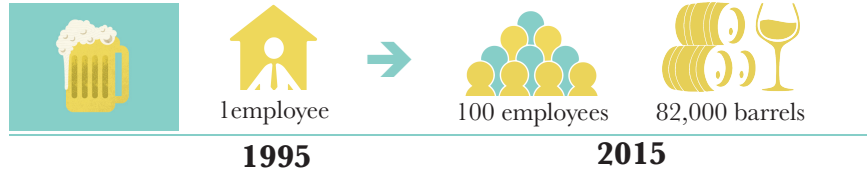


Sustainability Strategy



Founded in 1995 by Rob Tod, Allagash is a privately-owned craft brewery located in Portland, Maine.



Allagash sustainability initiatives:



Waste reduction - 99.75% landfill diversion in 2014



Water consumption reduction - 3.27 barrels of water per barrel of beer in 2014



Philanthropy - 1% of sales given to community organizations



Energy conservation - 23.32 kWh/barrel packaged beer in 2014



Problem statement

Like many small and medium businesses, Allagash is committed to environmental & social responsibility, but still trying to find the right place on the sustainability spectrum – one that is authentic and reflects their commitment but doesn't greenwash. How might we help Allagash benchmark their current activities against industry standards for their current sustainability initiatives?

Approach

UNDERSTAND & MAP

- Interviews with host, Allagash to understand and align the project objectives, scope, and deliverables.
- Redefine the problem
- Secondary research

IMMERSE

- Site - visit
- 20 interviews with Allagash employees across various departments
- Secondary research on sustainability and craft brewing industry including SASB Standards Disclosure Guidance for Alcoholic Beverages.

SYNTHESIS & ANALYSIS

- Monthly Utility Bills
- Monthly production and shipping volumes
- Energy efficiency project related invoices and specs
- Details of energy efficiency projects including proposals, invoices and technical specifications.
- review of interview notes to find themes, key ideas/challenges

FRAMEWORKS & REPORTING

- Frameworks to capture sustainability initiatives included:
 - Value Driver Model
 - Core of Sustainability Strategy
 - Sustainability-oriented-Innovation Framework

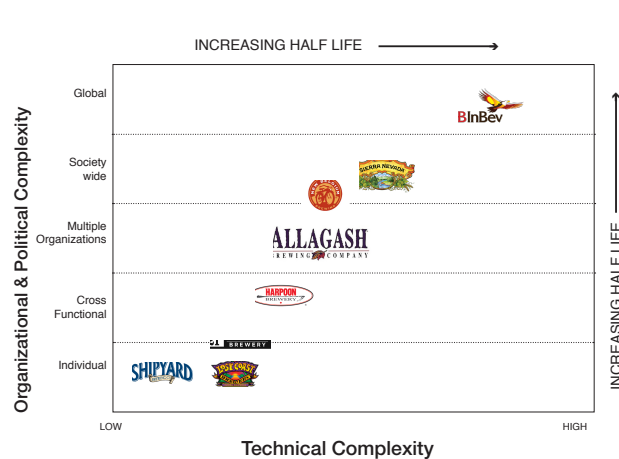


Fig1: Half Life Improvement Process

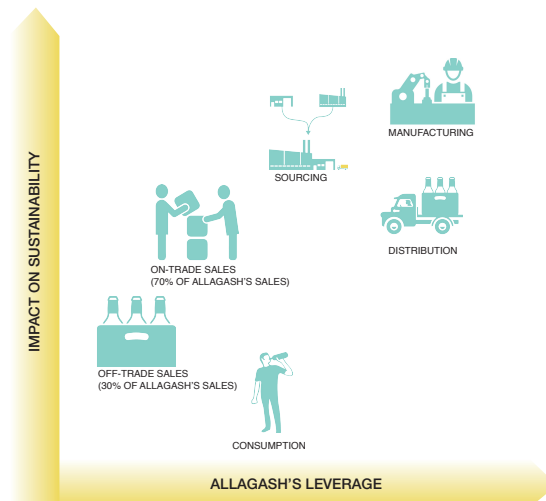


Fig2: Supply chain - Impact of Sustainability & Allagash's Leverage

Return on Equity or Capital	Growth	<ul style="list-style-type: none"> • New product opportunities (16 Counties - entirely locally sourced products); • New markets (opportunities where Millennials are majority, eg. College towns); • Pursue a sustainability labeling program for product differentiation.
	Productivity	<ul style="list-style-type: none"> • Reduce inputs (energy and water efficiency, air compressor system audit) and waste (solid waste, beer loss, and waste heat recapture); • Increase labor efficiency (i.e. the low turnover they achieve in HR); • Attracting and retaining key staff in a competitive market).
	Risk Management	<ul style="list-style-type: none"> • Source of raw materials, including water, grain and hops is critical to the long term sustainability of brewers; • Incentivising local farmers; • Paying employees well; • Balance in growth.

Fig 3: PRI & Global Compact LEAD, "The Value Driver Model: A tool for communicating the business value of sustainability"