

‘Integrating current challenges of CSR and sustainability’

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Research Problems

CSR- No consensus

- Narrow/Stockholder View-Milton Friedman 'The business of business is business'. Owner priority
- Wide/Stakeholder View- R Edward Freeman, wider groups and interests must be incorporated into strategy

Sustainability-What is it? What level? What context?

- Most companies seem to have CSR policies, however there is a diverse range of behaviours. Sustainability is a relatively new addition to the CSR checklist of issues
- Organisations often are inconsistent within their structures

Ethics, CSR and Sustainability

Narrow v Broad CSR

- **Narrow-** Milton Friedman, “the business of business is business”- make profit and obey the law. The interests of owners or ‘stockholders’ should be the key concern of managers.
- **Broad-** R. Edward Freeman, society has legitimate claims to demand that business takes into account wider issues, beyond simply making money and obeying the law. Owners are important but other ‘stakeholders’ have a right to be considered when strategy is adopted.

Fig 1: Carroll's (2001) Pyramid of social responsibility

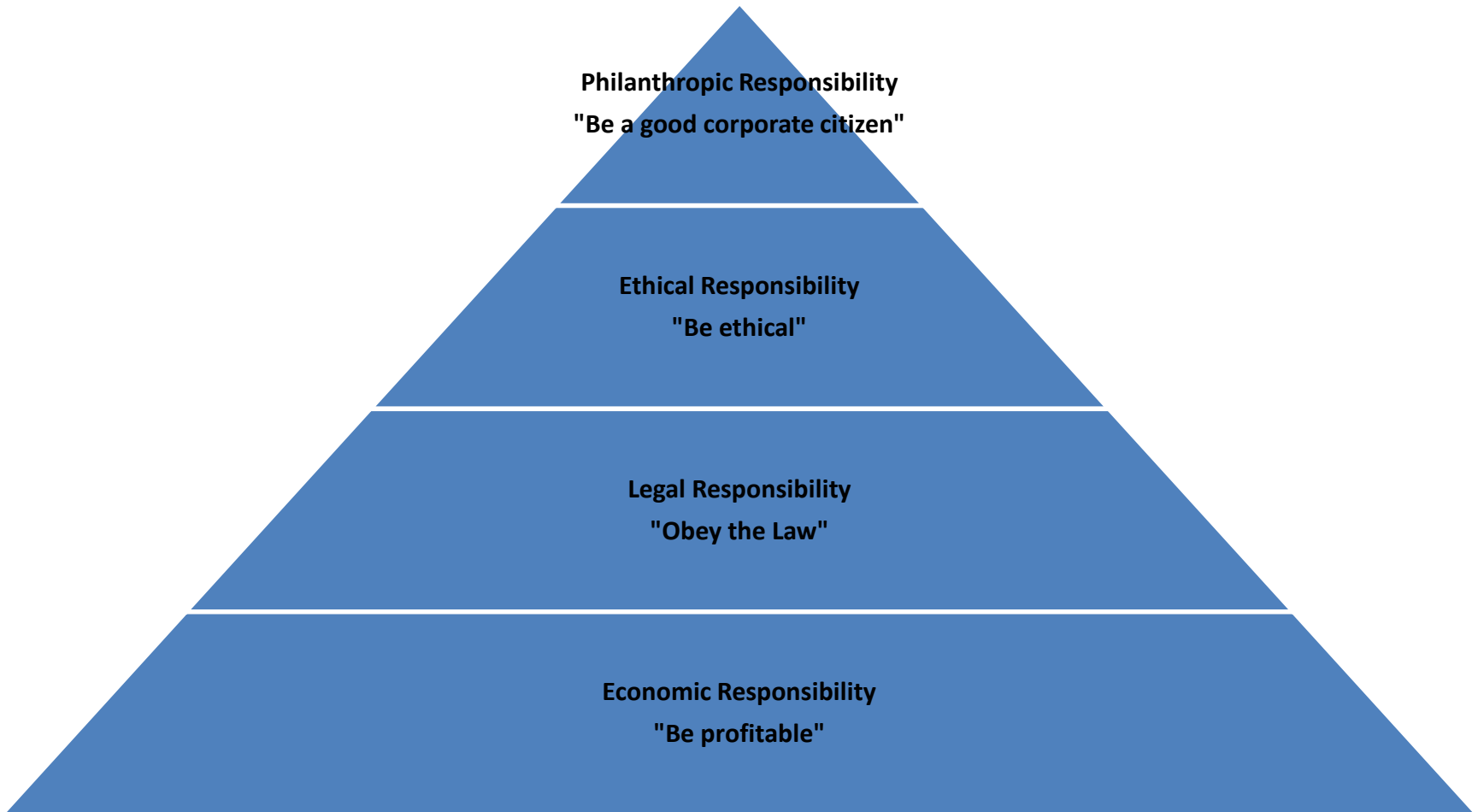


Table 1: Ethical –Legal interrelationships adapted from Henderson (1982)

	Ethical	Unethical
Legal	1. Charitable giving. Steve Griffiths loves the homeless- he buys the Big Issue on the streets of Swansea.	2. Purchasing, but never checking that suppliers produce ethically. “Someone has to employ those children!”
Illegal	3. Reverse/positive discrimination to overturn a history of negative discrimination. “I only employ women because they have been discriminated against for centuries”.	4. Paying a bribe to get a contract. It’s just hospitality! “No such thing as a free lunch?”

Table 2: The ‘Enlightenment Matrix’ adapted from Cannon (1996)

	Ethical	Unethical
Profitable	1. Investing in energy saving equipment (Payback period?)	2. Not telling the full truth about your product or service. “Come to UWTSD Swansea, do no work get a degree!”
Unprofitable	3. Retaining the employment of loyal staff even when business slows down	4. Not employing an Thai chef who came top of the class at catering school in your Malaysian restaurant in Swansea

Sustainability?

Bruntland Commission definition:

“meeting the needs of the present generation without compromising the ability of future generations to meet their own needs”.

Therefore is more than just protecting the ecological environment. It is also long term and holistic.

There is a debate on how we introduce a sustainable policy. Is it a less revolutionary evolution of changed policies to reduce negative impacts and more carefully use resources or a paradigm shift where we consider replacing everything that we have done in the past?

For example, is it like replacing worn out tires on our car so that we can make a journey or thinking about whether we should use a totally different transport system or even do we need to make the journey at all?

Dimensions of Sustainability 1:

Source: Michael Blowfield (2013) *Business and Sustainability*, Oxford, OUP

1. Demographic change

Human beings, population growth, distribution of resources in the economy, skills, fair treatment for all groups (ethnic , gender, religious groups), cultural demands, health, education, standards of living, investment in people, welfare for the old, services for all (finance, social services, community, digital access, education) and many more issues.

How is your country, city or town going to manage these demands?

Dimensions of Sustainability 2:

2. Ecosystem change

Interrelationships with living and non living things. A sustainable ecosystem must be able to feed, water and shelter its living things (people and animals). Mankind has made a big ecological footprint (carbon Kilometres travelling from Malaysia to UK?). Can this be justified? What will our children and grandchildren inherit?

Do we care? What difference can we make?

Land use?

Energy generation?

Food production?

Water supply?

Animal and habitat conservation? Preserving bio diversity.

Dimensions of Sustainability 3:

3. Climate change

One of the most profound ecosystem changes that faces us.

Caused by human beings or natural events?

How fast? What is exactly causing it? What are the solutions?

It is happening!

Unpredictable weather. Flooding. Storms. Global warming and rising sea levels.

- What are we prepared to give up to stop this happening?
- How do we value the hurt that we may cause to our children and grandchildren, compared with any sacrifices that we make today in cutting our standard of living or making more expensive non polluting products?

An Ethical CSR Process for an organisation, based on Andersen (2000).

Perhaps CSR adoption is a journey rather than a destination.
Analysis of any organisation must factor in its age and experience of dealing with ethical risks.

The process:

- Identify Corporate Values, incorporate in mission statement
- Ethical risk analysis-what could go wrong and how likely is it?
- Codes of behaviour & communication
- Assign responsibilities & enforcement
- Education and training
- Internal Audit
- External Audit

Note that Andersen's huge internationally respected consulting empire collapsed due to their involvement in the Enron scandal of 2000.

Current Drivers & Possible impact on CSR/Sustainable business: Opportunities and threats

- Economic Recession- cost cutting, sacrificing quality and responsibility?
- Globalisation- relevant for SMEs as well as international companies..international competition and international opportunities for market development
- Internet and digital technologies- virtual e-Business, a threat to conventional approaches

All are familiar pressures, but the consequences of failure are more final in 2013. Fear of mistakes and of taking risks?

“We have nothing to fear, but fear itself”

F.D. Roosevelt, 1930

Maybe things are different now? I like “it depends...” type answers.

Economic Recession

- Size of company
- Employment
- The death of the ethical consumer
- Supply chain
- Regulation/compliance- lack of trust in business
- Public expenditure cuts and rises in taxes
- Plan for growth and the upturn

Globalisation

- Ruthless supply chain management, seek supply in desperate regions
- Seek markets not so recession hit. Advantage for the international business
- Force standardisation 'Think global, act global' rather than Kenichi Ohmae's 'Think global, act local'
- Less respect for local cultures

Business use of the Internet

- Anonymity
- Interactivity
- Reproducibility
- Outsourcing
- New working practices

Do we invent new models or adapt existing ones for the new technology? See parallels with other 'new' technologies of the past e.g. electricity, radio, TV, automobiles etc.

Case: EU Horsemeat scandal

<http://www.bbc.co.uk/news/uk-21374799>

Daily Mail 18 January 2013



<http://www.bbc.co.uk/news/uk-politics-21472249>

Jay Rayner on Horse meat scandal and who is to blame.

Some famous names involved



Waitrose

Sainsbury's



ASDA

makro



Hungarian Food Ltd



Burger Manufacturing Company

co-op



The jokes soon followed



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A passion for great quality food

The Findus Group is a multinational food business headquartered in the UK and with operations around Europe. It is the parent Group of Young's, Findus and The Seafood Company. An estimated 20 million people eat our products on average every week.

fish for life®
responsibly sourced

The long term sustainability of fish is central to our business and we are practical and award-winning

Findus' Apology

Source: <http://www.findus.co.uk>

A Letter to Our Customers

First and foremost, I wanted to again say that I am truly sorry that horsemeat was found in our beef lasagne. This should not have happened and we are taking action to make sure this will never happen again.

I also wanted to reassure you that earlier this month we DNA tested all Findus UK products and I want to reconfirm that no horsemeat has been found in any of our other ready meals.

When horsemeat was found elsewhere in beef burgers, we took immediate action. Through our own pro-active DNA testing we found horsemeat in our beef lasagne, which came as a real shock to us. We acted quickly and undertook a full withdrawal of the affected product from sale and a consumer recall in early February.

At Findus UK, we are committed to sourcing our products from reputable food processors. Unfortunately, we appear to have been the victim of fraud by one of the meat suppliers in our supply chain. We are working with the Food Standards Agency in the UK and the regulatory authorities in Europe in every way we can.

While we have always had a very rigorous quality control programme in place, we are adding more extensive DNA testing to be able to guarantee both the quality and authenticity of our products in the future.

We take this issue very seriously and pledge to work alongside manufacturers, retailers and regulators to ensure the integrity of Britain's food.

I hope that this reassures you how seriously we take this matter.

Please do not hesitate to contact our Consumer Care Line if you have any concerns on our UK Freephone number 0800 132584 (or if you are calling from the Republic of Ireland 01800 800500). Alternatively you can email careline@findus.co.uk.

Yours sincerely,

Leendert den Hollander

Chief Executive UK

For any further press queries please contact the Findus Press Office on **0207 300 6276**.

Tesco Quality Guarantee

Freshness Guarantee - Tesco Groceries - Windows Internet Explorer

http://www.tesco.com/groceries/zones/default.aspx?name=quality-and-freshness

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Our Quality & Freshness Guarantee

Delivering the freshest food to your door

At Tesco, quality and freshness has always meant handpicked groceries, carefully packed - just as you'd do it yourself.

So you know every item is carefully checked before it reaches you. We'll never send bruised apples, squashed strawberries or anything that's 'reduced to clear'.



Your product guarantee



Because you can't see our products for yourself, we've given some items a 'Product Life' logo to help. This will show you how long the product is likely to be at its best when it arrives at your door. But that's not to say all your products will 'go off' straight after, it just helps you to plan your meals.*



This logo is a sign of the effort we and our suppliers are making to ensure we bring you the best products. It also means you can return any product that doesn't live up to our guarantee. No questions asked.

Helping make shopping easier



We have also started to highlight our fresh bakery lines with the "Baked to Order" logo. This is to show our freshly prepared lines in store.



From now on you will see this logo on all of our frozen products. This is to make it easier for you to identify our frozen range during your shopping.

We carefully pick our counter products to ensure quality and freshness. To make it easier for you to identify during your shopping trip, we now highlight our counter products with the following symbols:



Enter product name or type

Multisearch

Type one search item per line then click Go

Type list here, e.g

Milk
Mushrooms
Eggs

Slot details

Shopping basket

Guide price (0 items):

Quantity	Product	Price
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Please [sign in](#) to see what's in your basket and add items

Total Clubcard points
Total MultiBuy savings
Guide price (0 items)

[Empty Basket](#)

[Information on Guide Price](#)

Tesco's Apology

(Source: Tesco Leaflet collected from store, Swansea, February 2013)

We are
changing.



The problem we've had with some of our meat lately is about more than burgers and bolognese. It's about some of the ways we get meat to your dinner table. It's about the whole food industry. And it has made us realise, we really do need to make it better. We've been working on it, but we need to keep going, go further, move quicker. We know that our supply chain is too complicated. So we're making it simpler. We know that the more we work with British farmers the better. We've already made sure that all our beef is from the UK and Ireland. And now we're moving on to our fresh chickens. By July, they'll all be from UK farms too. No exceptions. For farmers to do what they do best, they need to know they've got our support. We know this because of the work we've been doing with our dairy farmers to make sure they always get paid above the market price for milk. We know that, no matter what you spend, everyone deserves to eat well. We know that all this will only work if we are open about what we do. And if you're not happy, tell us. Seriously. This is it. We are changing.

TESCO

For more information visit
tescofoodnews.com

Victory for the regulator?

DNA Testing (originally by the FSA in Ireland) identified horsemeat in beef, pork and lamb products of named brands (Findus, Bird's Eye etc.) and supermarket own brands (Tesco, Lidl, Aldi etc.). In April similar reports show that cheaper fish species are being falsely labelled as cod, haddock or halibut.

The reduction in the number of samples tested and the limits of the frequency of DNA testing, emerged from the reports.

The internationalisation of the corruption became apparent, in the complex and opaque supply chain.

How long has this been going on?



IKEA's meat balls

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Swedish Meatball-gate: The next big hurdle.

Photo: iStockphoto

More Bad News: Horsemeat Found in Ikea's Swedish Meatballs and Birds Eye Products

2/25/13 at 09:20 AM | [Comment](#)

Quantities of unregulated horsemeat that infiltrated Europe's food supply and subsequently turned up in a staggering number of grocery-store and food-service products like Burger King's [burgers](#), Findus's prepackaged frozen [lasagna dinners](#), Tesco's [hamburgers](#), have also now been discovered in [IKEA's Swedish meatballs](#) and in Bird Eye's [chilli con carne](#) and [bolognese sauces](#). Birds Eye's parent company announced on Friday that samples of its chili con carne distributed throughout Europe tested positive for horse DNA, and authorities in Scotland recalled the entire frozen hamburger from primary schools countrywide, both signs that the issue of the tainted food may be far from resolved. Now it's come down to Ikea's beloved Swedish meatballs.

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By name

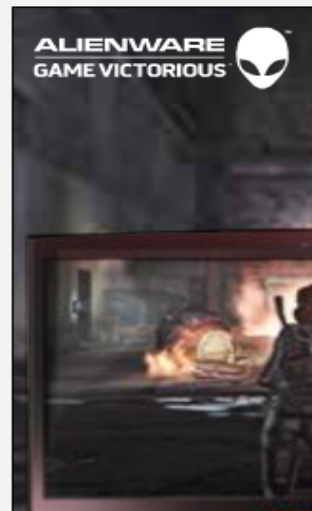
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Food security- Questions for you.

1. Are we prepared to pay more for higher quality and safe food?
2. Are we prepared to ask difficult questions about where our food is coming from?
3. Are we sure that all the people in our country have enough food to sustain their lives?

Thank you for listening!



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