Apical.

Setting Goals and Interim Targets

GUIDE: SETTING GOALS AND INTERIM TARGETS

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About the Author

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Mika has over 5 years of experience in product development, innovation and business intelligence in the cannabis industry. As global citizen, she has lived, worked and been educated in Israel, the United States, and Canada helping to shape her perspective and knowledge of the cannabis industry. Before joining Agripharm as Director of Business Development, Mika worked as a community manager and cannabis educator, normalizing the widespread use of cannabis recreationally and medicinally. A passionate advocate of values in business, she founded Apical in 2019 to provide easily accessible ESG programs for cannabis businesses. Her purpose is to leave a legacy of positive impact. She believes that good corporate citizenship is the next evolution in the growth of the cannabis sector, and has created Apical as a way for cannabis organizations to grow.

Introduction

Establishing a goal is the first step in a long term commitment to become more sustainable, inclusive, and socially responsible. Use the information presented in this guide and our shared commitments to create a goal, and create interim targets for your organization.

As members of the Apical Ethical Cannabis Collective, we are seeking to change how our businesses operate so that we can create shared value and evaluate our performance beyond just financial terms. We are focusing our collective attention on specific issues that we agree are both important and urgent. The value of clear goals in environmental, social, and governance areas lies in their capacity to structure experience by channelling attention, and sufficiently difficult goals will likely result in higher performance.

A defined goal generates greater stakeholder confidence about a firms' intentions. By keeping each other accountable we are more likely to generate impact that can be shared with investors, consumers, and other stakeholders, avoid costs, and increase revenue through brand affinity and innovative products. As part of our kickoff sessions, we used the information presented in this guide to craft our goals. Your next step will be to determine interim targets that move you closer to our desired outcome.

Crafting Goals

Goals should be rooted in the challenges that our planet and species face today, encompassing a broad range of social and environmental needs. The UN Sustainable Development Goals (UN SDG) are most commonly referenced when creating corporate commitments, and are used across the globe. Take care to note where there are scientific planetary and social thresholds. Establishing a Science Based Target, specifically as relates to environmental goals, helps companies to focus on essential issues and avoid greenwashing.

Determining the individual contributions of a business will depend on the Link to strategy that each organization makes. Impact of contributions can be measured at the operational (business or facility), value chain (partners, suppliers, and distributors), and systems level (market, governmental). Determining a link to strategy at each level of operations creates a trajectory for positive impact over the long term, moving the entire ecosystem towards more sustainable, inclusive, and socially responsible products.

Future Fit Business Benchmark

The Future Fit Business Benchmark (based on Framework for Strategic Sustainable Development) provides thresholds for individual organizations by offering clear guidance to what to aim for by defining what must not happen. The solid, science based foundation provides a foundation for what every company must do, as well as what a company might do beyond that.

The Natural Step

The Natural Step Canada is a national charity with over 25 years of experience in advancing science, innovation and strategic leadership aimed at fostering a strong economy that thrives within nature's limits. They outline the concept of "backcasting" which is central to a strategic approach for sustainable development. It is a way of planning in which a successful outcome is imagined in the future.

Science Based Targets Initiative (STBi)

The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. The criteria and recommendations were developed using the GHG accounting and mitigation expertise of the SBTi's partner organizations, with support from the SBTi's Technical Advisory Group.

Embedding Project Credible Goals Database

The Credible Goals Database is a public goals database containing leading sustainability goals and commitments set by large companies globally. The Embedding Project assess goals against a transparent rubric that helps consumers and industry alike understand the impact and credibility of public facing corporate goals.

Crafting a commitment statement that is presented to investors, business leaders, and other key stakeholders, will keep you accountable to them in the long term. Each goal should represent the minimum level of performance to aim for in one part of the value web (e.g., products, operations) and relates to one issue (e.g., wages, waste). Your commitment should provide clarity on both the scope and limitations of your impact, and indicate who in the organization has signed off of the commitment. This gives confidence to employees to pursue these goals, as well as consumer confidence and increased social license to operate.

Establishing a long term goal defined by an outcome is a necessary first step in moving toward a sustainable and socially responsible business model. Creating interim targets based on the actions required will propel you forward in achieving this goal. It's crucial that your interim targets, i.e. your actions, are set to occur within a specific timeframe. Establish a regular cadence of checkins and evaluate progress on an ongoing basis: What targets should be changed, or added? How should the timeline change? Set reasonable expectations around the pace and resources required, and revise as necessary. When things do not go as planned, acknowledge changes and admit shortcoming and take the right next step.

Commitment Statement Checklist

Process	Goal Attribute	Guidance	Strong vs. Weak	(Y/N)
Start with material issues	Material	Have you articulated a rationale for setting the goal? For instance, have you identified a business driver or linked the goal to an issue or trend?	Focused on an issue that is linked to strategy vs. Not clear how it connects to business model	
Understand Context	Contextual	Does the goal align with doing your part to maintain systems resilience by respecting systems thresholds?	Grounded in planetary thresholds and other context vs. Arbitrary ambition	
Create Partners	Integrated	Do you share information about how you went about setting the goal? Was it Co-Created with other members of your organization.	Shared ownership for goal achievement across the business vs. Siloed accountability	
Set Ambition	Visionary	Do you articulate why maintaining systems resilience with respect to this issue is of strategic importance to the business?	Stretch vs. incremental	

Crafting Goals

Process	Goal Attribute	Guidance	Strong vs. Weak	(Y/N)
Develop theory of change	Provides clear path to impact	Does the goal have a clear set of short and mid-term targets that spell out the actions and investments required to meet the goal?	Rooted in the company's ability to influence vs. Ambiguous company-change process link	
Define the Metric	Measurable	Is the goal framed in a way that progress could actually be assessed?	Impact-focused and quantifiable vs. Process focused	
Agree to Deadlines	Time-Bound	Is the timing clearly articulated?	Clear deadline for targets vs. No deadline or deadline too long or short to be meaningful	
Engage External Stakeholders	Informed by Stakeholders	Is there a commitment to help enable others, such as customers, communities, your industry, your value chain, those you finance, or policy makers, to also do their part to contribute to systems resilience?	Responsive to stakeholder input vs. Unresponsive to stakeholder input	
Become Accountable	Transparent	Does the organisation have a track-record of transparently reporting against trajectory targets, meeting them and/or making necessary adjustments when it does not meet them?	Includes mechanisms for two way communication, i.e. reporting and grievance mechanisms vs. Does not include mechanisms for feedback or pathways for communication.	

Our Commitments

Our goals this year are designed to mitigate data gaps that remain a barrier to establishing credible and actionable goals in the future.

Environmental Commitment

We need to understand what is the largest contributor to waste, i.e. is it consumer packaging as we assume, or operational waste? We want to explore the systems influences, such as Health Canada regulations, that are the primary drivers of waste creation.

We commit to gather data in order to understand the sources and reasons for our contribution to the waste stream. We desire to be transparent and disseminate this information to be held accountable, as well as identify systems level barriers to change.

- SDG 12: Ensure sustainable consumption and production patterns.

- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

Interim Targets

- Schedule a time to meet with your operations team that is responsible for handling and disposing waste. Communicate your desire to undergo a waste analysis. In this meeting discuss: What do they notice? What is important for them to highlight? What challenges do they currently face in waste aggregation and disposal?

- Review Apical's Waste Guide (to be delivered in March). Discuss with other cohort delegates and leadership what would be required of the organization.

Social Commitment

We are focused on co-creation with our employees to understand what resources and opportunities they most want and need. In order to achieve this, we've committed to making sure our internal processes and systems encourage our employees to reach out, be proactive and honest as to what they want from us as employers.

We commit to investigate employee desires for personal and professional growth to understand how employees want to develop and what skills they need to meet their individual outcomes. We further commit to evaluate current processes and systems around dialogue, transparency, candor, and psychological safety and identify opportunities to improve.

- SSDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. We have identified many topics which formal education and job training does not address, but which our employees can benefit from.

- SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. We are seeking to establish a co-created pathway for learning that supports inclusive and sustainable pathways to economic growth for each individual in our organization.

Interim Targets
- Conduct an anonymous survey with your employees. Ask what most interests them to learn, both professional and personal topics. Inquire where they would like more support.

- Send various happiness and productivity surveys to assess how your workforce feels about showing up every day. Take the findings and discuss with your leadership team.

- Review Apical's Employee Engagement Guide (to be delivered in March). Discuss with other cohort delegates and leadership what would be required of the organization.

Governance Commitment

We commit to creating a process that identifies and respects stakeholders. We will evaluate the best avenue to engage our stakeholders that have been traditionally overlooked, underrepresented, or historically harmed. We will co-create with stakeholders a definition of shared value that is incorporated into decision making.

- SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. We will seek to engage stakeholders not only with power (financial), but also legitimacy (the organization has an impact), and urgency (the needs of the stakeholders are pressing).

Interim Targets

- Brainstorm with different teams in your organization (separately) who does their work impact? Who most impacts their work?

- With your leadership team, develop personas for each potential stakeholder. What do you need from the stakeholder to earn their support? What do they need to provide you (if anything) to earn yours?

- Review Apical's Stakeholder Identification Guide (to be delivered in March). Discuss with other cohort delegates and leadership what would be required of the organization.

Conclusion

Use the information presented in this guide and our shared commitments in mind to create a goal, and commitment statement for your organization. Start by communicating internally and seeking feedback from your teams to build alignment on the drivers of these commitments (pressing planetary and social needs), and raise potential barriers to success. Engaging your team in this manner builds confidence and ensures goals are created at a reasonable comfort level, while leaving the door open for more aspirational intentions further down the line.

It is acceptable to miss highly aspirational goals under certain circumstances, and goals will likely need to be revised on a regular basis. When targets are missed, or goals need to be revised, communicate these challenges authentically and acknowledge your failures. The mere fact that we have established goals will propel you forward, and acknowledging that failures occur will encourage you to persist.

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