

Csr nestle case study

Business



Businesses have responsibility for positive sustainable contribution on the society, as their activity and the everyday decisions they take have a real influence on the environment, communities, customers and employees.

The “ public face” of Nestles Corporate Social Responsibility concept: Nestle has published a booklet where its corporate social responsibility concept is explained. It s stated there that Nestle, being a huge corporation that has thousands brands and sells millions of products worldwide has a big potential to produce social benefits.

Therefore, the so-called “ Creating Shared Value” was Introduced. According to Mark Kramer the difference of this special’ model of CARS is that it does not only focuses on pantaloons responsibilities Duty also on creating environmental I Detent TTS, knelling societies to progress and all sectors in their turn would help business to improve and flourish. This “ Creating Shared Value” approach was developed for Nestle by Mark Kramer and Professor Michael Porter.

Simply put, its chain consists of three steps: agriculture and sourcing, manufacture and distribution, products and consumers.

Here are some directions, which are giving as examples of parts of it: Research and development in for better yields, knowledge transfer and farm assistance, access of raw materials as specified quality and foreseeable price, higher output using fewer resources; food safety through improved standards of operations, improved environmental standards, risk management for food safety, creation of employment opportunities in the communities, higher food production standards; research for consumer

benefit, consumer nutrition, health and wellness, education for healthier lifestyles, profitable growth from superior products benefits, wider access to food, improved nutrition and health. The description of how this system of Creating Shared Value is based on the example of how Nestle is operating in Latin America. It is stated that Nestle has specific purchasing guidelines and supplier contracts that support specific quality parameters, production and delivery methods that preserve soil, water, air, energy, genetic diversity and minimize waste. A given example of existing sustainable approach is launch of the first Firetrap putout by Nestle (Unsafe Partners Blend) – firetrap certified coffee.

Apart from that, Nestle is also one of the founders of Agriculture Initiative Platform, a food industry association to promote sustainable agriculture taking into account economic, social and environmental production.

Relying on small farms as its suppliers of agricultural raw materials, Nestle cooperates with the farms, introducing new technologies and sustainable practices. As for its employees, Nestle provides training and education for its staff and healthy working environment. By providing research and studies Nestle is improving its products in terms of health and nutrition. It enabled a programme for children, called Nutria, which gives children food education, giving children knowledge of how to cultivate and harvest vegetables.

In addition Nestle is publishing a scientific Journal linking health issues and nutrition “Annals Nestle”, which is published in Spanish and Portuguese and sent to pediatricians in Latin America, and another one for pediatric

students called The Nest. Nestle concept of Social Corporate Responsibility, 2006).

As the brochure was creating by Nestle itself and published online on their website, it reflects only positive deeds and activities, it may be regarded as a part of creating image and could be biased. Problems: who is responsible? In 2004 in China Nestle was involved in a scandal related to the level of iodine in its powdered milk. It appeared to be that the level of iodine was higher than that was allowed by the National Standard, but Nestle insisted that it was still safe for consumption, according to International Milk Powder Standard.

Excessive iodine found in Nestles milk powder, 2005). Various health experts were claiming that the overcompensation of iodine could cause pathological effects among infants and centre. Supermarkets took ten products Trot ten sneezes anon ten customers were demanding reaction from Nestle.

Later Nestle apologized publicly: “ We apologize for the mistake in deviating from the National Standard regarding the content of iodine in some Nestle milk-based powder products. While there is no safety or health issue, we recognize that this deviation has caused some concerns amongst consumers and he public at large. ” (Nestles apology: Too little, too late, 2005).

Roland Decorate, Nestle CEO for China in his interview states that the issue with iodine undermined consumers’ trust in the dairy products of Nestle but nevertheless Nestle increased its market share because it uses milk directly bought from the farmers. He also mentioned that Nestle is going to build free Dairy Farming Institute for local people surrounded by large farm in

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Gaucheness, China, in order to support and develop local farming and also to meet their own requirements in production dairy products. Nestle CEO Reacts to Food Scandals, 2012).

Another issue that gave Nestle ill fame was adding minerals to ground water and selling it. Swiss filmmaker Ours Schnabel made a film “ Bottled Water” in which Nestle is accused of piping out water in Pakistan and selling it.

It caused decrease of level of water in Pakistan and consequently, the water which started to come out from the faucets became undrinkable, which caused deceases among the population. The film concluded that Nestle remains is welcomed in poor countries because it brings taxes to the communities. In response to the film Nestle communicated in writing that it had built two water filtering facilities that were providing over 10, 000 people in Pakistanis Superhuman with clean drinking water. (Poisoning the Well? , 2012).

Apart from problems with the community and customers, Nestle also has some issues with local legal authorities. It was accused by Court of Texas of not paying the franchise tax.

Nestle argues that a taxpayer whose Texas business is exclusively wholesale and retail trade should not be taxed at a higher rate because it has a manufacturing business outside Texas. Court concluded hat Nestle© hadn't shown that the revised franchise tax violated the equal and uniform taxation clause of the Texas constitution and denied Nestles motion for rehearing the case. (How the TexasSupremeCourt saved the margin tax by finding it constitutional, 2012) Thus, Nestle is a bright example of how important <https://assignbuster.com/csr-nestle-case-study/>

social corporate responsibility principles are important in today's large businesses' existence, as it provides good relationship with the customers and other stakeholders, better the environment of societies where they operate and therefore strengthen and improves the businesses itself.

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