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Promoting ESG Awareness
+ Risk Literacy in SMEs

PEARL
Case Study
Module 4

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Case Study Identification

Case Study Title:

Reviving Donegal Distilling – Sliabh Liag's ESG Strategy in Action

Partner Institution:

Momentum Marketing Services Limited (MMS)

Country:

Ireland

Sector /Industry:

Drinks Manufacturing – Distillery (Irish Whiskey & Gin)

Company size (micro / small / medium):

Small (c.30 direct employees by 2022)

Ownership structure (family-owned, partnership, etc.):

Founder-led (James & Moira Doherty, est. 2014); broad shareholder base incl. crowdfunding

Market scope (local / regional / international):

International (exports to 40 countries and 41 US states)

2. Relevant PEARL Curriculum Module(s)

*(**Select one primary module and, if relevant, secondary modules:** Module 1 – Introduction to ESG, Module 2 – ESG Onboarding, Vision and Responsibility, Module 3 – ESG Risk Analysis and Materiality Assessment, Module 4 – ESG Strategy and Implementation, Module 5 – Reporting, Communication and Branding, Module 6 – Sustainable Financing and Funding Options for SMEs)*

Primary Module:

Module 4 – ESG Strategy and Implementation

Secondary / Supporting Modules (if any):
Module 3 – ESG Risk Analysis & Materiality; Module 6 – Sustainable Financing

3. Learning Purpose of the Case

What ESG challenge, decision, or dilemma does this case illustrate?
How a start-up SME translates ESG ambition into a structured strategy with PDCA cycles, supplier engagement, measurable energy and emissions targets, and sustainable financing – while simultaneously scaling production and managing the financial pressures of a capital-intensive start-up.

Why is this case relevant for SMEs?
Most SMEs declare an ESG ambition but struggle to operationalise it. Sliabh Liag built a documented sustainability plan against the Origin Green framework, set annual per-unit energy and water targets, exceeded them dramatically (79% energy reduction per unit since 2018), and used the data to attract diverse finance (Enterprise Ireland, Údarás, Asahi Group, two crowdfunding rounds). This is a transferable model for any SME at scale-up stage.

Which competence gaps (knowledge, skills, attitudes) does it address?
Knowledge: PDCA logic; CO_2 footprint scoping (Scope 1, 2, 3); supplier mapping; VSME core metrics; OKR design.
Skills: Building a multi-year sustainability plan; designing PDCA tracking; mapping suppliers; calculating per-unit metrics; writing VSME-aligned OKRs.
Attitudes: Treating ESG strategy as a competitive and financing advantage, not a compliance burden; valuing continuous improvement over one-off claims.

4. Case Context and Background

Provide a concise but concrete description of the SME's situation:

(Business model and core activities, ESG maturity level at the start of the case, Regulatory, market, or stakeholder pressure (if any), Key internal constraints (resources, knowledge, resistance, finance)

Sliabh Liag Distillers (Driogairi Shliabh Liag CGA) was founded in 2014 by James and Moira Doherty, who returned to the Sliabh Liag peninsula in County Donegal after careers in Hong Kong. Their stated mission was to reclaim the distilling heritage of Donegal – a county that had not seen a legal distillery in over 175 years – and to create rural economic opportunity through an internationally focused craft-spirits business.

The company operates two facilities: An Dúlamán Gin Distillery in Carrick (opened 2017) and the new Ardara Distillery (whiskey, €6m capital build, scaled production from 2020). By 2022 the team had grown to approximately 30 employees and the company exported to 40 countries and 41 US states, with brands including An Dúlamán Irish Maritime Gin and Legendary Silkie Irish whiskey.

From the outset Sliabh Liag built its ESG strategy on the Bord Bia Origin Green framework, with multi-year targets in raw material sourcing, energy and emissions, water, packaging and social sustainability. The company became a Gold Member of Origin Green in 2021 and retained Gold status in 2022 – a tier that requires exceptional annual performance across multiple targets, independently verified.

Operational implementation has been disciplined. The original target of a 10% reduction in energy and waste per unit of output by 2021 has been radically overachieved: Sliabh Liag has reported a 79% reduction in energy use per unit of alcohol produced since 2018, plus a multi-year water-reduction programme on track against a 12% target. The company sets a fresh 2% annual reduction milestone per unit and uses the Origin Green annual audit cycle as its de facto PDCA review.

Supply-chain strategy is integral. An Dúlamán Gin uses five locally harvested seaweeds. Spent grain and other by-products are returned to local farmers as feed, creating circular partnerships. This supplier model is being scaled with the Ardara whiskey expansion and supports the social-sustainability dimension of the Origin Green plan, alongside sponsorship of local sports and community groups.

Financing has matched the strategy. The capital build of Ardara has been funded through a mix of Enterprise Ireland, Údarás na Gaeltachta, the Western Development Commission, the Asahi Group (owner of Nikka Whisky) and two crowdfunding rounds – the second of which placed Sliabh Liag among Europe's top five drinks-sector crowdfunds of 2020. The company terms its 1,500+ small investors the teaghlach ("family"), reinforcing the social and stakeholder dimension of the strategy. The case is therefore a clear example of ESG strategy as both an operational discipline and a financing enabler for an SME.

5. ESG Challenge / Problem

Imagine you are advising a scaling Irish drinks SME at year 3 of operations.

Tasks for Learners

Three tasks for participants to complete

Task 1 – 3-Year ESG Strategy & PDCA Plan

Design a three-year ESG strategy for a scaling craft SME (food, drinks or light manufacturing). Define annual milestones across at least four target areas (raw material sourcing, energy/emissions, water, packaging or social). For each target, define a PDCA cycle: Plan (baseline + target), Do (implementation actions), Check (audit/review point), Act (adjustment for next cycle). Indicate which target area is the "spotlight" for the year.

Task 2 – Supplier Mapping & CO_2 Footprint

Identify the company's top 10 suppliers and group them by category (raw material, packaging, utilities, logistics). For each supplier category, indicate which Scope (1, 2 or 3) it primarily affects in the company's CO_2 footprint. Define a one-page supplier engagement plan that addresses raw material sourcing, by-product re-use and supplier certification.

Task 3 – VSME OKRs & Financing Plan

Write five OKRs aligned to the EFRAG VSME core metrics (energy, emissions, water, waste, workforce). For each, define one Objective and 2–3 measurable Key Results with named accountabilities. Identify two complementary funding sources that the strategy could unlock (e.g. SEAI energy grants, Enterprise Ireland Climate Action Voucher, SBCI Growth & Sustainability Loan, Údarás na Gaeltachta supports, EU LIFE programme, sustainability-linked loans, or crowdfunding).

Tip: Use Sliabh Liag's 79% per-unit energy reduction (2018–2022) as a benchmark of what an ambitious but realistic SME PDCA cycle can deliver. Note that this performance was achieved without listed or in-house ESG specialists.

6. Data, Evidence, and Inputs

Publicly documented data points for Sliabh Liag Distillers (2014–2022)

Strategy framework: Bord Bia Origin Green multi-year plan covering Raw Material Sourcing, Energy/Emissions, Water, Packaging and Social Sustainability; Gold Member 2021 and 2022.

Energy/Emissions: annual target of 2% reduction per unit of output; achieved 79% reduction in energy use per unit of alcohol produced 2018–2022.

Water: 12% reduction target; 5% achieved in first year of the plan.

Supply chain: An Dúlamán Gin made with five locally harvested seaweeds; spent grain and other by-products returned to local farmers as feed (circular partnership).

Social / community: c.30 direct employees by 2022 in a Gaeltacht region; sponsorship of local sports and social clubs; reclaiming the first legal distilling activity in Donegal in 175 years.

Financing mix: Enterprise Ireland, Údarás na Gaeltachta, Western Development Commission, Asahi Group Holdings, two crowdfunding rounds; second crowdfund was among the top five in the European drinks sector in 2020; 1,500+ small investors (the teaghlach).

Regulatory context: CSRD; CSDDD; EU Taxonomy; EU Green Claims Directive; VSME (EFRAG); EBA Guidelines on Loan Origination; Origin Green Gold Tier framework.

7. Suggested Tools from the PEARL Toolbox

Canonical M4 tools applied in this case

- ***ESG PDCA Tracking Template (M4)*** turns each annual target into Plan–Do–Check–Act loops; Sliabh Liag uses the Origin Green annual audit as a de facto PDCA review.
- ***CO_2 Footprint Overview for SMEs (M4)*** scoping document for Scope 1, 2 and 3 emissions of the distillery; baseline for the 79% per-unit reduction story.
- ***Supplier Mapping Matrix (M4)*** documents seaweed harvesters, grain suppliers, packaging vendors and farm by-product partners against influence and ESG-readiness.
- ***ESG OKR & MOAL Framework (M2/M4)*** converts Origin Green commitments into quarterly OKRs (e.g. 2% per-unit energy reduction) with named owners.
- ***ESG Key Metrics (VSME) (M4)*** core metrics for an SME: energy intensity, water use, waste, workforce diversity; aligns Sliabh Liag's existing metrics to the EFRAG VSME standard.
- ***Sustainable Financing Options for SMEs (M6, supporting)*** maps state aid (EI, Údarás, SBCI, SEAI) and private sustainable-finance instruments suitable for a scaling SME.

8. Suggested Solution

Task 1 (Model Approach): 3-Year ESG Strategy with PDCA cycles

Year 1 – Baseline & Spotlight on Energy: Plan: establish energy baseline (kWh per L of alcohol), set 2% per-unit reduction target. Do: install metering, upgrade lighting, install heat-recovery on the still. Check: external audit (e.g. SEAI EXEED or Origin Green annual audit). Act: adjust next-year target upwards if overachieved – Sliabh Liag did exactly this and went beyond the original 2% YoY ambition.

Year 2 – Spotlight on Supply Chain: Plan: identify top 10 suppliers and three priority engagements (raw material, packaging, logistics). Do: introduce supplier certification questionnaire; pilot circular partnership (e.g. spent grain to local farmers). Check: track % of raw material spend covered by sustainability-verified suppliers. Act: lock in or replace suppliers based on data.

Year 3 – Spotlight on Social & Reporting: Plan: define social-sustainability targets (local employment, community engagement, diversity). Do: deliver named initiatives (sponsorship, training, community open day). Check: publish a one-page sustainability statement aligned to VSME. Act: integrate findings into business planning for Years 4–5 and use as evidence for green-finance applications.

Spotlight rotation: rotating the "spotlight target" each year mirrors the Origin Green Gold approach. It avoids overwhelming a small team while making annual progress visible to staff, suppliers, regulators and financiers.

Teaching point: the PDCA cycle is the engine of an SME ESG strategy. Without an explicit Check step (annual audit or independent review) and an Act step (target adjustment), strategies drift into one-off claims.

Raw materials (Scope 3): grain, malt, juniper, seaweed, botanicals. Engage local farmers for cereals and licensed seaweed harvesters on the Donegal coast; agree minimum sustainability declarations.

Packaging (Scope 3): glass bottles, cork stoppers, cardboard outers, labels. Engage suppliers on recycled content, FSC certification and lightweighting; track % of packaging by recycled-content tier.

Utilities (Scope 1 & 2): electricity, LPG / natural gas, water. Move to verified renewable electricity; baseline thermal energy; assess electrification or biomass options.

Logistics (Scope 3): inbound feedstock haulage; outbound export shipments to UK, EU, US, Asia. Track tonne-kilometres; consolidate shipments; prefer rail and short-sea where available.

By-product re-use (circular): spent grain to local livestock farmers; cardboard and glass collection to certified recyclers; integrate into supplier matrix as positive value flows, not waste.

Engagement plan: annual supplier questionnaire; named buyer responsible for ESG screening; one supplier site visit per quarter; embed sustainability declarations in purchase orders.

Teaching point: for an SME, CO_2 footprint work begins by mapping suppliers into Scope categories. This makes Scope 3 manageable and is the foundation for any credible buyer or financier conversation.

8. Suggested Solution

Task 3 (Model Approach): VSME OKRs & Financing Plan

OKR 1 (Energy): Objective – reduce per-unit energy intensity. KR1: kWh per litre of alcohol –15% vs baseline by year-end. KR2: 100% renewable electricity contract by month 9. KR3: heat-recovery installed on still by month 12. Owner: Operations Manager.

OKR 2 (Emissions): Objective – baseline and reduce CO_2 footprint. KR1: complete Scope 1+2 inventory by month 6. KR2: identify top three Scope 3 categories and engage suppliers by month 12. KR3: publish first carbon-intensity statement aligned to VSME by year-end. Owner: Finance / Sustainability Lead.

OKR 3 (Water): Objective – cut water use per unit of alcohol. KR1: install metering on the cooling system; KR2: achieve 5% reduction per unit; KR3: assess closed-loop cooling. Owner: Production Lead.

OKR 4 (Supply chain & social): Objective – deepen local circular partnerships. KR1: 80% of grain spend with verified Origin Green-aligned suppliers; KR2: 100% of spent grain redirected to local farms; KR3: one new community-engagement initiative in the Gaeltacht region. Owner: Founder/MD.

OKR 5 (Workforce): Objective – embed ESG into people management. KR1: ESG induction module for all new hires; KR2: gender-balance reporting in line with VSME; KR3: one ESG-themed staff training per quarter. Owner: HR/People Lead.

Financing pairing: SEAI energy grants (KR1, KR3); Enterprise Ireland Climate Action Voucher (Scope 1+2 inventory under OKR2); SBCI Growth & Sustainability Loan Scheme (capital projects); Údarás na Gaeltachta supports (regional employment); sustainability-linked term loan once year-on-year metrics are evidenced.

Discussion & Pro Tips

Instructor's discussion prompts and pro tip

Discussion prompts

- Sliabh Liag exceeded its energy target by an order of magnitude (79% vs a 10% goal). What does this say about how SMEs should set their first ESG targets – conservatively or ambitiously?
- The company used Origin Green as its de facto ESG strategy framework. What are the trade-offs of adopting a sector-specific certification programme rather than building a bespoke strategy?
- Crowdfunding contributed materially to the Ardara Distillery build. How does a broad "family" investor base change the way an SME communicates its ESG strategy?
- Sliabh Liag has been loss-making in its scale-up phase. How should an SME balance ESG ambition with financial fragility in the early years?

Pro tip for trainers

Run this case as a strategy-design workshop. Give learners the Sliabh Liag baseline data and ask them to design a Year 4 strategy in 45 minutes. Withhold the actual Year 4–5 numbers until after they present, then compare. Most learners will set targets that are too conservative – that contrast is the lesson.

For multi-cohort delivery, pair this case with one of the Bord Bia Origin Green Gold Member case studies (Sliabh Liag's own 2022 PDF) so learners can read a primary source and identify how the framework translates into a one-page company narrative.

Key takeaway quote to display

"ESG strategy is the discipline of doing fewer things, more measurably, more often."

9. Expected Learning Outcomes

After working on this case, which KSAs will learners be able to develop?

(Aligned with Related competences (ref.PEARL framework)

Knowledge

- Understand PDCA logic and how it underpins multi-year ESG strategy.
- Know the difference between Scope 1, 2 and 3 emissions and how SMEs scope each.
- Recognise the EFRAG VSME core metrics and their alignment with CSRD value-chain reporting.

Skills

- Design a 3-year sustainability strategy with rotating spotlight target areas.
- Map an SME's suppliers by Scope and design an engagement plan.
- Write ESG OKRs aligned to VSME indicators and assign accountabilities.
- Match strategy milestones to specific funding instruments (state aid + private finance).

Attitudes

- Treat ESG strategy as an operational and financing advantage, not a compliance burden.
- Value disciplined per-unit measurement over absolute volume claims.
- See annual independent audit as the engine of improvement, not a hurdle.

PEARL framework competences addressed

EntreComp: Planning and management; Mobilising resources; Financial and economic literacy; Coping with uncertainty.

GreenComp: Systems thinking; Futures literacy; Adaptability; Collective action.

DigiComp: Managing data, information and digital content; Evaluating data, information and digital content.

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Sources & References

Publicly available sources cited in this case study

Primary company sources

- Sliabh Liag Distillers. Company website. https://www.sliabhliagdistillers.com/
- Bord Bia (2022). Drioglann Sliabh Liag CGA – Origin Green Gold Member Case Study 2022 (PDF).
- Bord Bia. Drioglann Sliabh Liag CGA – Origin Green directory entry. https://www.bordbia.ie/industry/origin-green/members-directory/manufacturers/beverages/drioglann-sliabh-liag-cga/

Third-party and industry sources

- Whisky Advocate. A Distillery Start-Up by the Numbers: Sliabh Liag's Story So Far. https://whiskyadvocate.com/A-Distillery-Start-Up-by-the-Numbers-Sliabh-Liag-s-Story-So-Far
- Western Development Commission (2026). Sliabh Liag Distillers: Reviving Tradition, Strengthening Community. https://westerndevelopment.ie/investment-funds/success-stories/sliabh-liag-distillers-reviving-tradition-strengthening-community/
- Donegal Daily (2022). Five Donegal companies gain Origin Green Gold Membership Awards. https://www.donegaldaily.com/2022/09/17/five-donegal-companies-awarded-for-exceptional-sustainability/
- Donegal Daily (2021). Four Donegal firms awarded gold standard for sustainability. https://donegaldaily.com/2021/09/28/four-donegal-firms-awarded-gold-standard-for-sustainability
- Irish Food & Drink directory: Sliabh Liag Distillers. https://www.irishfoodanddrink.com/suppliers/ sliabh-liag-distillers/

Frameworks & Standards Referenced

Key EU regulatory and industry frameworks referenced

- *CSRD – Corporate Sustainability Reporting Directive (EU 2022/2464)*
- *CSDDD – Corporate Sustainability Due Diligence Directive (EU 2024/1760)*
- *EU Taxonomy – Regulation (EU) 2020/852*
- *EU Green Claims Directive (provisional agreement 2024)*
- *ESRS – European Sustainability Reporting Standards (EFRAG, 2023)*
- *VSME – Voluntary SME Standard (EFRAG, 2024)*
- *SFDR – Sustainable Finance Disclosure Regulation (EU 2019/2088)*
- *EBA Guidelines on Loan Origination and Monitoring (ESG factors)*
- *Bord Bia Origin Green – Ireland's food and drink sustainability programme*
- *SEAI energy grant schemes (EXEED, Support Scheme for Renewable Heat, etc.)*
- *Enterprise Ireland Climate Action Voucher / Green Transition Fund*
- *SBCI Growth and Sustainability Loan Scheme*
- *Údarás na Gaeltachta SME and rural development supports*
- *EntreComp / GreenComp / DigiComp European competence frameworks*
- *UN Sustainable Development Goals*
- *Irish Government Climate Action Plan*