
Research on Sustainability Reporting of Belarusian Brewing Company: On the Example of Alivaria Brewery

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Abstract

As sustainable development has been widely recognized as an essential topic in the continuous advancement of human history, a wide variety of organizations around the world, including companies, have integrated sustainability into their development paths. A typical example of the integration of sustainability with a company's growth path is the company's sustainability report (SR). However, notwithstanding more and more companies are joining the sustainability reporting cohort, the standards for reporting are not uniform and the quality of reporting is uneven, which ultimately affects the quality of the organizational sustainability and the sustainability of the world as a whole. The purpose of this study is to investigate the nature and extent of sustainability reporting practices of a brewing company located in Minsk, Belarus. Data were collected from the company's latest 2019 SR. Deductive content analysis was used to analyse the data, and the coding scheme used for content analysis was developed based on indicators from the Global Reporting Initiative (GRI). The results indicate a lack of disclosure of the SR of Belarusian brewing companies in terms of the content of biodiversity conservation and environmental complaint mechanisms. The results provide several practical implications for Belarusian brewing companies, regulators, and policymakers. This study is one of the first to investigate the nature and extent of sustainability reporting practices in Belarusian brewing companies.

Keywords: Sustainability reporting, Sustainable development, Sustainability, Brewery, Belarus.

1. Introduction

Sustainable development is the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs (UN, 1987).” Today, sustainable development is like the belief that keeps the wheels of the world's development adjusted to the right direction of progress. Since the final documents of the Rio Conference in 1992 identified the 21st century as the century of sustainable development (Gorbachev & Zenchanka, 2020), sustainable development has been continuously promoted and developed in the whole world over the past 30 years, and it has been widely penetrated into many human

social fields such as politics, economy, and culture. In 2015, the United Nations General Assembly (UNGA) held in New York announced seventeen SDGs and elaborated the sustainable development agenda, which is a reaffirmation of their commitment to the important theme of the human development (Zagoumenov, 2019). Furthermore, it recognized that enterprises are indispensable partners to achieve the United Nations SDGs and can accelerate the process of sustainable development from financial support to the provision of products and services (UN DESA, 2015). In the economic field, sustainable economic development requires consideration of economic, social, and environmental factors (Zenchanka & Gorbachev, 2019). Thus, enterprises, which are important microeconomic agents, should take into account the dimensions of environmental protection and social responsibility while pursuing market expansion and profit growth. Concomitantly, an important way to reflect the performance of enterprises in the three dimensions of environment, economy, and society is sustainability reporting.

Sustainability reporting is an important way to communicate not only with shareholders, but also with other relevant stakeholders, including employees, customers, and regulators, among others. Sustainability reporting has been widely adopted by companies worldwide, given the need for greater transparency on environmental, social, and governance (ESG) issues among stakeholders (Buallay, 2019). Today, many companies are voluntarily adopting international sustainability codes of conduct such as the United Nations Global Compact (UNGC) principles and Global Reporting Initiative (GRI) guidelines to enhance their sustainability disclosure credentials (Russo-Spena et al., 2018). Orazalin and Mahmood (2020) suggests that managers, practitioners, regulators, and policymakers should adopt the GRI guidelines for reporting sustainability performance disclosures and focus on specific factors to improve the quality of sustainability disclosures. Notwithstanding sustainability reporting has the specifications and guidance from GRI, UNGC, and other standards, however, some studies have found that many small and medium-sized enterprises (SMEs) exhibit poor sustainability management, assessment and reporting profiles, and sustainability reporting is a growing issue in a high number of large companies (Ramos et al., 2013). Furthermore, in the field of the brewing industry, studies focused on sustainability reporting in the Belarusian context are still lacking. Against this backdrop, this study aims to review the sustainability reporting practices of a Belarusian brewing company. This study investigates the nature and extent of Alivaria's sustainability reporting practices by conducting a deductive content analysis of the company's latest 2019 SR.

2. Methodology

2.1 Sample selection

OJSC Alivaria Brewery (Belarusian name: Пиваварная кампанія Аліварыя) is a prestigious Belarusian open joint-stock brewing company with more than 900 employees. It was established in 1864 and belongs to the Carlsberg Group, the third-largest beer group in the world based in Denmark. The company's production site in Minsk has an annual production capacity of 13 million decaliters of beer. The company is also ISO 9001:2015, ISO 14001:2015, and OHSAS 18001:2015 certified. As of March 2022, Denmark's Carlsberg Group holds 67.8% of the shares of Alivaria Brewery, 11.2% of the shares are owned by different individuals, and

the European Bank for Reconstruction and Development (EBRD) holds 21% of the shares. The Carlsberg Group influences a series of competition and development strategies of Alivaria, the EBRD provides important financial support for the capacity expansion and modernization of the Alivaria beer factory, and various individual investors provide a certain degree of financial support for the development of Alivaria. This study focuses on the nature and extent of sustainability disclosure of Belarusian brewing companies, through the case of Alivaria Brewery. The relevant sustainability disclosure data is obtained from Alivaria's latest 2019 SR. By analyzing Alivaria's sustainability reporting practices, we may identify some problems with the current sustainability reporting practices of Belarusian brewing companies.

2.2 Content analysis

Content analysis is a systematic, objective, and quantitative analysis of information characteristics. It has a very wide range of application scenarios, including analysis of characterization in media venues ranging from fiction to online video; computer-driven analysis of wording in news media and political speeches, advertisements, and blogs; and more (Neuendorf, 2017). Content analysis can be inductive or deductive, one of the main differences between the two types of content analysis is whether the coding scheme is fully predetermined. Regarding the inductive content analysis, there is no fully predetermined code scheme, and the coding scheme will be developed as data analysis unfolds, while the deductive content analysis needs to develop a coding scheme at the beginning. The present study adopts deductive content analysis, as it is an efficient analysis method to obtain key information consistent with a given code scheme from massive amounts of information. The predetermined code scheme used in this paper is compiled based on the *G4: Sustainability Reporting Guidelines* which is formulated and published by the GRI in 2013. Concomitantly, the computer-aided text analysis (CATA) tool ATLAS.ti was used to encode and analyze the company's 2019 SR.

3. Results and Discussion

3.1 Sustainability reporting and the GRI

Sustainability reporting refers to the disclosure of non-financial information, including governance, economic, social, and environmental aspects (Loh et al., 2017). Sustainability reporting has evolved in many forms throughout its history. Financial reporting, which originated in the 19th century and focused on the economic sphere, was extended to the social sphere in the 1970s and began to focus on social effects or socio-effectiveness (Herzig & Schaltegger, 2006). Since the mid-1990s, the number of companies reporting on the ecological, social, and economic dimensions of sustainability has increased substantially (Kolk, 2004). Today, there is a worldwide consensus on the presentation of the environmental, economic, social, and governance dimensions of corporate sustainability reporting, and comprehensive sustainability reporting guidelines such as GRI and UNGC have been developed.

The benefits that sustainability reporting can bring to companies include improving corporate reputation and brand value, gaining a competitive advantage, and signalling superior competitiveness, among others (Herzig & Schaltegger, 2006). In contrast, some studies have suggested that in practice, corporate sustainability reporting is not a proxy for progress. measurement is often nonstandard, incomplete, imprecise, and misleading (Pucker, 2021).

Nevertheless, the publication of sustainability reports by companies is seen as a commendable effort to promote sustainable development, a move that is one of the requirements of the 12th Sustainable Development Goal: Ensure sustainable consumption and production patterns.

As GRI describes on its website, GRI is an independent international organization that helps businesses and other organizations take responsibility for their impact by providing them with a global common language to communicate those impacts (GRI, 2022). The GRI Sustainability Reporting Guidelines are designed to help organizations report on their environmental, social and economic performance and increase their accountability (Moneva et al., 2006). GRI has published three universal standards that can be used for all reporting, including Foundation 2021, General Disclosure 2021, and Material Topics 2021; two-sector standards that can be used for the sectors of oil & gas, and coal; twenty-four topic standards that can be used for specific topics. Today, there is a trend to integrate the SDGs into sustainability reporting, and GRI is committed to providing solutions for linking the SDGs to GRI standards.

3.2 Develop a Code Scheme and Analyse the SR of Alivaria

The indicators selected for this study's code scheme were derived from the environmental, economic, and social dimensions presented in *G4: Sustainability Reporting Guidelines*, as shown in Table 1. The GRI Sustainability Reporting Guidelines provide reporting principles, standard disclosures, and implementation manuals for organizations, regardless of size, sector, or location, to prepare sustainability reports (GRI, 2013).

Table 1. List of indicators in three dimensions used in this study

Category	Economic	Environmental		Social
Aspects	Ec1: Economic Performance	En1: Materials	En8: Compliance	S1: Labor Practices and Decent Work S2: Human Rights S3: Society S4: Product Responsibility
	Ec2: Market Presence	En2: Energy	En9: Transport	
	Ec3: Indirect Economic	En3: Water	En10: Overall	
	Ec4: Impacts	En4: Biodiversity	En11: Supplier Environmental Assessment	
	Ec5: Procurement Practices	En5: Emissions and Waste	En12: Environmental Grievance Mechanisms	
		En6: Effluents		
		En7: Products and Services		

Source: GRI, *G4: Sustainability Reporting Guidelines*, 2013.

3.3 Analyse the SR of Alivaria

As shown in Figure 1, The SR of Alivaria discloses the company's development in three dimensions: environmental, economic, and social. Overall, in all quotations created according to the coding scheme, the company's SR disclosures have the highest percentage of social dimension content with 45.16 percent, followed by environmental and economic dimensions with 41.38 percent and 13.46 percent, respectively. Within these three dimensions (Figure 2), the aspects labelled as S1 (Labour Practices and Decent Work), S3 (Society), and S4 (Product Responsibility) occur most frequently in the company's SR, with 100, 72, and 72 quotations,

respectively, being created in the company's SR. Moreover, it is also notable that the company's SR content covers every aspect of the coding scheme.

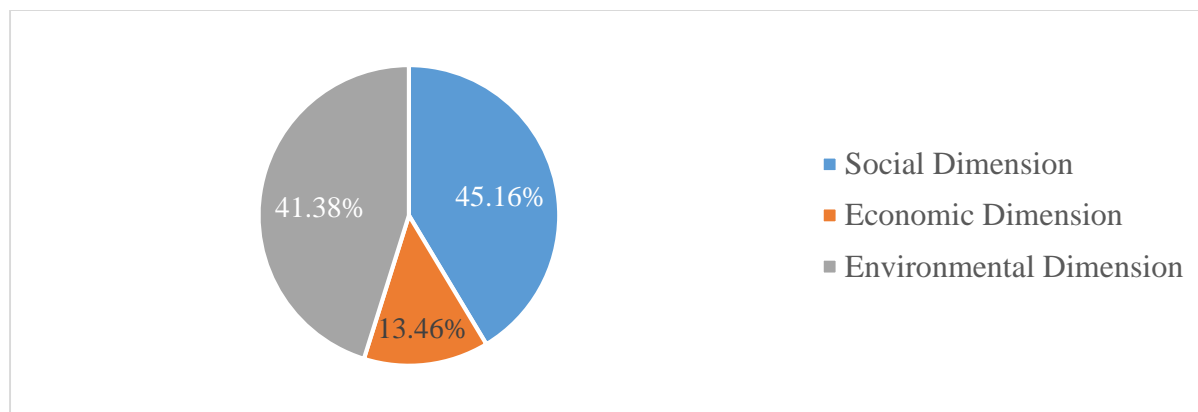


Figure 1: The relative percentage of sustainability reporting on the three dimensions

Source: Compiled by the author

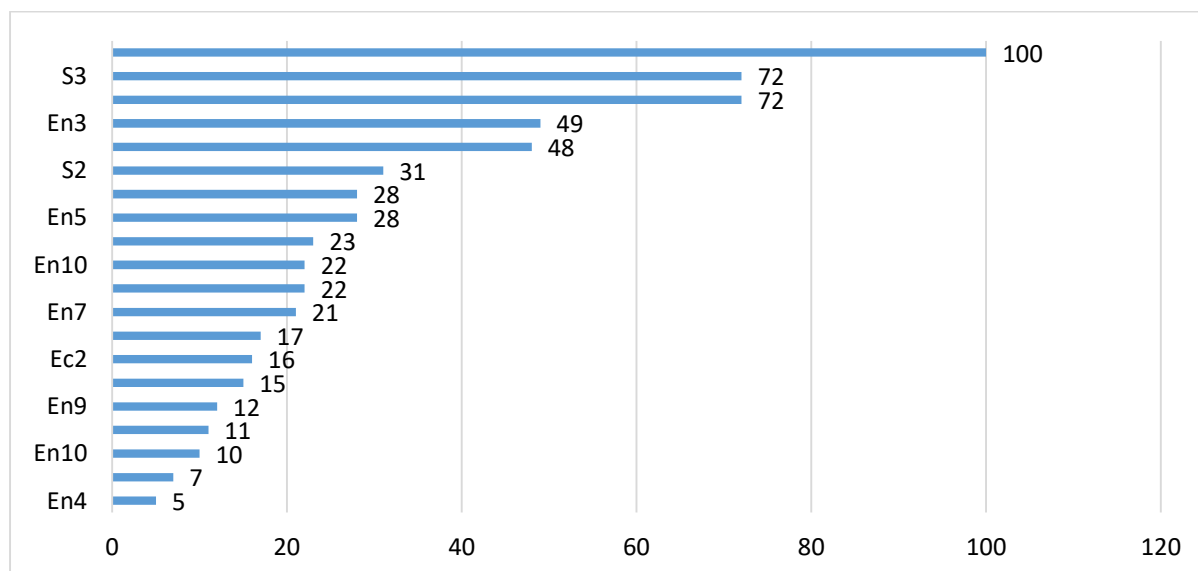


Figure 2: Shows results of sustainability reporting within three dimensions

Source: Compiled by the author

The data derived from the SR content analysis of the company shows that Alivaria's SR covers all aspects of environmental, social, and economic dimensions listed in the coding scheme, which reflects the comprehensive and all-encompassing nature of the report. Furthermore, the top three aspects of SR, S1, S2, and S3, which appear frequently, show that the company's SR places importance on labour rights, contribution to society, and product responsibility. Nevertheless, the company's SR lacks disclosure of the environmental dimension for En4: Biodiversity and E12: Environmental Grievance Mechanism, which needs to be improved.

Based on the reality of Alivaria, the proposed improvement to the inadequate disclosure of biodiversity conservation and environmental representation mechanisms in the company's SR is to include the following in the next update of the SR: Basic information on each operational site owned, leased, managed or adjacent to areas of high biodiversity value within or adjacent to protected areas and outside protected areas; The description of the significant impacts of

activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas; Report the total number of complaints about environmental impacts filed through the formal complaint mechanism during the reporting period, and the total number of complaints regarding environmental impacts filed prior to the reporting period that was resolved during the reporting period.

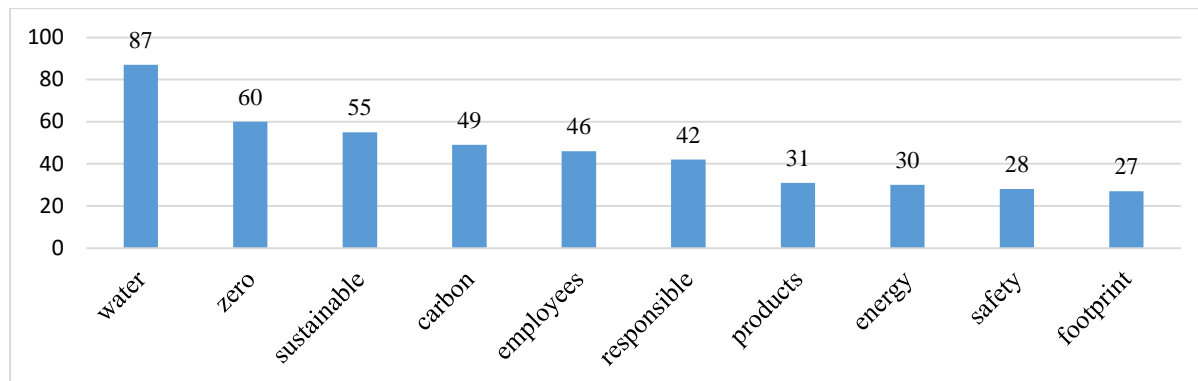


Figure 3: The ten most frequently occurring words in quotations that are created according to the coding scheme

Source: Compiled by the author

Figure 3 shows the ten most frequently occurring words in quotations that are created according to the coding scheme. From this figure, it can be seen that Alivaria highlights the importance of water in SR, whether it is in improving the efficiency of water use, or in saving water, and others. Given that Alivaria's production process is highly water-dependent, there is a correlation between the high frequency of the term and the company's emphasis on improving production processes. The word “zero” is the first word of Alivaria’s sustainable development strategy of zero carbon footprint, zero water loss, zero irresponsible consumption, and zero unhappy cases (4 ZERO). On the one hand, the high frequency of the word reiterates the company's sustainable development strategy, on another hand, it reflects the company's hysterical pursuit of sustainable development. The high frequency of the word “sustainable” is the most straightforward way to emphasize sustainable development, which reflects the company's SR commitment to sustainable development. The remaining seven frequently-occurring words mainly reflect the company's high emphasis on environmental protection, employee rights protection, responsible products and services, energy structure optimization, and carbon footprint reduction.

4. Conclusion

This study provides valuable insights into the practice of sustainability reporting in the Belarusian context. The nature and extent of companies' sustainability disclosure practices were assessed using 20 indicators from the GRI across three dimensions: environmental, social, and economic. The results revealed that Alivaria's SR discloses the environmental, social, and economic dimensions in an integrated and comprehensive manner, which reflects the comprehensive nature of its SR. Moreover, the company’s SR mainly focuses on water efficiency improvement, 4 ZERO strategies, sustainable development commitments, environmental protection, employee rights protection, responsible products and services,

energy structure optimization, and carbon footprint reduction, among others. However, there is still much room for improvement in the extent of disclosure because some of the contents are not disclosed sufficiently (e.g., biodiversity, environmental grievance mechanisms). In the future, it will be of great practical importance for Belarusian brewing companies, including Alivaria, to pay attention to the disclosure of the content of biodiversity conservation and environmental complaint mechanisms in the SR.

This study seeks to analyse the practice and challenges of sustainability reporting in Belarusian breweries based on a case study of sustainability reporting in a Belarusian brewery. Thus, the results provide some practical implications for Belarusian brewing companies, regulators, and policymakers. On the one hand, this will indicate a direction for the company and stakeholders to work on, and on the other hand, the joint promotion of the disclosure of the lack of content in SR by the company and stakeholders will contribute to the advancement of the level of sustainability reporting practices of Belarusian brewing companies as a whole.

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