB's [industry standard for alcoholic beverages](#) could inform customized communications for CBL. It also noted the GRI's proposed [sector standard](#) for food, which will address the production of beverages, might be of interest once it is released.



In consultation with other members of senior management and marketing, and informed by legal advice, the team recommended CBL develop custom high-level communications on the company's SDG priorities, goals, targets, indicators and current initiatives. It also recommended sharing information on successes and challenges to date. As a privately-held company, CBL did not publish a publicly-available annual report. It did, however, maintain a website and a presence on several social media platforms. These existing mechanisms would be used to disseminate any SDG disclosures.

5b Develop disclosures and communicate

The implementation team recommended a short downloadable PDF loosely modelled on SDG reporting by [MolsonCoors](#) be developed for the website, as well as shorter communications and graphics that could be shared periodically through social media. The downloadable PDF was a total of seven pages:

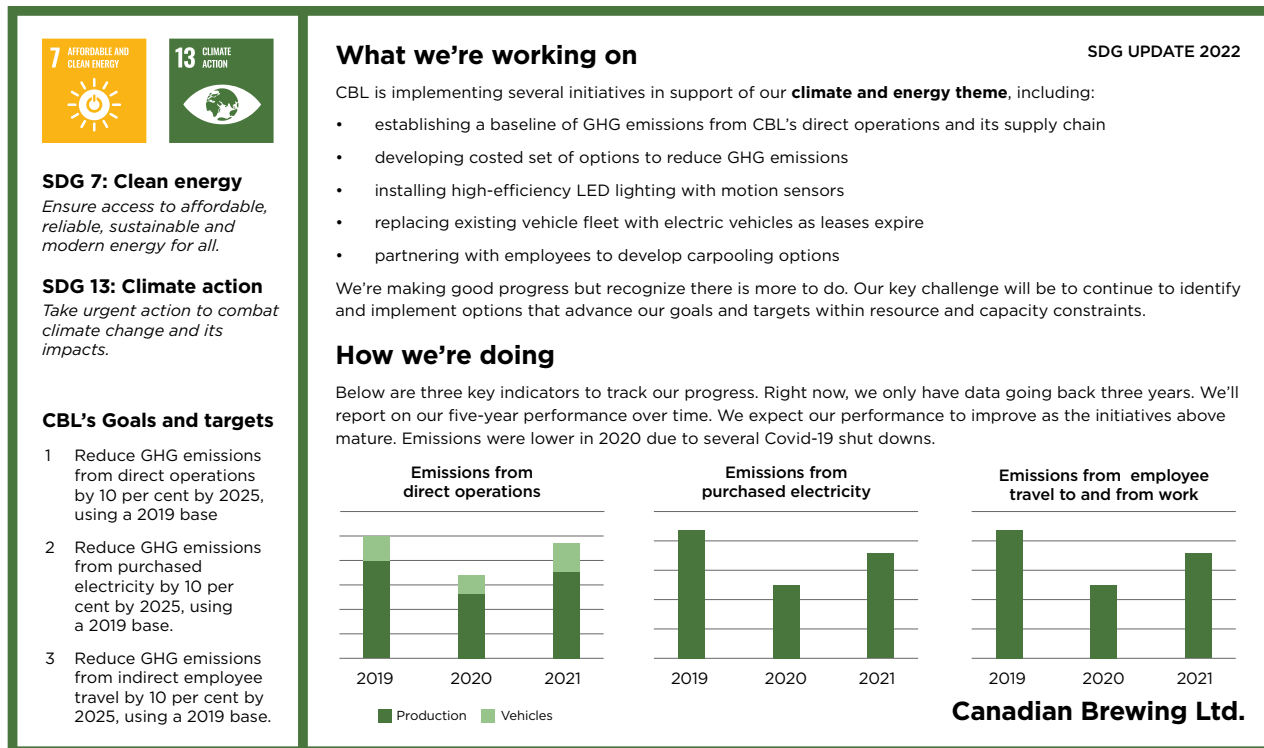
- a title page, including the name of the company, the focus on the SDGs and the reporting period
- a one-page overview of the company and its commitment to the SDGs, including CBL's mission, vision and values, a list of the SDGs, the company's SDG priorities and its SDG implementation process
- one page on each of its priority SDG themes, namely responsible alcohol consumption and production (SDGs 3 and 12), climate and energy (SDGs 7 and 13) and decent work (SDG 8), including a brief overview of the SDG, CBL's goals and targets, indicators (including recent performance where available), selected highlights of key initiatives related to the SDGs and key partnerships
- a one-page summary of its lower priority SDG themes (i.e., water use [SDG 6] and raw material sourcing [SDG 15]).
- a final page, including a link to CBL's website and a contact (director, stakeholder relations) for more information

More detailed information, such as data, current status and future possibilities, would be maintained internally for use in occasional proactive employee communication and responding to customer requests as needed. Decisions on information sharing would be routed through stakeholder relations, in consultation with the CFO and CEO. CBL decided the downloadable PDF would be updated annually, while other updates could be released on the website as needed. The company also developed a schedule to share sustainability-related information periodically through its social media channels.

An example disclosure for its performance on its climate and energy theme (SDG 7 and SDG 13) is provided in Figure 10.



FIGURE 10: SAMPLE SDG DISCLOSURE



Step 6

Review and improve

Implementing the SDGs is an iterative process that will evolve over time. In addition to ongoing monitoring of day-to-day activities, CBL developed a plan for periodic reviews of its SDG implementation efforts. The core elements of the plan included:

- establishing the SDG implementation team as a standing committee with a mandate to implement, maintain and improve current initiatives, as well as considering new initiatives over time
- adding sustainability initiatives to the agendas of existing management team meetings (i.e., CEO, CFO and Directors), with a check-in on current status, successes and challenges at least once a month
- adding sustainability initiatives to the existing monthly meetings held with all employees in each functional area
- where applicable, revising job descriptions over time to include responsibilities for CBL's SDG initiatives and considering sustainability initiatives in employees' yearly performance appraisals
- creating a stakeholder advisory group on sustainability with a mandate to advise CBL on key priorities, changes in the internal and external environment and opportunities for improvement



Senior management also recognized the need to update CBL's business strategy to incorporate its SDG initiatives. The CEO committed to explicitly integrating sustainability into the strategy in the next scheduled update of the plan. She also committed to developing and implementing a sustainability policy in line with updates to the business strategy. The SDG implementation team felt this was important to institutionalizing the company's commitment to sustainability.



Case Study

Key Learnings

Resources

Key learnings

There were a multitude of ways in which CBL could contribute to the SDGs. CBL made considerable progress in implementing the SDGs, but it also recognized that the company had just started a long-term effort that will evolve over time. The company was very selective in its initial efforts to implement the SDGs and understood that it would need to continue to be judicious as additional possibilities emerged.

CBL recognized that its SDG initiatives must support its business strategy for value creation, as well as address the needs and interests of its key stakeholders. While sustainability initiatives at other companies in the beer industry provided a useful reference point, CBL would need to continue to select initiatives that made sense in its own unique context, including their fit with its existing initiatives and the company's capacity.

Implementing the SDGs was already better positioning CBL to address the questions and concerns on its social and environmental impacts raised by employees, prospective employees and customers. The CEO remained convinced that implementing the SDGs would provide the company with a competitive edge, including through helping it become more resilient, adaptable and innovative.

It was clear a cross functional team supported by CPA competencies (i.e., stakeholder analysis, collaboration and communicating, among others) had proved critical in CBL's initial successes implementing the SDGs.



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Cory has been conducting research on corporate sustainability and supply chains for two decades. He has published about 90 peer-reviewed journal articles and dozens of online articles in outlets such as The Guardian, MIT Sloan Management Review, Sustainable Brands, and The Conversation. Cory is currently a section editor for corporate sustainability at the Journal of Business Ethics, which is one of the 50 publications used by the Financial Times in its international rankings of business schools. He was also a judge in the CPA Canada annual Awards of Excellence in Corporate Reporting (sustainability reporting section) seven times between 2008 and 2016.

Cory served as an associate with the International Institute for Sustainable Development (IISD) for approximately 10 years. He has also worked as a consultant, a manufacturing manager and as an operational analyst in the health-care industry. Cory holds a PhD from the University of Alberta and is a registered professional engineer (PEng) in Ontario.



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