

How Do Firms Use Corporate Social Responsibility To Build Brand Equity

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This Master's Thesis is carried out as a part of the education at the University of Agder and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

Dedication

I dedicate this thesis to my loving and caring parents. They are the true inspirations for me and I truly believe wherever I go, they are always there for me. Love you Mom and Dad.

Acknowledgement

This thesis is a result of number of contributions. Firstly, I would like to thank my parents for the unconditional support and for always believing in me. I proudly admit that I can never reach at this level without your support and prayers.

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Abstract

Corporate Citizenship, Corporate Conscience, Social Performance and Sustainable Responsible Business are the different names of Corporate Social Responsibility.

It is a self-regulating mechanism whereby companies take account of social norms and local laws of country. This term came alive around 1960s and 1970s. The core objective of CSR is to increase the responsibility by the firm towards environment, health and safety, labor, consumers, communities etc. The Stakeholder Theory given by the Freeman and UN Global Compact are the founding principles of investing in CSR. To become socially responsible has become an ultimate part of company's objectives. The CSR got different approaches that one company can follow. It all depends on their strategy, seriousness as well as their mindset. One of the approach is giving donation to some particular sector, NGO or any public welfare organization. It becomes the part of their value creation strategy. Few companies used different approach like making CSR a part of their core strategy and heavily investing resources like Coca-Cola made Coca-Cola foundation. Shell and Nike are working with many NGOs in different welfare projects. Some companies use benchmarking strategy like the way their competitors are doing, they do the same.

Companies are socially accountable and responsible for their internal as well as external acts. They are not allowed to do any act which is against the local norms, laws, regulations or against environment. CSR is a name of consistent and true commitment to behave ethically and take part in the development of economic growth and improving quality of life.

There is a strong connection between brand equity and CSR. Being a socially responsible by using any approach makes a bridge in between CSR and brand equity. The question is how it creates a bridge and at what extent brand equity based on CSR? How CSR can enhance brand equity and how it creates a positive image in the minds of all the stakeholders?

There is a strong connection in between CSR and brand equity. Brand equity is an association that develops among people and brands. It spreads on different levels and companies strive hard to consistently building brand equity. The majority conventional feature of brand equity is brand relationship. Associations symbolize the basis for brand devotion and for purchase choice. Brand equity is considered to be the customer loyalty, brand's potential price premium, alleged brand leadership, high comparative quality, differ from other brands, consumers' perceived trust, admiration and reliability of the brand, brand awareness, the

alleged worth of the brand, its market share, its character as well as its functional advantages. Different literatures reviewed to know and understand the basics of these two concepts and what are the areas under CSR that companies explored so far. Corporate Citizenship defines the companies' sense of accountability towards the society and the surroundings and environment in which it functions, and illustrates possessions and takes sustenance from. Stakeholders or the citizens who influence or are exaggerated by communal strategies and performances are the focal points, and the director is leaning toward these focal points. Corporate Social Responsibility, in order to explain the condition by categorizing the main hypothesis as well as the approaches into four groups that are economical, political, communal incorporation as well as morals or principles.

The Freeman's Stakeholder theory is also reviewed in detail in order to analyze its impact over the CSR and ultimately brand equity. Managing and integrating the relationships among stakeholders like employees, suppliers, communities and shareholders is the main objective of the Stakeholders' Theory that imposes a positive impact on the long-term growth of a firm. The word "stockholder" is clearly influenced by the stakeholder approach.

International Standard Organization and UN Global Compact have given standards that one company may follow to achieve goodwill among all the stakeholders. In fact, it helped companies to see the loopholes and aftereffects of CSR initiatives. The ten principles of UN Global Compact under the heads of environment, labor, human resource, anti-corruption, local communities are evidently helping companies to achieve their objectives. We have focused on three main variables in this study which are; environment, labor and local communities. These three variables are clearly defined in both the mentioned documents. It has clearly written that companies must follow the local as well as international environment laws. They must develop health and safe working environment for their employees. Production hazards and inefficiencies must be minimized. Employees must have full liberty in terms of freedom of association, freedom of speech and exiting. There should be no biasness during the recruitment and companies must eliminate discrimination of employees.

The role of companies and state become extremely important to avoid the circumstances of slavery, child labor, physical abduction, bonded labor, threats to labor, non-payment of wages, deprivation of food and shelter, discrimination of employees etc. Age standards in regards to the type of work must be justifiable. Companies like Nike who may have sub-

contractors need to ensure the elimination of child labor. The role of local communities and trade unions come in front to make them realize and responsible.

Environmentally sound technologies can eliminate day-to-day polluting emissions, operational inefficiencies, waste, workers' interaction with hazardous materials etc. It will lead to enhancing productivity standards, less use of raw materials, increase overall competitiveness and provide long-term growth. Shell and Apple in the past few years have changed the face of usage of technology in their production processes. Apple has become the giant in technology world but we need to assure that these companies set clear performance objectives regarding the production and consumption processes and are these sustainable in the long-run and what are the compliance standards? Investing in research and developing environmentally friendly products can surely have significant progressions of progress in the long-run.

Different case studies of four companies reviewed and analyzed. It is observed that Coca-Cola and Apple are facing severe allegations related to the violation of environmental and labor laws. The production partners of Nike also found to be involved in child labor. These companies are quite active now in the area of CSR through different initiatives. They observed quite influencing effects of investing resources in CSR initiatives in terms of enhanced brand equity and company's image. There are different CSR activities Moreover, it has been experienced by these companies that stakeholders including internal as well external environment, labor, communities, shareholders, suppliers, consumers perceive a better image and give more value to the names of these companies. This study explored number of CSR initiatives taken by these companies and taken out ratings on the basis of these activities. The results shown that almost all the four companies (Shell, Coca-Cola, Apple, Nike) are becoming more socially responsible. Nike has made a strong code of conduct for their suppliers around the world. They are making efforts to implement this code of conduct to eliminate child labor and minimum age limit. Coca-Cola foundation is a part of growth strategy. Coca-Cola made number of initiatives especially in India after receiving huge amount of allegations related to polluting the environment. Apple made efforts to use environment friendly material in their products after the incident of few labors in China production unit. Shell is the leading company in oil and gas sector. Shell must put on more

responsibility towards safer and clean environment. They spend huge amount of money on research and development every year in order to avoid any harmful acts. So, we may conclude that companies are getting aware about the importance of CSR. A safer working environment for the labor ensures enhance productivity and commitment towards organization. Consumers develop a good image of that company who is doing for improving the quality of life and investing in social projects in front of them.

Brand equity is somewhat directly proportional to corporate citizenship. The business environment has become quite competitive and companies are gradually accepting the importance of CSR. The objective of focusing only generating more revenue streams is no more valid.

This study is being done under the observation of three important variables. There is still room available for exploring the impact of other variables over the brand equity and many uncovered industries may become the next focus.

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CHAPTER 1

1.1 INTRODUCTION

CSR basically means to behave ethically, play a role in the economic development, improve the life standard of the employees and their families, and do the development work, like to build a school, hospital and anything that helps a local society and the people where the company is running its operation. A company needs to do more than just not harming the people and the society. Normally we see that companies go to those parts of the world where there is cheap labor, less restrictions and where they can easily run their operation without any problem. Companies earn profits and make the environmental pollution, don't provide a reasonable working condition and do more harm to the society.

With the increasing competition, companies are taking the CSR concern seriously. These days, consumers have more awareness of most of the things as compared to before. Now, consumers associate with the brands that not only focus on their own benefits and profitability but also take into consideration other issues like environment pollution, community and employees' problems.

In the last few decades, CSR is defined and explained in many various ways. CSR is viewed from the different angles. This thesis is representing some of the CSR strategies and CSR is accessible firstly (Grayson & Hodges, 2002). The importance of the CSR is increasing with the increase in the global business and with the increasing movement of goods from one country to the others, where there is a different culture and society.

Firms' success depends on their reputation, and there are many organizations that have failed because of poor publicity and due to not involving stakeholders in the company decision making process, which has ultimately badly affected brand equity of the firm, sales and profitability.

CSR these days is a hot topic of discussion. CSR has affected the image of many companies like Nike, Shell and Coca Cola in India, where their image got damaged because of various CSR issues like environment pollution, child labor, poor working condition, more damage to the society etc. Apple has also been criticized because of poor working condition, low wage rate and child labor issues.

These issues are a part of this thesis. Another thing is the CSR impact on brand equity, and value of the brand is also determined. Theory includes stakeholder, UN Global Compact ten principles and ISO 26000.

1.2 Significance of the Study

This research will look at the impact of CSR on firms' brand equity

Major factors include

- Highlight those factors which can enhance the CSR
- Highlight the main issues and improve the relationship between CSR and brand equity

1.3 Statement of Problem

1. What is the present use of CSR in the firms?
2. What is the major benefit of CSR in the development of brand equity?
3. How CSR effects Environment and what is the subsequent on the competitive advantage of the company and its brand equity?
4. How CSR affects Labor and what is the subsequent on the competitive advantage of the company and its brand equity?
5. How CSR affects Local Community and what is the subsequent on the competitive advantage of the company and its brand equity?

These factors will help to identify the relationship between CSR and brand equity.

1.4 Objectives of the Study

How CSR increases the brand equity

To find out the CSR impact on a brand equity value whether in the short-term or in the long-term

Stakeholder issues such as environmental policy, community involvement, child labor problems, working environment and employment relations

How CSR effects the Environment, Labor, Local Community and what is the subsequent on the competitive advantage of the company and its brand equity

1.5 Scope and Limitations

1. Data gathered from limited sources
2. Time limit
3. Expertise in qualitative research

1.6 Structure of Study

The study explores the CSR practices and the impact of these practices over Brand Equity. Initially, the study is focusing on the introductory areas of CSR, brand equity and review of related literatures. The introductory framework of the study is based on the definitions of major concepts and main questions that are going to address further in this thesis. The first two chapters including literature review throw light on the background researches conducted so far on this topic. It also helps to build the concept of CSR and Brand Equity. The next portion is the defining stage of research design and overall methodology of research that we are using. The success of research is heavily based on its design and methodology, so it has taken a while building the content of this level. A great amount of care has been taken while choosing samples that included four companies.

Last but not least, core success is based on the finding of research and how one is analyzed. Analysis and conclusion part are the proof of the real efforts that are actually put in to completing the research. There are a number of things during these two last chapters that justify the honesty and integrity of the research. There is no biasness or personal judgment involved at any point of research, especially during these last two sections. The complete analysis is based on true and fair findings that justify its reliability and validity.

All the evidences that are referenced and attained during the research are attached and given at the end of this thesis.

CHAPTER 2

2.1 LITERATURE REVIEW

CSR is basically the relation between a firm and a community. It includes how a firm deals with its suppliers, customers, community, employees and interest groups. In the past few years, the brand was considered not as a part but a separate entity of the goods, according to Aaker and Joachimsthaler (2000). In the past, brand model was considered to be the brand management team, who create and design all the brand management plans, and brand manager was responsible for that brand and product in a market.

This literature looks into the CSR, Evolution of Corporate Social Responsibility, Various terminology of CSR, different aspects of CSR, Brand Equity, five dimensions of brand equity theories, stakeholder theory, Freeman vs. Friedman approaches, stakeholder theory in relation to CSR, UN Global Compact, and ISO26000.

2.2 Corporate Social Responsibility

According to Dawkins (2004) CSR is basically consistency of a firm to act ethically, increasing economic development, improvement in the lives of their workforce and their families and playing a role in the development of the society. CSR is defined differently in various CSR definitions.

According to Davis (1973) firm, on who just follow some of the requirements of law is not called a socially responsible firm. CSR work starts from the point where law ends. CSR is to act as a responsible citizen and fulfill the social requirement of the community.

For the last couple of years, CSR is the most debatable topic, not only in the media but also in academics. CSR importance is increasing with the increase in the global business market and movement of the goods from one country and culture to the other. (Miller & Besser, 2000).

According to McGuire (McGuire, 1963 in Carroll, 1979:498), companies are not only responsible for their legal and financial obligations, but they are also responsible for the society up to certain limits.

Ailawadi and Keller (2004) have commented that any events that the organizations hold for other than, even if partly, their direct financial benefits are also something called Corporate

Social Responsibility. McGuire also highlighted the fact that a company is socially responsible if it not only fulfills the monetary and legal requirements but also considers it as a duty to serve the society in some way.

2.2.1 The Evolution of Corporate Social Responsibility

For the last decade, the idea of communal societal accountability has developed a lot from a small and frequently marginalized idea of a composite and versatile term. Two lecturers Adolf A. William Dodd and Martha Dodd are the initial scholastics to discuss the Corporate Social Responsibility issue. Burt & Mellahi (2002) argued that directors are only accountable to stiff shareholders, while Dodd disputed that they have a superior and a wider variety of tasks. Bowen has been called the father of Corporate Social Responsibility in the recent years. The United States observed the current social privileges faction during the 1950s and 1960s. A mixture of the social rights-movement, and the Vietnam conflict in the 1960s and untimely 1970s, brushed dissimilar communal activities jointly. The commerce surroundings were distorted crossways the earth by using campaigner collections and NGOs. Nowadays, associations, similar to Green Peace and Amnesty, frequently use the influence of media to tell the community about commerce practices that they find communally reckless. Serious harm to a firm's position occurs by the unwanted media attention. This may cause disgruntled workers and a reduced level of trade. They disputed that brands were no longer immediately concerned in the dispute of principles and communal topics, but associations were also performing a convinced mode to gratify the prospection from the media and the civilization. Some compacts were required to modify their goods, strategies, performance etc as a response to the mounting center on Corporate Social Responsibility. One experiential zeal definitions of Corporate Social Responsibility came after extra attempts to quantify and analyze the term. These fresh instructions of the idea Corporate Social Responsibility were reliable with the meanings of Corporate Social Responsibility. Furthermore, the center of Corporate Social Responsibility has increased a lot in the previous decade and the speech of Corporate Social Responsibility is more in use today.

2.2.2 Terminology – Corporate Social Responsibility and Related Themes

2.2.2.1 Corporate Social Performance

The thought after business communal presentation is the gratitude so that brands have principled compulsions and so that they have to react sensibly to community.

2.2.2.2 Corporate Social Responsiveness

Capability and procedures of a business to react to communal issues and Corporate Social Responsiveness are referring to this.

2.2.2.3 Corporate Citizenship

Corporate Citizenship defines the companies' sense of accountability towards the society and the surroundings and environment in which it functions, and illustrates possessions and takes sustenance from. Companies articulate this nationality as, during their misuse and contamination lessening procedures, causative instructive and societano agendas, and receive sufficient income on the working possessions (Jones, 2003).

2.2.2.4 Stakeholder Management

Stakeholders or the citizens who influence or are exaggerated by communal strategies and performances are the focal points, and the director is leaning toward these focal points.

2.2.2.5 The Common Good

They draw near of the ordinary good quality maintenance for trading, as any extra communal cluster or entity of civilization has to donate to the ordinary high-quality, because it is a fraction of the civilization.

2.2.2.6 Cause-Related Marketing

"The community connection for Revenue Corporation with a nonrevenue association, planned to endorse the corporation's creation or check and to lift cash for the nonrevenue, is called the Cause-related Marketing (Washburn & Plank, 2002).

2.2.3 The Pyramid of Corporate Social Responsibility

Corporate Social Responsibility with many features can be considered as an affecting target. Carroll has calculated "the pyramid of social responsibility" in order to understand the different levels of the topic in a better way. The pyramid is divided into four groups, which basically include lawful concerns, economic, charitable accountability as well as moral of commerce performance. This can be demonstrated with the help of a figure given underneath.

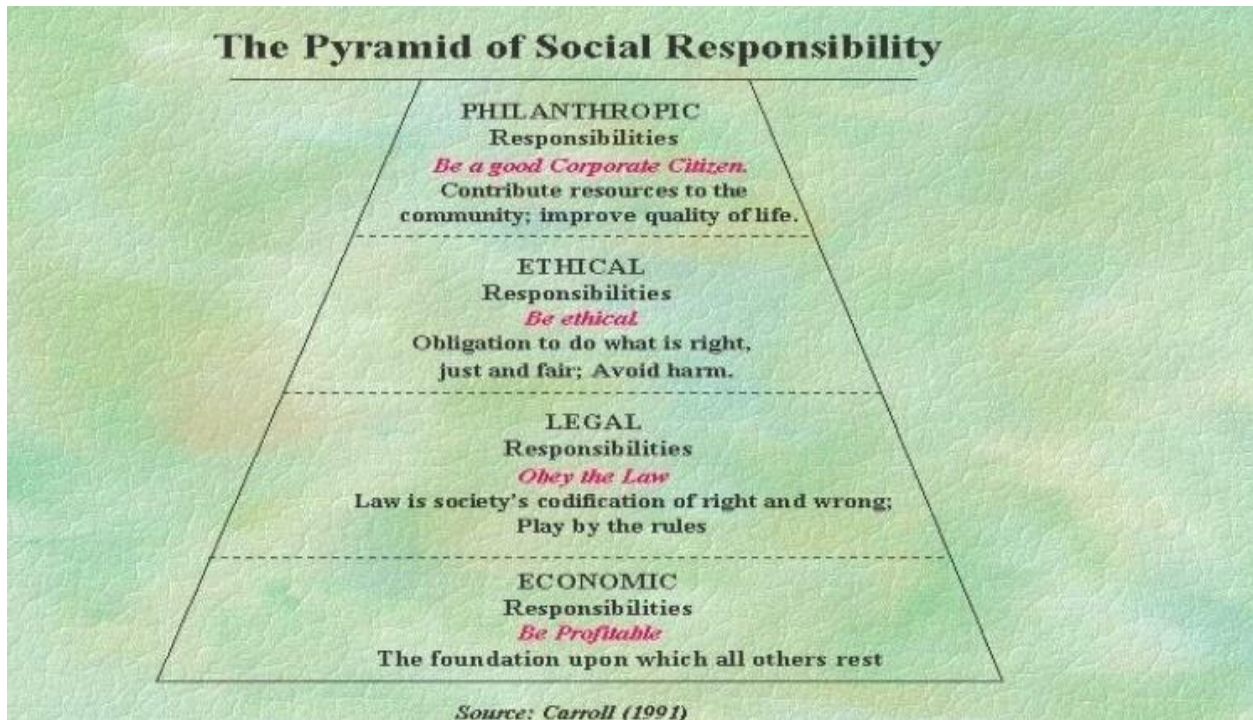


Figure 1: The pyramid of social responsibility
The pyramid of social responsibility (Carroll, 1991)

Basically, these four categories are not equally intended to be seen as a range on one hand with communal issues and on the other hand with the economic concerns (Melewar & Wooldridge, 2001). Though to be able to work at the same time, at least two of the responsibilities have to be met, such as for a firm, it is not possible to just include the economic requirements but also lawful requirements have to be taken into account. The character of the commerce as well as the essential role of every association is basically the financial accountability. In our society, business is regarded as a finance organization before anything else. It is basically accountable to produce goods as well as services that are basically required. The country's rules and regulations in which the business is likely to operate are basically laid down by the lawful responsibilities as well as the basic rules. It can be difficult to deal with the moral responsibility particularly as the limitations of commerce principles are balanced and they make it hard to tell the truth if there's anything wrong. On the other hand, in the media, this responsibility has been highlighted and it can also be seen that society has very high hopes about this aspect. If the public has more knowledge or information on the subject, their hopes will be higher. The conclusion is to act in a sure way so that charitable accountability is intended and is not synchronized by rule nor in general or moral anticipation. In house programs, basically for drug abusers, an example can be

accomplished. It can be said that the corporation goes one step ahead of what is predicted as a moral duty.

CSR can be thus defined by (Jones, 2003) that “the communal accountability of commerce comprises of the financial, lawful, moral as well as charity hopes that civilization has on businesses at a given point”. The factor for which Carroll’s definition gets differs from other definitions at the instant is basically that the economic side of the business is included by him. The traditional financial principle is fulfilled by him by declaring that the essential role of every business is basically the economic accountability and one has to touch the prior one, in order to shift to the next level of the pyramid.

2.2.4 Different Aspects of CSR Theories

Backgrounds of theories as well as approaches which are basically notorious, multifaceted and indistinct are offered by the Corporate Social Responsibility. The country desires are basically planned in their articles, i.e., Corporate Social Responsibility, in order to explain the condition by categorizing the main hypothesis as well as the approaches into four groups that are economical, political, communal incorporation as well as morals or principles. Basically, these four features exist in every communal atmosphere.

1) *Instrumental theories*: Generating wealth is the only and the basic accountability of an association.

Economic feature is the only aspect taken into consideration. Also, if the communal behaviors lead to wealth generation then they are only accepted. There are three key groups of instrumental theories which can be recognized. 1) Exploiting shareholders worth; a temporary profit is lead by this point of view. 2) Focus on attaining competitive benefits; basically a long term profit direction is lead by this. 3) Cause-related advertising, which is strongly in relation to the second group.

2) *Political theories*: “Connections and associations between commerce and civilization is also on the authority, and the situation of commerce as well as its intrinsic accountability are basically focused on in the political theory”. Corporate constitutionalism and corporate citizenship are basically the two main approaches that can be illustrated.

3) *Integrative theories*: For survival, stability and development or growth of an association is basically dependent on civilization, and the social demands are therefore incorporated in it. The essential plan in this hypothetical approach basically comprises of matters of

Management, the main beliefs of Community Accountability, Stakeholder Management as well as Corporate Social Performance.

4) Ethical theories: In moral values, the connection between associations and civilization is basically entrenched. Communal accountabilities should be acknowledged by Associations as a compulsion above any other consideration. Different plans are incorporated by this group such as Universal Privileges, Sustainable Growth as well as The Ordinary Fine Approach.

2.3 Brand Equity

The study of Brand Equity has been gaining much popularity recently and according to some researchers, brands are the most worthy and precious assets that a company might have. Bendall et al (2003) have also mentioned that the higher the brand equity is the more it is likely to be purchased and be a preference of consumers; it also leads to increased stock income (Besser & Miller, 2001).

The term “Brand Equity” was first used by the marketing professionals and practitioners in the 1980s (Castka et al, 2004). Today, the importance of brand equity has broadened even more and its importance has further been realized by the marketing practitioners. In this paper, the scope and definitions of brand equity have been brought into the limelight through various pragmatic and literary studies. The two parts of this paper include journalism on brand equity, which is discussed in the first part, and structure of brand equity, which is highlighted in the second part. This part focuses on customer-based context, those that involve various aspects of brand equity.

In this whole review of literature about brand equity, we got to know that brand equity has a huge magnitude and means a lot of the organizations. This study also includes the different concepts that exist that of brand equity as well as how it is defined. Brand equity is perceived to have 5 elements: Accessory, Value, Social image, Performance and Honesty.

Brand equity is considered to be the customer loyalty, brand’s potential price premium, alleged brand leadership, high comparative quality, differ from other brands, consumers’ perceived trust, admiration and reliability of the brand, brand awareness, the alleged worth of the brand, its market share, its character as well as its functional advantages.

There has been a lot of research in the field of brand equity in the last few decades, which has resulted in the various dimensions of brand equity as well various modes of measurement of

brand equity (Yoo & Donthu, 2001). Hence, we can say that customer-based brand equity includes four major aspects that are brand loyalty, brand association, brand awareness and the perceived quality.

2.3.1 Five Dimensions of Brand Equity: The Proposed Model

2.3.1.1 Brand Awareness

One of the important elements in this model is awareness (Mackay, 2001). According to him, awareness means being able to distinguish and recollect the brand; it also includes recognizing the brand even in odd circumstances and the ability to associate the logo, name and other such aspects of the brand to some specific relations. He includes brand knowledge, brand supremacy, top-of-mind and brand estimation. The complete set of brand associations is brand knowledge about the brand.

2.3.1.2 Brand Associations

The majority conventional feature of brand equity is brand relationship. Associations symbolize the basis for brand devotion and for purchase choice. Brand relations contain all brand-related opinion, awareness, approaches, attitudes, experiences, images, (Kotler & Keller, 2006) and or whatever thing is related in memory to a brand. The two type of brand associations that is classified by Chen in 2001 are organizational and product association.

2.3.1.3 Product Associations

According to Chen (2001) Product Association includes both functional attribute association and non-functional associations. The touchable features of an item for consumption are functional attributes. The brand wills has short stage of brand equity, if it does not carry out the functions for which it is future

2.3.1.4 Social Image

According to Bendixen et al. (2004) that social image is a concept where the company has some kind of social standings in the society. Moreover, social image means that the consumer is aware of the fact that the brand is well-liked and popular among the social groups one belongs to.

2.3.1.5 Perceived Value

Similarly perceived value is cleared as the apparent brand value in relation to its value for money as perceived by the consumer and the image of the brand in the society or social group and how much can be spent to acquire it. Obvious equilibrium among all its utilities and the

price of a product are the thing on which the customer option of a brand depends. Due to the higher brand equity, a consumer is excited to give better prices.

2.3.1.6 Trustworthiness

Trustworthiness of an invention is a significant quality in calculating the strengths of a brand which is primarily experiential in brand equity models (Kim et al., 2010). Trustworthiness is the self-assurance that a customer holds in regards to the specific brand and brand association as well as the awareness about the brand events.

2.4 The Stakeholder Theory

Here, we are going to present a brief overview of the Freeman's Stakeholder theory and debate between Freeman and Friedman.

Managing and integrating the relationships among stakeholders like employees, suppliers, communities and shareholders is the main objective of the Stakeholders' Theory that imposes a positive impact on the long-term growth of a firm. The word "stockholder" is clearly influenced by the stakeholder approach and the designed framework elaborated in the field of strategic management beyond the conventional economic roots. Phillips (Phillips, 1997 in Freeman et al., 2001) believes that a stakeholder approach can be seen as *the principle of fairness*.

2.4.1 Definition of Stakeholder Theory

Let's take a look on the conventional definition of Stakeholders Theory. The traditional definition of a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984). The definition has given a new idea of redefining an organization that what it should be like and Friedman & Miles (2006) explained that an organization is a composition of stakeholders, and purpose of an organization should be to be able to handle its own interests, viewpoints and requirements. It depends on the type of firm that stakeholders may include suppliers, customers, shareholders, community and environmental groups etc. The figure below highlights different examples of stakeholders.

2.4.2 The Evolution of Stakeholder Theory

The inventor of Stakeholder Theory is R. Edward Freeman and his publications are *Strategic Management – A Stakeholder Approach* in 1984. Unexpected levels of problematic environment and changes that managers were facing became the reason for building this framework. It came into existence to address the concerns of the managers. The prevalence of this approach was quite high in the 80's even though the idea was old. This term was firstly used in the 1960s during the genuine work done in Stanford Research Institute (Freeman et al. 2001). There has been a great amount of growth so far in the scope of this approach and recent researches conducted in the four sub-fields; Corporate Social Responsibility and Performance, Strategic Management, Normative theories of Business, Governance and Organizational Theory.

Donaldson and Preston (Donaldson and Preston 1995 in Freeman et al. 2001) described that Stakeholder theories could be divided into descriptive, instrumental and normative point of Views.

The descriptive theory implies the stakeholders that a firm possesses; instrumental view entails the consideration of stakeholders by the firms and they remain successful and last but not the least normative approach focuses on the reason why a firm should take into consideration the stakeholders.

2.4.3 Discussion among “Freeman Vs Friedman”; The Stakeholder

Friedman (1962) in (Coelho et al., 2003) stated that every business has one social responsibility so as to utilize its assets and resources and do what it takes to maximize profits as far as the rules of the game are not violated, which means that it holds open and free competition without getting involved in to tricks or cheating. He also stated that engaging in some unacceptable practices can badly damage the establishment of a free society due to the negligence of the corporate officials who are interested in making money for their stockholders (Friedman 1962 in Carroll 1999:277). An increase in the firm's wealth is the responsibility of firm's agents which is entrusted by its shareholders (Coelho et. al., 2003)

Both Freeman and Friedman are good in terms of ethics and taking responsibility. Friedman said that no responsibility takes place in organizations beyond the legal constraints. Fiduciary responsibility must be on the top with remaining in the societal limits in order to meet different kinds of social practices.

According to Adam Smith (Smith 1776 in Coelho et al. 2003), people buy products upon the condition that their prices justify their value in a free market. There is always an invisible hand in normal circumstances that works for the public interests to push profit by self-interested business people. If we take the stakeholder model as Friedman did, we won't find any conflict among managers and search for profits to accomplish fiduciary responsibility to their shareholders.

Edward Freeman is on the other corner, with his book "Strategic Management- A Stakeholders Approach 1984". He believed that one finds different changes in the environment and needs some particular framework to deal with. The stakeholder approach revolves around the word stockholder, and pushes the concept of strategic management beyond the boundaries of conventional economics (Freeman et. al., 2001). The managers get encouragement from this theory to devise a long-term strategy to build healthy relationships with the stakeholders through consistent commitment. Another finest thing about the Stakeholder Theory is the imposition of "faces and names" to stakeholders, which creates easiness during the process of analyzing strategies.

2.4.4 Stakeholder Theory in Relation with CSR

Global brands are everywhere in multiple chains of the markets. They started focusing more on building global brands, like Unilever is doing, instead of local brands. To be more proactive in CSR is expected of these organizations (Holt & Quelch, 2004).

If CSR is applied properly in any organization, it will build a strong bond between the organization and its stakeholders in terms of more commitment, trust, customer loyalty and investments by the suppliers and stockholders (Garbarino & Johnson, 1999; Maignan & Ferrell, 2004; Bhattacharya & Sen, 2004).

A firm's involvement and initiatives in social and environmental areas possess a great amount of importance in building its image inside and outside the country. It shows the concern of a firm towards the internal and external environment and imposes a healthy effect in building a good image of the firm. Predatory behavior has been observed by the global brands, and they are not showing much concern.

Moreover, self-interested CSR practices observed by the global companies like Coca Cola and BP. BP have been involved in massive global repercussions in their oil operations. Coca-Cola confronted the strong protest by the UK and USA customers because of low-standard environmental practices in India and also confronted the human rights allegations in Colombia (Hills & Welford, 2005).

The main core of the stakeholder theory is the belief that stakeholder relationships are the most important factor that managers have to take care of. However, CSR addresses those responsibilities that a business needs to fulfill. We may conclude that both the concepts are interrelated but the level of abstraction differs on the subject of CSR. The Stakeholder Theory is an effective gauge to measure the performance of the firms and CSP.

2.5 UN Global Compact

¹The ten principles of UN Global Compact (www.unglobalcompact.org) gained universal acceptance which elaborated the areas of Environment, Labor, Human Rights, and Anti-corruption, especially in the industrial sector. According to UN Global Compact, the origins of these principles are from;

- The Universal Declaration of Human Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention against Corruption

These principles of UN Global Compact asked global companies to follow, accept, apply, intact and influence within their spheres in the areas of labor, human rights, anti-corruption and environment.

¹ UN Global Compact (2010) Ten Principals Published by United Nations.
www.unglobalcompact.org

Companies must follow the global standards of labor, eliminate child labor and such other crimes and uphold freedom of association and elimination of all forced behaviors by the employers. The employees must have the freedom of leaving or accepting employment anytime. They must not stop by joining labor unions or claiming their rights. Companies must integrate with each other in order to abolish child labor and eliminate discrimination in respect of hiring employees.

Precautionary approach is necessary to face environmental challenges (Environment; UN Global Compact). Companies must take such measures to develop environmental standards in order to avoid any operational inefficiencies, production hazards and pollution.

On 24th June 2004, The UN Global Compact has given another principal to stop extortion and bribery. The companies must introduce anti-corruption policies as a part of the first initiative, and join hands with the industry peers and stakeholders to develop programs.

These principles are interrelated with the CSR practices and create positive image of companies among all the stakeholders. Employees as well as customers develop a positive image of the company in their minds, and ultimately, productivity and revenue streams boost up.

2.6 ISO 26000 Integration with CSR

Corporate social responsibility plays a vital role for the whole economic system along with contribution to the society, environment and labor through organizational practices. Over the period of time, its importance has inevitably been increasing.

According to an international standard organization, organizational governance must meet its basic six subjects regarding corporate social responsibility, which includes fulfilling the human rights, encouraging and securing the labor practices, contributing to the global green environmental campaign, ensuring the operating practices are fairly accomplished, addressing the consumer issues, and timely contribution to the local community development (ISO 26000, 2009)².

² International Organization for Standardization, (2009) ISO26000
see appendix 6, ISO26000

2.7 Variables

2.7.1 CSR as an Independent Variable

2.7.1.1 Environment

Environment means the external environment, where we need to assess the behavior of companies. We need to assess their roles being a part of this environment and analyze how much they are integrated with each other and involved in CSR, what are the environmental standards they have developed and what are the ones they have already been following. Being proactive towards dealing with environmental concerns creates a positive image of a firm or it doesn't make any impact. These are the questions that we are going to address further.

2.7.1.2. Labor

Labor has been facing many challenges in different parts of the world. They do not have freedom of choice and face lack of health & safety standards. They become a victim of discrimination, and child labor is also increasing massively. Addressing these concerns creates a positive impression in their minds and it also imposes a good impact on the productivity and commitment.

2.7.1.3. Local Community

One must admit that today organizations are facing many challenges. It has become quite difficult to progress without the assistance of local communities. Collaboration and harmony in any industrial environment help to develop a good name in the market. They also help to build and implement standards, policies and procedures.

2.7.2 Competitive Advantage as a Dependent Variable

Competitive advantage is a core competency that a company possesses. It can be anything that no other company possesses like technology, knowledge, skills, quality standard not easily imitable products etc. Here, competitive advantage is dependent on CSR or any other particular factor, or we can say how much a company involved in any particular area of corporate citizenship.

2.7.3 Brand Equity as a Dependent Variable

Normally, brand equity depends on overall operations, product quality and features, company's image, stakeholders' relationships and number of other factors. It takes years to build an optimum level of brand equity. Here in this research, brand equity is working as dependent variable since it depends on the companies that how much they are involved into CSR activities.

2.8 From Social Responsibility to Strategic Competitive Advantage

When a firm's moral compulsion to the civilization is recognized by the firm, it can be said that there has been a transfer of Corporate Social Responsibility to Corporate Social Performance (CSP). In order to make a society an improved place, the firm is contributing much. An analysis has been done in order to investigate the constructive and unconstructive effects of CSP as well as the competitiveness of associations, from which the following results were discovered.

2.8.1 Positive Effects

The development of stakeholder associations was the most sustained constructive outcome. It has been argued by the respondents that CSP results in inspiration, contentment, faithfulness as well as confidence among the workers and the consumers (Melewar, 2002). Associations that contribute to civilization as well as the natural surrounding result in having a fine corporate image; and this is basically the next main constructive effect. Some of the other constructive effects mentioned are that the respondents think that CSP is supportive when rising/civilizing the business firm and that saving can be increased by lessening the use of energy and also by decreasing the manufacturing waste (Sayman et al., 2002).

2.8.2 Negative Effects

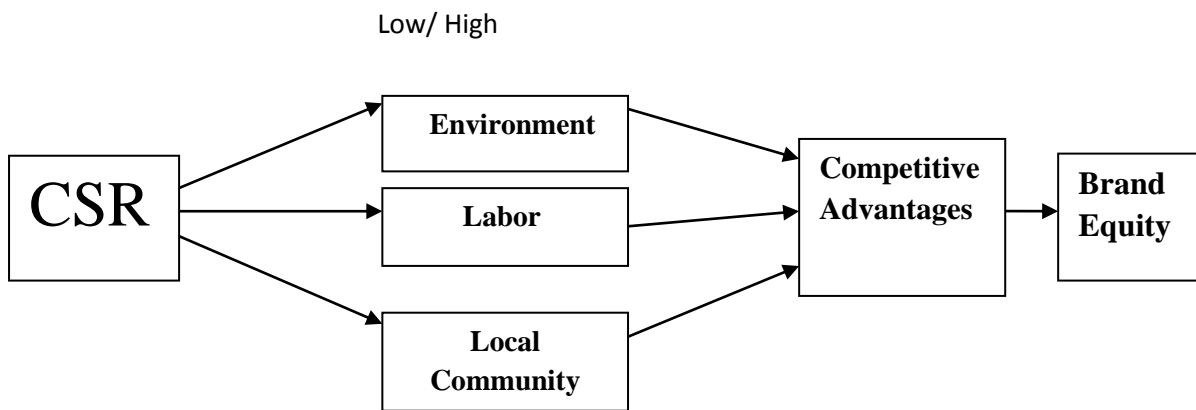
The most ordinary unconstructive effect given from CSP in accordance with this study or analysis is that concentration to the "core" business is taken away by it. Let us take an example that if we give power to the stakeholders to get part in the decision making then it might result in lack of attention on the "core" business as well as disagreement of concentration between the stakeholders and managers. Secondly, it is also a most feared effect of CSP that if the plan was implemented poorly then it would lead to destruction of the organization's reputation. In actuality, the plan may have an unconstructive effect on the

corporation if the directors or managers have assured more and the stakeholders have anticipated more.

2.9 Impact of Corporate Social Responsibility on Brand Equity

Brand fairness has an interior dimension, which is loyalty. According to the point of view of critics, loyalty has many dissimilar levels. According to the point of view of old researchers, loyalty that is linked to the behavior of customers in the marketplace is called behavioral loyalty; behavioral loyalty can be indicated by the number of frequent purchases or, according to the point of Oliver, the promise to re-buy the product as the first option. The highest stage of consciousness is closely connected to the cognitive loyalty, where attention in the product is the major issue in a known group, which the customers are reminded of initially. According to cognitive loyalty, a product should be capable to become the respondents' first option and should be consequently obtained, which is behavioral loyalty. In the point of view of Chaudhuri & Holbrook (2001) product faithfulness is in a straight line connected to product cost. In their point of view, the essential point of faithfulness is to recognize cost quality, the quantity a client will give for the product in contrast with another product contributing comparable profit.

2.10 Theoretical Framework



In this model, CSR is an Independent variable and brand equity is a dependent variable.

1. With the help of CSR, does the company get competitive advantage or not
2. Does CSR affect the company's brand equity in a positive way or a negative way

CHAPTER 3

3. RESEARCH METHODOLOGY

Research methodology means the method that is used for research on a specific topic. In this research methodology, the basic trends will be taken into account. The basic purpose of including this chapter is to assess the methodology that is used for research and the reason for choosing that specific methodology in respect to how it helps and leads to a conclusion.

3.1 Research Philosophy

The methods used for a research include pondering over the in a theoretical way so that the research approach can be applied, Mason stated (2002). The main purpose of explaining research philosophy here is to get to know of as many research methods and information as possible so that research can be made by gathering data about the Corporate Social Responsibility of the organizations and how they actually practice it.

There are also techniques defined used for data acquisition for the purpose of research in case the data could not be obtained. Saunders et al., (2007) mentions that research philosophy can be categorized as is shown in the diagram below:

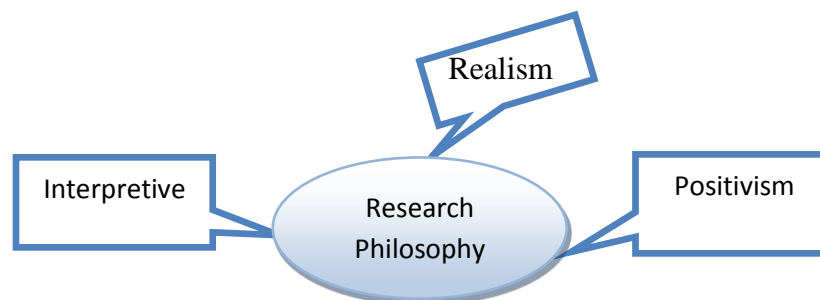


Figure 2 Types of research philosophy
Created by the Author (2011)

The major approaches are as follows:

- Realist Approach: The realistic approach states that all the data and information collected are purely related to true beliefs
- Positivist Approach: This approach includes the hard facts and figures about the research

- Interpretive: It includes getting information about the real time experiences of the people included in the research

In this research paper, realist approach has been used. Information and data were collected based on true beliefs.

3.2 Research Design

Research design gives the direction or framework how to carry out or conducting the research project so that the desired result can be obtained. It is also called the overall research plan.

The basic purpose of this study is to know how do firms use CSR to build brand equity .

3.3 Units of analysis

Unit of analysis in this research is the case studies of four multinational companies; Coca-Cola, Apple, Nike and Shell.

3.4 Sample

In this study, sample consists of 4 multinational companies who are performing in different parts of the world. This sample is based on non probability sample technique because the sample is selected on the basis of convenience and by keeping in the mind the main issue, variables on which this study is focusing environment, labor and local community and the research questions. A sample of this study is representative because all the 4 companies deal in different part of their world. It is not possible that all of them perform the same for us. Some of them will be good, others will be moderate and few of them will be weak in this scenario.

3.5 Research Questions

What is the current use of CSR in the firms?

Main benefit of CSR in the development of brand equity?

This will help to identify the correlation between CSR and brand equity

3.6 Research Approach

Inductive research approach will be carried out in this research and a result of provisional and belief is a theory created by this research. The important inspection and assessment of the specific process is done. In order to reach and find out to the areas of that general and basic process and practice is called inductive thought. In this research, qualitative inductive approach is being used.

3.7 Research Strategy

This study focus on CSR particularly MNCs and its effect on brand equity for this research case study is the most appropriate research strategy because the case study look a research question in its real-life context and it include in-depth examination of few insistence. In this study multi case study approach will be used.

CSR is an important issue these days. This study will check that how a firm use CSR and how it affect company's brand equity. Does it effect in a positive manner or negative manner. In order to check all these issues case study strategy are the most appropriate choice.

3.8 Data Collection

3.8.1 Secondary Data

Secondary data collection method is the one in which the data is already available and is not the firsthand information. For this particular research, secondary data were used. This data can both be used in small or large scaled surveys. The reliability of the data can be questioned in the fact that the figures and facts were not collected by the researcher directly through Primary Research, which is the mail disadvantage of conducting research on secondary data available already. The data includes in this research was collected from different company reports, websites, articles, company blogs, pressure groups' reports and the like.

3.8.2 Multi – Source and Documentary Data

This is another data collection method used for this research. Multi – Source and Documentary Data is collected from different sources. It is documentary data that is used to collect information about a specific topic. The main sources of collecting this kind of data are newspaper article, journals and magazines, all of which have widely been used in the research made for this thesis. Multi sourced data basically includes the data collected by different people for conducting research. The data collected by them is later used by others to conduct research on the same topic. All the material prepared or drawn earlier is used by the researcher.

For this study qualitative method is used for gathering and analyzing data because this research is based on qualitative data instead of numerical data.

The basic aim of this study is to understand the relationship between CSR and brand equity. For measuring these 4 companies are chosen by focusing on few variables and few entities

.We choose the case study because we are narrow down a broad field into specific topics and doing an in depth examination of a few variables .

3.8.3Reliability and Validity

Sample has chosen by taking a great amount of care without any compromise on two most important factors; reliability and validity. The chosen samples are one of the big names of their respective fields and mainly responsible to play an important role in CSR. These selected names are producing some major brands of the world. The derive results must be reflecting the accurate results of concerned population.

We have selected case studies of these companies by keeping the selected variables in front. We are confident about the validity factor since these companies and brands represent the largest portion of their respective industries. This study will describe the role of CSR and impact on Brand Equity since major brands of the world are under the analysis.

CHAPTER 4

From Theory to Reality

The main purpose of “theory to reality” is to find out a connection between the theory discussed earlier and reality.

In this part, CSR impact on brand equity will be measured by using these variables.

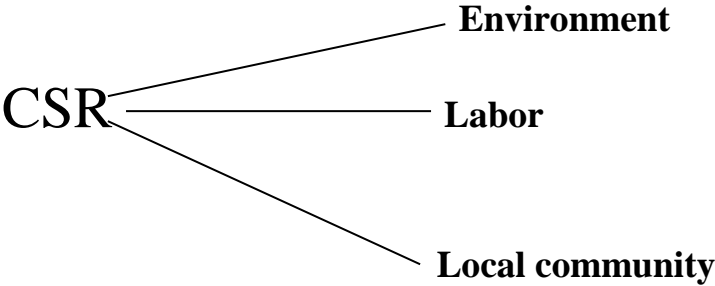


Figure 3: CSR and variables by Author 2012

Four Case Discussions: Companies’ Views about CSR

4.1Coca Cola in India

Coca Cola³ is the leading international beverage company which is operating in more than a 100 countries around the world. It has number of products and about 1.5 million employees around the world. They have 275 worldwide bottling partners who are working inside the Coca-Cola supply chain system to deliver their products.

Coca-Cola⁴ takes CSR as a major part of the business and they are focusing on the key areas of CSR like community, energy and climate, sustainable packaging, workplace, community, water stewardship etc.

Coca-Cola in India has more than 25000 employees. They are giving them a better and safer environment and creating employment opportunities.

The Coca Cola company growth, leadership and sustainability our mission available at <http://www.theCoca-Colacompany.com/ourcompany/index.html>

⁴Coca Cola India our platform for sustainability live positively available at <http://www.Coca-Colaindia.com/sustainability/sustainability.html>

4.1.1 Environment

4.1.1.1 Recycling Water

Coca-Cola⁵ recycles water which they use in their operations and they use processed water in many plants for developing green belts and this water is also used for secondary purposes. The waste generated during the manufacturing process is safely disposed of at approved locations according to the given standard of state pollution control board.

Coca-Cola⁶ is also working and participating in water replenishment project which supports local communities of India. In India, they created rainwater harvesting structures, dams, water bodies which help to improve water usage efficiency in the sector of agriculture. In that case, NGOs and local communities help them to identify the areas and they established rainwater harvesting with the help of these communities.

4.1.1.2 Recycling Packing

Coca-Cola is using such type of packaging which is 100 percent recyclable. The core focus of company is to develop efficient energy technology, reducing emission of gases and avoid using carbon in manufacturing. They believe that changes in the climate are one of the biggest challenges that require an effective action by the civil society, government and other firms. It has both short term and long term implication on their business and supply chain. Currently, the company is using the type of cold drink equipment, boilers and bottling plants which minimize emissions.

4.1.2 Workplace and Labor

In India, Coca Cola⁷ is following a policy for the workers' right which is according to the standards of international human right. It also includes universal declaration of human rights

The Policy includes the following components:

- Freedom of Association and Collective Bargaining
- Eliminating Forced Labor

⁵ Coca Cola India replenish available at http://www.Coca-Colaindia.com/sustainability/water_replenish.html

⁶ Coca Cola India recover and recycle available at http://www.Coca-Colaindia.com/sustainability/packaging_recover_recycle.html

⁷ Coca Cola India the work place available at <http://www.Coca-Colaindia.com/sustainability/workplace.html>

- Eliminating Child Labor
- Eliminating Discrimination
- Work Hours and Wages
- Safe and Healthy Workplace
- Workplace Security
- Community and Stakeholder Engagement

Coca Cola considers all these as an important part of day to day operations and core strategy.

4.1.3 Community

Coca Cola⁸ is working with NGOs, Governments and local organizations to improve the people's quality of life. They are supporting in different projects which are related to the communities and actually helping them to improve the quality of life. These projects⁹ include;

- Access to clean drinking water in primary schools as well as all over the India.
- Improving health facilities and food security in a project partnering with local communities and NGOs.
- Providing assistance in case of any disasters like flood and earthquake
- Rehabilitation projects with the partnership of different NGOs like Save the Children, World Vision India etc
- Organizing different awareness program like World Earth Hour, International Cleanup Day and World Environment Day
- Supporting educational program, giving scholarships and also contributing in building school infrastructure.

Coca Cola in India also support and sponsor different sports activities like football tournaments to discover the football talent at the grass root level in the India. They also organize programs with the partnership of Indian Football Federation (AIFFA) which is affiliated with FIFA.

⁸Coca Cola India community improving quality of life available
<http://www.coca-colaindia.com/sustainability/community.html>

⁹Coca Cola India sustainability review 2009 available at
http://www.cocacolaindia.com/CMS/Asset/environment_Report_2009.pdf

¹Nike company information available
<http://nikc.com/pages/about-nike-inc>

4.2 Nike

¹⁰Nike started their operations in 1972 from USA. Headquarter is located in Oregon state of USA. Today, Nike is operating in more than 160 countries. Nike has 35 thousand direct employees and 1 million people who are directly indirectly related to this company. Nike has a vast product portfolio with many subsidiaries that include Nike golf, Umbro, converse Inc, Hurley international and Cole Haan.

4.2.1 Workers

Nike¹¹ is consistently focusing on the improvement of working conditions in their production zones as well as in their global supply chains. The major products made in more than 46 counties and it includes about 4600 contractual factories where more that 1 million workers are working. Now, they are empowering their workforce and giving them training, so they can manage different issues independently.

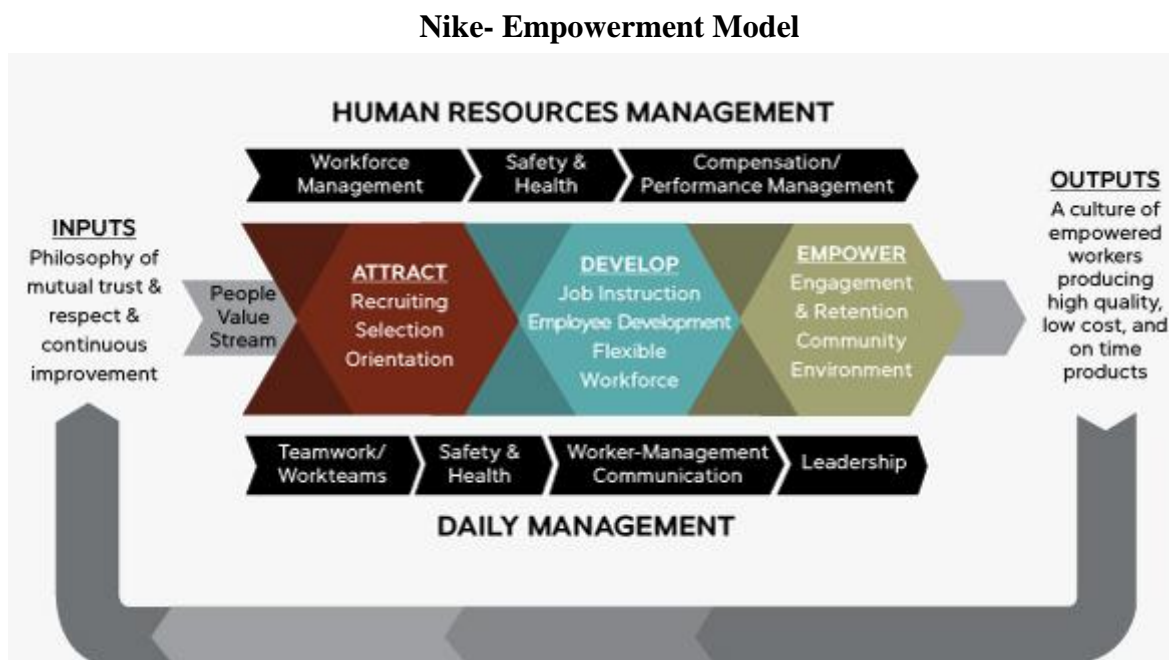


Figure 4 Nike- Empowerment Model¹²The HRM¹² curriculum is based on the Culture of Empowerment Model, adopted from Toyota's Human Systems Model as described in "Toyota Culture, the Heart and Soul of the Toyota Way" (Jeffrey Liker and Mike Hoseus, 2008).

¹¹Nike Inc corporate responsibility report worker and factories available at <http://www.nikebiz.com/crreport/content/workers-and-factories/3-1-0-overview.php?cat=overview>

¹² Nike Inc corporate responsibility report worker and factories human resources and worker empowerment available <http://www.nikebiz.com/crreport/content/workers-and-factories/3-9-1-our-approach.php?cat=hr>

In order to improve working conditions¹³, Nike is strictly following its respective code of conduct. The code of conduct updated every year as per the requirement in order to have more effective implementation and improved results. In 2009, they were continuously monitoring the management practices of contractual factories against the given standards and code of conduct, and how they are performing in environmental health and safety indicators.

4.2.1.1 Monitoring Supply Chain Networks

Nike is using 3 approaches and the core focus is empowering workforce and providing equitable resources. Nike is monitoring work conditions in their contractual factories on a consistent basis. It helps them to maintain defined quality standards and building the equity of their brands.

4.2.1.2 Wages

Nike believes that the best method of setting local wage rate is to have negotiations in between employer, workers, labor representatives and the government. The wage setting processes and wage rates vary from country to country and that is why; Nike is looking forward to have more detailed global and regional discussions among workers, suppliers and set a justifiable level of wage rate.

Nike provides freedom of association to their employees and necessary training to their contractual manufactures as a part of Nike human resource management efforts. They also provide training to their own staff on a consistent basis.


TARGET	PERFORMANCE	PROGRESS
Workers Implement freedom of association education program in all focus contract factories	Making progress. Through FY09, 17 percent of focus contract factories had participated in HRM training including Freedom of Association education.	 On track

Figure 5: Nike Freedom of association¹⁴

¹³ Nike Inc corporate responsibility report worker and factories available at <http://www.nikebiz.com/crreport/content/workers-and-factories/3-1-0-overview.php?cat=overview>

¹⁴ Nike Inc corporate responsibility report worker and factories freedom and association available at: <http://www.nikebiz.com/crreport/content/workers-and-factories/3-8-0-freedom-of-association.php?cat=freedom-of-association>

Freedom of association is based on three steps.

1. Implementing freedom of association program in all the factories
2. In the second step, they measure how many factories participated in HRM training which also include educating about freedom of association.
3. In the third part, they monitor the level of progress and results.

4.2.2 Environment

Nike believes that the crises of water scarcity, rapid changes in climate and other risk challenges will consistently increasing over the coming years. Natural resources are becoming scarce. They consider the environmental impact on the business as an external issue.



Figure 6: Nike North Star Model
¹⁵www.Nikebiz.com

In order to use these scarce resources effectively and to minimize the negative impact on the environment, Nike designed a model with the name “Nike North Star”.

The main objective of this model is to assess how the company uses its efforts and resources in making the most impact. How the brands and the value of the products minimize the impact of production by reducing waste and carbon dioxide emissions across the whole process and supply chain.

Nike believes that it is very important to consider environment as an important issue because it can affect the long term sustainability and financial performance of a company. Nike is also

¹⁵ Nike Inc corporate responsibility report worker and factories overview considered design available at <http://www.Nikebiz.com/crreport/content/environment/4-1-0-overview.php?cat=overview>

designing the type of products in which they are using environmental friendly materials, which eliminate toxic material and waste.

4.2.3 Community

In the past few years, Nike Inc has supported the communities through cash in kind contributions and in the form of products. In 2009¹⁶, Nike contributed up to \$169m and \$315m in different programs of communities.

The core focus of Nike community investment is on 3 areas;

1. Nike foundation
2. Innovating for a better world through sports
3. Brand and retail engagement.

4.2.3.1 Nike Foundation

Nike foundation is a nonprofit organization whose focus is the teenage girls of under-developing countries who can bring change in their communities and who can minimize poverty level. The Nike foundation invested about \$42m in this project so far (Nike Inc, 2012).

4.2.3.2 Brand and Retail Engagement

Nike¹⁷ is working on different projects like Live Strong and Get Cancer Help program. The human race, H2O water initiative of holes, the converse product¹⁸ red buy red and save life program etc.

4.2.3.3 Better World

Nike believes that every young person should participate in different sports because it is important for a great social change. They are working as a partner in different activities and programs like homeless world cup¹⁹.

¹⁶Nike Inc corporate responsibility report worker and factories overview Nike and (Red) available at <http://www.Nikebiz.com/crreport/content/communities/5-1-1-our-approach.php?cat=overview>

¹⁷Live strong, get cancer help available at <http://www.livestrong.org/>

¹⁸Red fighting for an aids free generation available at <http://www.joinred.com/red/#shopred>

¹⁹Homeless world cup, beating homelessness through football available at <http://www.homelessworldcup.org/>.

4.3. Apple Inc

Apple Inc was formed in 1977. Apple Inc is basically an American company. Steve Jobs and Steve Wozniak were the founders of Apple Inc. This Company is mainly producing computer and mobile products. iPods, iPhone and iPads are the major products of Apple. Apple is well-known because of its advanced technology and unique concepts. Apple is considering the world biggest technological companies in the world.

4.3.1 Environment

Apple²⁰ is measuring the products' impact on the environment using a method with the name "comprehensive life cycle analysis". This analysis measures the gas emission that is generated from the manufacturing process, use and recycling of products, manufacturing and the emissions that are generated through other facilities. About 98% of carbon is related to the company's products and remaining 2% is related to the company's facilities.

For reducing the impact on the environment, they are designing such type of products which are smaller in packaging, toxic free and easily recyclable.

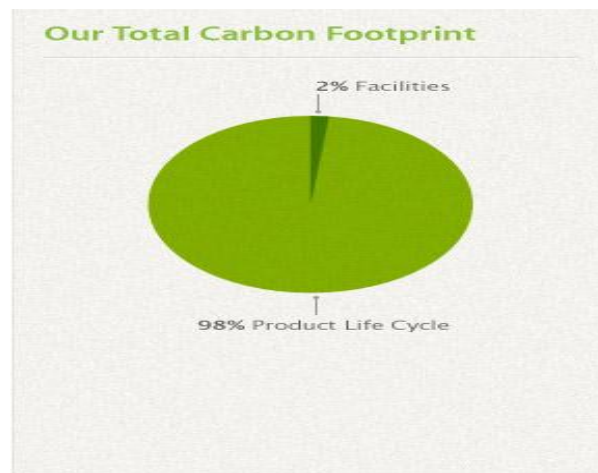
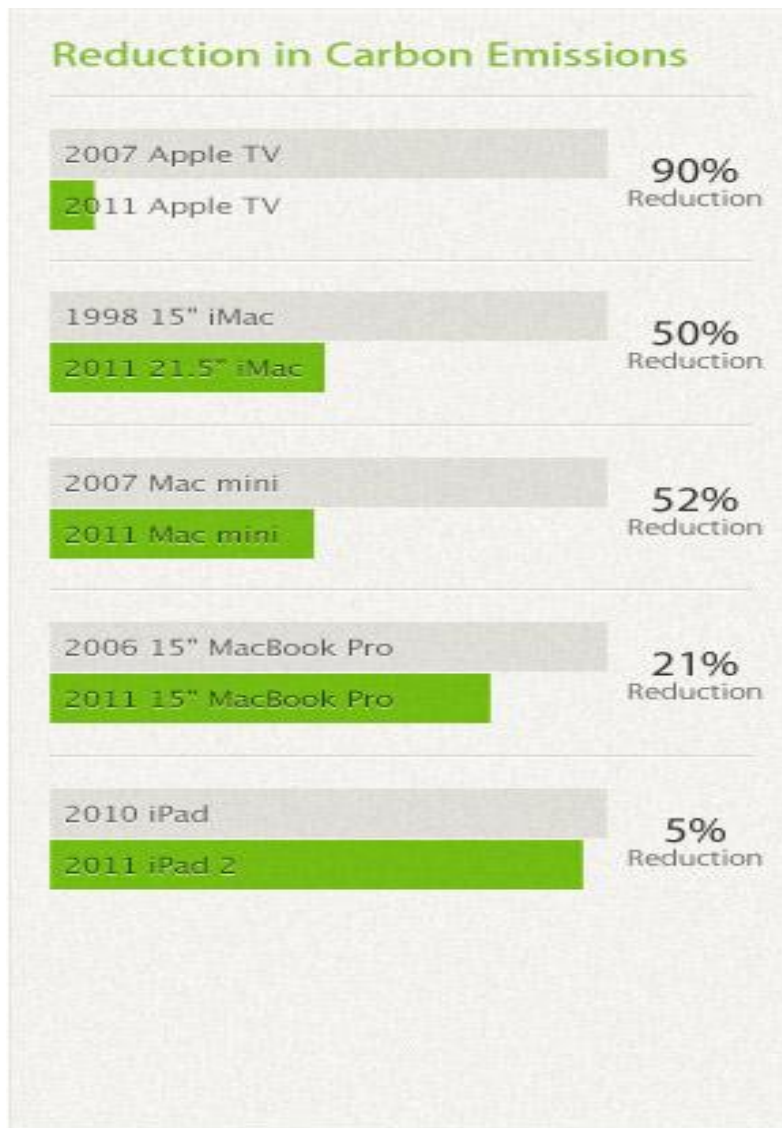


Figure 7 Apple Carbon Footprint

For reducing their impact on the environment now they are designing that type of product which are smaller in packaging, toxic free and easily recyclable²⁰.

²⁰ Apple and environment, the story behind Apple's environmental footprint available at <http://www.Apple.com/environment/>



**Figure 8: Apple Reduction In Carbon Emission
Apple Inc-Environment²¹**

Over the couple of last years, Apple designed such type of products in which less material is used and that generate fewer carbon emissions. For example, latest iMac 21.5 is more powerful with larger screen as compared to the first generation. In newly designed iMac, 50% less material is used and it generates 50% less emissions and same is the case with the iPad.

²¹Apple and environment, the story behind Apple's environmental footprint available at: www.apple.com/environment/

4.3.1.1 Environment Friendly Materials

In order to eliminate toxic material, Apple is also working on the development of environmental friendly materials which include recycled paper, plastic polymers and they found many ways to re-engineered secondary materials. I Phone packing are made with renewable foam material and iTunes cards are made with recycled paper. Apple is designing such products which are lighter in weight plus produce less emission during transportation. Apple reduces I Phone packing about 42” in 2011 as compared to 2007. Now, they are shipping 80% more boxes in each air shipping container. It is clearly shown in the below figure.

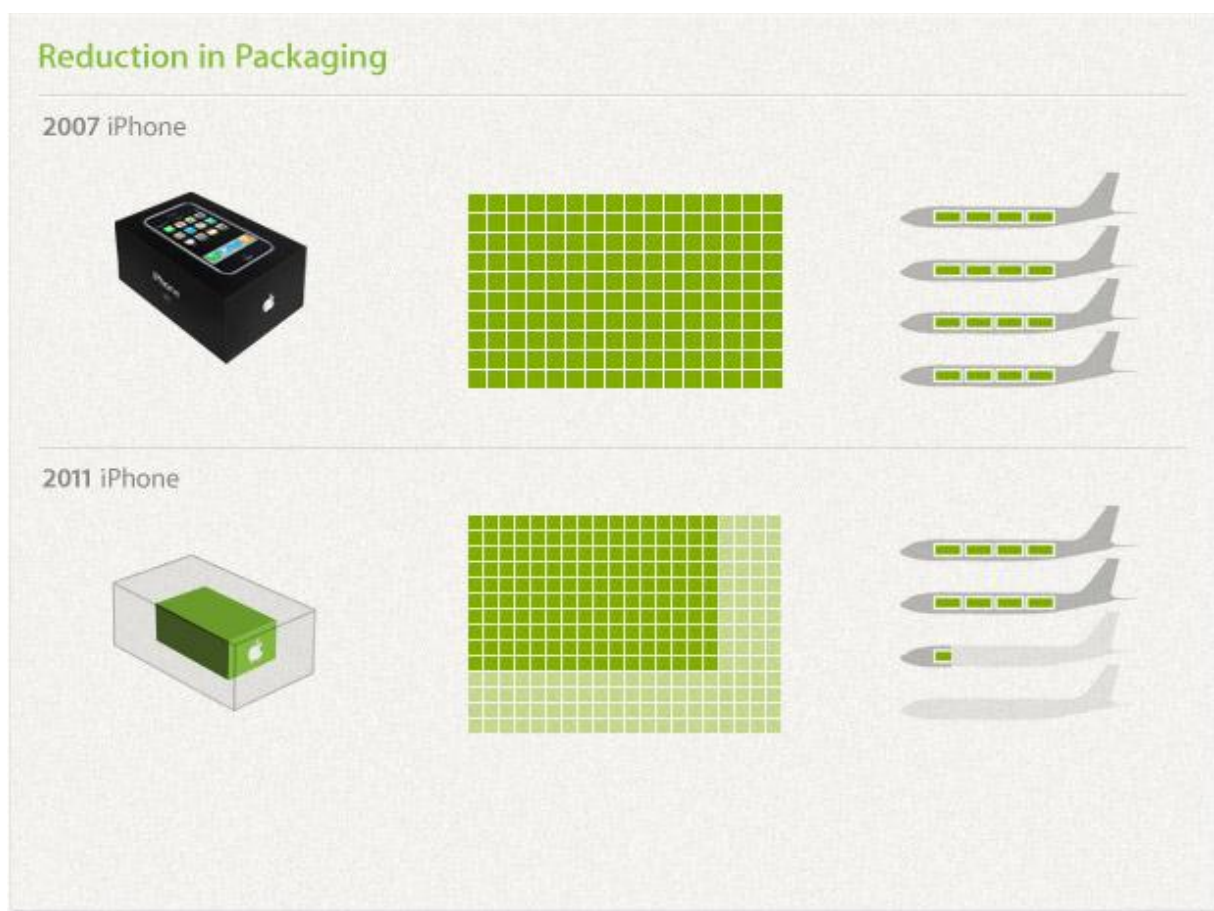


Figure 9: Apple Reduction In Packing
Apple Inc- Environment²²
This is calculated by using the US configurations by Apple.

4.3.1.2 Energy Efficiency

Apple is designing such type of products which are energy efficient as well as consume less energy. It is clearly shown in the below figure.

²²Apple and environment, the story behind Apple’s environmental footprint available at <http://www.apple.com/environment/>



Figur10²³: Apple Inc- Environment

4.3.1.3 Apple Recycling Program

Apple has a recycling program in different cities and colleges around the world where their products are sold. In 2010, Apple worldwide recycling rate was 70%. This year, Apple is trying to exceed the 70% goal and they are trying to maintain this level up to 2015.

4.3.2 Labor and Community

Apple is working on the development of safe and hygienic working conditions in their supply chain networks. Workers are being treated fairly and they are following the code of conduct²⁴ and avoid any acts which are harmful for the environment.

4.3.2.1 Fostering Ethical Practices

Apple is holding an ethics training program²⁵ for the managers working in their supply chain. This program includes business practices, age verification, proper hiring of foreign workers, tracing working hours and management of responsibilities etc.

Apple conducts audit every year in which they include employees and workers, and holding interview regarding the suppliers' management practices. If any supplier does not follow or

²³ Apple and environment, the story behind Apple's environmental footprint available at <http://www.Apple.com/environment/>

²⁵ Apple supplier responsibility and Ethics available at <http://www.Apple.com/supplierresponsibility/code-of-conduct/ethics.html>

²⁵ Apple supplier responsibility labor and human right available at <http://www.Apple.com/supplierresponsibility/code-of-conduct/labor-and-human-rights.html>

violate any ethical guidelines, Apple terminates the relationship with that supplier. Apple is following fair labor association FLA²⁶. The auditing team of FLA measures the performance against their code of conduct at the workplace. FLA shows the audit results on their website that develops transparency in the industry.

The code of conduct does not allow child labor, slavery or a prison labor. Apple's suppliers have to follow local practices and laws in their operations and Apple verifies this practice by conducting various internal audits.

4.3.2.2 Educating Indonesian Workers

Apple is educating their contract worker in the Indonesia, so they can prevent people from involuntary involvements at work. They are working with the NGOs to increase the knowledge about the recruitment process and what are their rights as a worker. They are also using different modes of media like print and radio to create awareness among the workers' rights.

Apple doesn't allow child labor at any point of production. When they come to know that few suppliers are involved in this crime through the audit report. They took serious actions to eliminate the child labor. They put all the under-age workers in schools and restrict suppliers pay the 6 month fee.

4.3.2.3 Excessive Working Hours

Apple made a rule that a worker will not work more than 60 hours a week and there should be at least one day off for the worker in a week. They are tracking about 110 workplaces on a weekly basis where an excess of work is an important issue. They are working with the experts to manage justifiable working hours and it is included in the supplier's responsibility program 2012. Apple's code of conduct is against any type of discrimination based on race, color age, political religion, ethnicity or a union membership etc.

4.3.2.4 Workers Health and Safety

Apple is working with the international experts to eliminate operational inefficiencies inside the manufacturing process and developing safer working conditions for the workers. After the

²⁶ FairLabor Association improving workers' life worldwide available at <http://www.fairlabor.org/>.

incidence of two explosions in the supplier's factory, Apple hired an international expert who did the investigation of these incidences and submitted his recommendations regarding how to prevent from such incidents and what could be the corrective actions that Apple can take.

4.3.2.5 Employee Assistance Programs

Apple launched an employee assistance program in 2010 in China to meet the needs of workers. Now the workers have facility of free psychological counsel workers can get an advice on the professional and personal matter through a 24 hour hotline.

4.4. Shell

Shell is one of the leading companies among oil and lubricants' industry. Shell has around 90,000 employees who are working in more than 80 countries. The headquarter of Shell is located in Netherlands. Shell is the world fifth largest company and the second largest company in the energy sector.

4.4.1. Environment

Shell has been using new methods of operations and latest technologies to minimize the negative environmental impacts. Shell made efforts to overcome the problem of climatic changes; it realized that CO₂ emission must be minimized. In this case, industry and government need to work together. Government needs to support the use of all those technologies that can reduce CO₂ impact on the environment. For a sustainable energy future, Shell is concentrating on 4 main areas.

Many countries are using gas for generating electricity that produces about half CO₂ as compared to coal power plants. Shell has been supplying natural gas for the last 40 years and they have continuously invested in different projects related to liquid natural gas, which extracts less CO₂.

4.4.1.1 Bio Fuel and Shell

Shell²⁷ is also been working with bio fuel, which also produces less CO₂. Shell has a large scale production of Bio fuel with the help of a joint venture in Brazil; it produces Bio fuel

²⁷Shell Bio fuels and sustainability available at:
http://www.shell.com/home/content/environment_society/environment/climate_change/biofuels_alternative_energies_transport/biofuels/biofuels_sustainability/

from sugarcane. Shell is also working for developing advanced bio fuels from non-food sources.

4.4.1.2 Air Emission

Shell is working to minimize the emissions and pollution²⁸ released into the environment due to their operations through improving their processes and using advanced technologies.

4.4.1.3 Working with Others

Shell is working with social experts on many different projects to solve the various challenges faced by Bio fuel production, such as land management and conservation. Shell is trying to build long term partnership with the international union for conservation of natural IUNC. Shell, the world's largest bio fuel distributor, with the help of IUNC, wants to influence the world markets for more sustainable production processes.

Shell is also working with other energy companies and NGOs like WWF to find new ways to increase sustainable production of Bio fuels.

4.4.2 Community / Society

Shell is also working for the benefit of local communities through creating job opportunities and investing in different welfare projects for the betterment of community²⁹.

4.4.2.1 Livelihood

Sometimes, Shell's operations require permanent or temporary access to areas where people were living already. It requires resettling people. In such case, Shell tries its level best to restore their living standards.

4.4.2.2 Safety

Shell communicates with the communities nearby their operations and refinery openly regarding the concerns of safety³⁰. They inform them about their safety and emergency plans.

²⁸Shell environment and society and air emission available at:
http://www.shell.com/home/content/environment_society/environment/air/

²⁹Shell environment and society our impact on local communities available at:
http://www.shell.com/home/content/environment_society/society/our_neighbours/impact/

Shell is also working with the other international companies, agencies and government for the improvement of road safety programs.

4.4.2.3 Economic Development

In countries where it is operating, Shell pays royalties and taxes to the local governments. For the local communities, they organize education, hire local people and invest in different welfare projects.

4.4.2.4 Employment Opportunities

Shell also provides employment opportunities to the local people. It has devised different programs to provide training for different low and middle income countries where they are operating. Most of these programs are based on voluntary basis.

4.4.2.5 Social Investments

Shell is working in various social projects for the betterment of community. They are working with the other agencies and organization for creating different community projects. Shell also has a charity foundation by the name of Shell foundation³¹ that works in environmental and poverty charities.

4.4.2.6 Shell Live Wire Program

Shell is also working on various projects like ‘Shell Live Wire Program’³². In this program, the youngsters are being provided with help regarding exploring different fields, so they can start their own businesses. This program is successfully running in 21 countries.

4.4.2.8 HIV Aid Program

Another project that Shell is working on is **HIV Aid Program**³³.

³⁰ Shell environment and society and road safety available
http://www.shell.com/home/content/environment_society/safety/road_safety/

³¹ Shell foundation available at
<http://www.shellfoundation.org/>

³² Shell Live Wire inspiring enterprise around the world available at
<http://www.shell-livewire.com/>

³³ Shell environment and society HIV and AIDS available at
http://www.shell.com/home/content/environment_society/society/hiv_and_aids/

Shell is also working on the “**Shell Better World Program**”, purely meant to make this world a better place to live.

4.4.3. Workers

Shell provides full room to their employees to involve in the process of planning and even in decision making. It encourages its employees to give their views about the practices and processes being followed in the work environment to the human resources staffs or the managers. Shell has a global telephone line and website, where employees can report about the breach of any codes of conduct and practices³⁴ developed by the company.

4.4.3.1 Reward and Benefits

Shell provides the series of benefits and rewards based on the market conditions of the country and according to the level of skills and experience. They give rewards based on their individual achievement and performance in form of bonus and increase in pay; other benefits include pension and health care coverage.

4.4.3.2 Career Opportunities

Shell provides different kinds of professional trainings and support to their employees. Employees face new challenges; it also enhance their skills and abilities as well as enhancing their creative thinking.

³⁴ Shell our people available at
<http://www.shell.com/home/content/aboutshekeep>

The below figure 11 is showing the CSR practices with respect to three variables that companies follow.

Stakeholder	CSR Practices
Environment	<ul style="list-style-type: none"> • Action against the Climate changes • Reduction of waste • Prevention of pollution • Efficient use of resources • Environment friendly product and production process like use of easily recycle products
Employees	<ul style="list-style-type: none"> • No discrimination • Fair Wage rate • Better working conditions at supplier place • Empowerment of employees • Following human rights and other labor standard • Flexible working hours • Discourage child labor practices
Community	<ul style="list-style-type: none"> • Improve life of local community • Sponsor in social activities sports, quizzes, concerts etc. • Contribute in community development program • Respect the rights of community members

Figure 11: Stakeholder and CSR Practices by Author 2012

Company	Environment	Local Community	Employees		Total Sum
			Owner	Supplier	
Shell	4	5	3	0	12
Nike	4	5	5	4	18
Apple	5	2	5	3	15
Coca Cola in India	5	5	4	3	17

Figure 2: Firm Views towards Environment, Labor and Local Community by Author 2012

The rating has given to the company on the scale from 1 -5. Where 1 is very bad and 5 is very good. On the basis of firm views towards environment, labor and local communities and its further categories of these variables mention in the above figure 11. Moreover, they are following the variables of figure 11.

Chapter 5 ANALYSIS

We analyzed the four companies Coca Cola in India, Shell, Apple and Nike. Stakeholder theory is used for the analysis of four companies by focusing on the 3 variables environmental, local community and labor. The first stakeholder theory is applied to firms' views than it is applied to the social group, media, and people views.

5.1 Stakeholder Theory and Its Implementation of the Firm's Views

We are focusing on the freeman approach and according to this approach, all the stakeholder receive equal opportunity in the decision making process but in reality, companies don't give equal opportunities in the decision making process. One stakeholder may be more important for one company as compared to the other companies as we have seen before in the companies' view about CSR as mentioned in the figure 11 of chapter 4. According to that table, most of the companies give emphasis to the environment as most of the companies think that it is an important part of stakeholder strategy. One major reason is the concern of climate changes and global warming which make companies bound to take this group seriously in a competitive environment especially Coca-Cola in India and Apple Co. but Nike and Shell also need to take environment as an important part of the firm's strategy because this is the factor which is major concern of difference social groups, NGO's and people.

Shell, Nike and Coca Cola in India are taking local community as a major concern. They are helping community by using different ways and also trying to improve quality of life of the local community through investing in different development projects like education, health, water etc. They are also creating different job opportunities for the people of local communities. Apple is a bit weak in this sector since they need to consider local community as an important stakeholder and also need to work for the betterment of the local society where they are running their operations.

In terms of employees, Nike is working really hard in this case especially after the serious allegation of child labor, low wages and poor working conditions in the supply chain systems. Now, they are well aware and they are properly monitoring their suppliers and keep a hard check on them. The rest of the companies also consider it as an important group in the stakeholder and they are working on some of these concerns like wage rates and child labor but they need to consider the other important issues as well.

5.2 Case Analysis

5.2.1 Case Study Apple- How CSR Increase Brand Equity

Today, Corporate Social Responsibility (CSR) is the question to be answered as to if it is helping in building brand equity or not. We can also see in this way that whether it is vital for a business to fulfill corporate responsibilities or not. There are two schools of thoughts in this imperative discussion; one says that it is not important to increase your corporate expenses on CSR because the purpose of business should be generating profits and minimizing expenses and other school of thought is in the favor of investing a handsome amount of money to get the desired outcomes in a long-term succession/period. In the current world, there is an existence of both concepts; some business are not focusing on CSR and few are heavily involved in CSR and hence, showing off their concern regarding employees/labor, environment and society at large. It is being discussed in the study that business should be treated as business only and its primary motive should be generating hefty profits while minimizing the expenses. Many companies believe that if business is producing positive results in terms of profits then why it is necessary to increase expense to ensure safer and healthier environment for the labor. Investing in CSR with effective strategic plan may convert into a real competitive advantage and therefore, it can be the reason why few large enterprises turning their objectives towards CSR.

In case of Apple, analysis said that despite this fact, Apple is one of the most progressive and successful company with the large setup of suppliers and generating bulk of cash reserves every year. Apple apparently is not socially conscious neither has developed an appropriate setup for a safer working environment. Apple's approach to the market and business is to launch such high quality products that the customer only see the fulfillment part of the product and neglect the other aspects like; price, ethics, CSR and etc. The maxim 'Business is Business and Cup of Tea is a Cup of tea' does perfectly suit Apple's strategy. It seems that Apple is the follower of concept moral nihilism; nothing has an intrinsic value and in the attention economy they do not want to waste their resources on other concerns and thus, have their sole attention on how to get the attention of people and produce the product quality a unique one.

In 2011, numbers of Apple's employees were fatally injured in China due to the usage of some particular chemicals in their products and some suicidal cases also came at front but Apple reaction was not appreciable. Although, they tackle the situation very well but they

seems to have reactive approach rather than proactive approach. If we see three variables that affect the brand image and discuss them solely with respect to Apple we can dig out some analysis. We also know that Apple is hugely globalized its business all over the world and handling different operations and processes according to their needs and requirements. The conventional morality of the business from Apple is making them more profitable. They are adopting cultures of different countries while running its business according to the local norms and perceive as morally correct and neither local community does care about what is happening across the borders. In China, some of its suppliers are using the services of employees under 16 years of age. However in Europe, it is illegal to have any employee under the age of 16. But local community does not see it as a violation of law or local norms. However in a broader spectrum, if it is highlighted and educated across the world then the mindset of people may change. To have suicidal cases under the batch is another important concern to ponder upon and take it from different slants is yet another important one while discussing CSR. Are the suicidal cases helping in building labor or stakeholder's loyalty towards the organization or labor and stakeholders are happy to have a bunch of profitable products? This is a major question which is indeed very important because building brand images plays important role in consumer buying behavior if they are educated and know that the product they are using is somehow responsible of some labor deaths/injuries and products are not environment friendly to some extent.

Currently, there are many tools to measure consumer buying behavior and there are some factors that impinge on those buying behaviors. As we know that corporate social responsibility bring promise from businesses that they will act ethically and will contribute to the global economic development. Through CSR, we can bring improvement in the quality of life of workforce, work environment, local community and society at large. Apple can introduce a new long term strategy by improving their supply chain, marketing channels, operations and business process through inducting CSR which will build strong customer relationship and make a constructive impact on society. Now, the world is getting aware about ethics and moral dilemmas. Customers are getting more demanding to some extent regarding the full disclosure of information and stipulate detail information regarding products; positive and negative features/aspects of the product, it is difficult to have caveat emptor behavior regarding marketing/business development strategies or tactics. Despite the fact that Apple is in the list of leading technological organizations but there is still a lot of work to do regarding the misconduct of social and ethical values. They are somehow affected due to the ethical

violation of labor laws or other environmental breach. Rules, regulations and set standards by the Apple which are maintained according to the local environment, is not a strong code of conduct neither it is weak. If it is the case they are not affected by these issues. They might have not reacted towards the causes of labor injuries, suicidal cases and violation of environmental conducts. There is no doubt about it that no matter how strong are you in developing viable and useful products which may become your competitive advantage but they cannot neglect the local community's norms and values while manufacturing the product. People are expecting more now due to increased awareness (through awareness campaigns and media's interference) that they should use the product which meet the ethical concepts of local society (the place where they are using the product). If the company does not fulfill the sublime Corporate Responsibilities regarding labor, environment and local community, it spreads negative image among employees. The attachment of customer with the product starts getting low at some extent. In case of Apple, products are fulfilling the functional benefits for the consumer and financial benefits for the organization. In that context, both are not affected by these CSR issues and neglecting their responsibilities as consumer and producer. But it should be in their knowledge that it is a long-lasting relationship which is sooner rather than later going to be mauled with ever-increasing globalization. Now, a segment of people has started to study different cultures, norms and values, and hence getting more conscious globally rather than locally. If it is realized that good ethics means better business then number of things can be changed and mutual relationship becomes stronger.

There are two states of affairs; one is to cut down the cost and neglect the CSR and another one is to build brand image while spreading the goodwill that our organization is doing productive for the society in this current competitive market where everyone is looking towards profits only. Letting people realize that we are socially responsible and have cognitive thinking towards moral and ethical issues regarding environment, labor and society. There is an optimal chance to get the attention of people towards the major world issues. If we draw the line in between these two states of affairs and try to find out any middle way then different dimension can open and tapped, and same is the case with Apple. Five basic factors that influence economic growth includes population, agriculture production, natural resources, industrial production and pollution and through imposing limits on our own behavior, we can contribute to common social and economic cause. On the other hand, consumers are acting rational and motivated enough to pay more for quality products. There are consumers who want to fulfill their desires and do not care about the social and environmental responsibilities.

Over the past sixty years, the trend is moving in the same way and few powers are reacting to respond the other way and turn the side by educating and creating awareness. If the marketer is creating artificial demands, so does the consumer is willing to pay for it. So, you cannot blame the one for not generating profits and look at the CSR side, the candle should be burned from both ends. If we analyze the whole marketing channel we would conclude that ultimate end user is the end decision maker and customer has to decide either to purchase the product or not. If a customer is purchasing the product (which is made through unethical conducts) then the customer is also responsible for this all immoral activities as he is motivating manufacturers to keep this moving on. Consumer as an important part of this society has to change buying behavior as well in order to change the entire picture. Apple despite of being one of the top most revenue generating companies has not been able to meet up with CSR, according to critics. On the other hand Apple has been offering the compensation package for only \$200 in case of overtime. In another incident, life insurance of a woman who was poisoned at the factory was not acclaimed. In yet another incident, the workers went to the extent of hiring a lawyer, complaining that a worker injured due to the imperfect wiring and harmful chemicals used in the factory. Another harsh fact about the Apple was brought into the limelight; workers were hit with electric batons by the security guards. This kind of physical punishment cannot be allowed at any organization.

Moreover, Apple has not been in line with the legal and social norms of the business world. Apple is holding training sessions for their employees to cope up with the harsh behaviors. Another step towards the improvement was giving a day off after 60 hours of work once a week. In China, Apple started monitoring working conditions, overtime compensation rate and wages of the employees who are sometimes interviewed for the general overview about the company as well. Apple also took the initiative of free-of-cost recycling of their products. Apple also highlighted in their code of conduct for the supplier; in case of violation and lack of action within 90 days, the contract of the supplier would be terminated. Apple, as a part of their CSR, is working in collaboration with international human rights NGOs like Fair Labor Association and Virtue.

Apple is producing products which are hugely accepted by the consumers over the large period of time but one must realize that human resource is also one of the vital resources for the organizations. It is critical to improve working conditions and working environment for human resource as they are contributing largely in building company's image. It is not being encouraged that Apple should largely increase their expenses and cut down the profits but still

they should be remembered in the good books of history. Therefore, giving some water out of the sea would not have a large influence on the current business standards. However, it is not recommended that shifting business out of China is the solution but having a secure working environment is the fundamental and social right of labor.

5.2.2 Coca-Cola- CSR Role- Case Analysis

Coca-Cola³⁵ being a famous multinational brand has been facing various allegations in India for the past few years by various NGOs. These allegations were started in 2003 by an Indian NGO “The Centre for Science and Environment”. According to these allegations, Coca-Cola is highly responsible for exhaustion of water due to the over usage of water in bottling plant. Due to high consumption of water in bottling plants create scarcity of water for irrigation. In India, especially in dry areas of the country due to lack of rain water drought is found. Another allegation is that the company is selling contaminated drinks which contain large amount of pesticides in it. It is claimed that the company’s bottling plants are also contaminating nearby fields, rivers, and agricultural lands by discarding their wastes and various toxic material.

Now, all these allegations are creating anxiety among the activists and global society that Coca-Cola is acting as a highly unethical corporation. Thus few Universities also boycott their drinks. The awareness was created among the people on a larger scale through media and NGO’s protests. It is believed that Coca-Cola is not taking care of environment by gifting chemical contained wastages in the local areas and fields, which also means that Coca-Cola does not pay ethical attention to the local community as well. It is the other part of the discussion that either no fulfillment of corporate social responsibilities is affecting the sales of Coca-Cola products or not. Moreover, we can see this question as either the purpose of involvement in CSR is only increasing the sales? It is the quite persistent claim of organizations that they are suppose to meet profit targets which are quite high and does not see corporate social responsibility as long term profit. On the other hand, some school of thoughts argue that meeting the standards of working conditions for the labor, contributing to the green world/environment, and giving value to the local community should be innate responsibility of an organization without seeking the outcomes because it is a primary purpose of human beings to take care of the world resources and each other. They believe that people should behave in such manners in the organization as they behave in their homes; by keeping

³⁵ Appendix 7 Coca cola

the home clean, not using poison or chemical contained food, and by taking care of one another, in such manner we can contribute to the society at large.

Coca-cola has been providing soft drinks which are being enjoyed by a large number of customers mainly youth comprising teenagers, children and adolescents. But somehow they are not fulfilling their Corporate Social Responsibility because their high usage of insecticides in the product, bottling operations and their plant's activities which are the ample threat to the environment and the local communities. The activities of Coca-Cola forced various farmers to protest because their source of livelihood was on the verge of depletion; they had no other source of income.

The majority of the organizations have a single common goal which is profit maximization but now in this modern era it has become necessary to incorporate social responsibility as well as the meeting the objectives of profit maximization. Various global rules and regulations have been formulated for the incorporation of Social responsibility so that a company must not confine to its objective of profit maximization but also consider other factors in view which are associated with its operations and activities whether they are its employees, labor, global environment or the local communities. This is also done in order to benefit everybody morally and ethically. Some companies do not consider this corporate social responsibility yet they are the successful ones, this is entirely depends upon the brand image i.e. How the company satisfies its customers and create positivity regarding brand among consumers. As the world is globalized and in different think tanks, universities, and libraries the activities of organizations are discussed and analyzed, which create awareness among the local community through different mediums. So the need of the time is CSR, by hook or crook, organizations has to meet the expectations of people regarding their corporate social responsibilities. It is not only essential that an organization is meeting the responsibilities regarding labor, society and their protection, but some activists' belief that beside the anthropocentric responsibilities, organizations should also respect non-anthropocentric things which are somehow related to people's life. At the extreme end thought is shared that not only those living things has intrinsic values but the values of A-biotic things must be fulfilled; such as our whole economic system. We also understand that it is not possible for organizations to meet all the demands and requirements of ethical clubs or the think tanks especially those who are working on the issues of CSR. However, it is expected from them that they somehow contribute to society and betterment of people. If not go to the extreme, at least organizations should meet the CSR standards. As we say the world is become the global village and people

are now very close to each other, so the organizations shall understand that we are the family and growth is only in mutual care and trust.

Coming towards the corporate social responsibility of coca-cola company, we found great lapses in their responses regarding the allegations made by them. Blaming one another is not the solution and greater blunder is that you know that you are on the wrong note. It was discussed that over 1.3 billion times people consume coke in a day and if an organization still not care about the concerns of people then it is supposed that people will automatically react one day and will boycott with the product. So mutual concern, care and security should be augmented and an organization must plan for it and analyze itself, where it stands.

In India, it is found that Coca-Cola is not satisfying its corporate social responsibilities which could be clearly seen from its past records because various allegations have been imposed on it over the past few years by various NGO's and through articles and newsletters. Results pretty much reflects that this company is a threat to environment, health and local community in India and are violating global ethical standards as well because they are using water resources at large scale and dumping their waste into rivers and surrounding fields which has made it poisoning and malodorous which could not be used by the local farmers who don't have any other source of water due to less rain and water storage structures. And with usage of waste which is used as solid organic fertilizer in many areas of India lead to potential threats in the shape of several types of diseases and polluting the environment.

This company had been associated with serious numbers of abuses through various articles that it was responsible for the water shortage. With so many accusations Coca-cola had to face serious consequences like banning sales, limited demand in various countries. The brand equity of any organization could be associated with its corporate social responsibility and this could be seen from the case of Coca-cola. Coca-cola had failed in incorporating social responsibility in India which affected its brand equity worldwide resulting banned sales in various countries.

On the other hand Coca-Cola claims that they mainly focus on CSR and take it as main component of business. Coca-Cola declares that their core focus is on CSR issues like labor, community, climate, energy and water. Moreover, as Coca-Cola has more than 25000 employees, they try to provide them with safe and healthy working environment and are still looking for improving it. The report form Coca-Cola also suggests that they have a keen compliance of business and social responsibility. They are highly motivated to keep the

environment clean and healthy as they recycle waste water for usage of greenery and other waste is safely disposed off. Not only this, Coca-Cola is working on substitute projects to help and contribute to the local community. For water problem Coca-Cola is making the structures to improve the system with the help of local NGOs and communities. [4] The perspective of the Coca-Cola regarding workplace and labor is to provide them ideal environment where they can flourish and improve constantly. Regarding local community, Coca-Cola is showing keen interest in improving the quality lifestyle of people by providing them facilities of water, health, safety and educational plans. Coca-Cola is also working on rehabilitation and world awareness programs with the help of local NGOs and community. [6]

Through these statements and awareness programs Coca-Cola managed to get out of the well but not the problem. Coca-Cola replied to these allegations but it all went little late. However they stated that they are motivated towards CSR but can their late reply will help in regaining the brand image and the news is spreading like a wildfire all over the world that Coca-Cola is exploiting the global ethical code of conducts in India. If Coca-Cola manages to realize that CSR is getting extremely important; while giving rights and fulfilling the responsibilities regarding labor, the environment, and local community, and organizations cannot grow for a long time without a CSR.

Corporate social responsibility has a comprehensive role in building brand image; if an organization is only motivated to get higher profit with all the wrong means than they can no longer survive in the market because other organizations are treating CSR as their competitive advantage as well and consumer are getting aware of the activities of organizations. At the end Coca-cola should try to maintain a proper water storage system and try to establish its plant in such areas where they could dump their waste efficiently and where there is no water shortage and try to figure out that no local community is negatively affected instead they get benefited which would in return be beneficiary for the company itself. By proving these facilities to labor and local community there are chances that they will get attracted to the brand and would be difficult to switch off. The company should also try to use effective testing methods in order to maintain the quality of its product and removal of pesticides for the health and environmental concerns. This would certainly enhance their brand equity as they will achieve the highest standards of corporate social responsibility.

On the other hand, apart from all the criticism, Coca-Cola has been highlighting the significance of before-profit responsible activities. The campaign that was focused on India

took place as a result of Coca-Cola's interest in linking CSR and profitability. Having consumers a major part of their stakeholders, Coca-Cola has been trying to lead as a socially responsible company.

Some of the Coca-Cola's CSR related activities in India include 'environment' with its diversified aspects like preserving water and rain-harvesting in areas with excess water. Coca-Cola is making these efforts in coordination with NGOs like CRY, Prayas, Pratham and NFLI (Naandi Foundation and Literacy India).

Coca-Cola has also played its part in enhancing the 'literacy' rate of India through centers like Run Jagriti Learning Centers. These centers are dedicated to providing education to a huge number of children who are residing near the Coca-Cola plants in Pune. It has also been working on community awareness with the cooperation and coordination of community leaders.

Coca-Cola has also worked on introducing remedial educational schools that are used to increase awareness and education about health and how diseases like AIDS and hepatitis-B can be avoided.

Rainwater harvesting was a major program introduced by Coca-Cola to fight against scarcity of water in India. There are some other projects undertaken by Coca-Cola like renovating a 400-year-old well and projects of purifying rain water for farmer's use.

Coca-Cola has worked in the community of India in collaboration with Basti Shiksha Pariyojana, undertaking the project of CII, which aims to provide non-formal education to unprivileged children. Coca-Cola has been working with different NGOs and communities to undertake projects of remedial learning, informal education and vocational training in rural areas of India.

In the recognition of its contribution towards community and CSR, Coca-Cola has been given many awards all around the world. Some of the awards include *Global Golden Peacock Award 2008*, *CII National Award for Excellence in Water Management-2008, No. 7*, *Most Respected Multinational Corporation in India* by Business World and Indian Market Research Bureau (2007)

, *Pegasus Corporate Social Responsibility Gold Award 2008*, *Asia Society Leadership Award* (2007), *Corporate Social Responsibility Award*, *Mexican American Legal Defense and Education Fund* (March 2007), *Ethical Brand Awards* and many more.

5.2.3³⁶ Nike Case Analysis How CSR Increase Brand Equity

There are many things which are considered as morally, ethically and legally correct and consequently affect both companies and people. Now, few of the ingredients which corporate social responsibility does pose includes; protection of labor rights, contribution in a hazard free environment, care and contribution to the local community, and transparent communication of information through advertising and public relations. While a sublime responsibility of a company is to have integrity based full disclosure of information which communicates the doings and not the doings of the company. While it is important to keep in view that it is for the cause of mutual benefit in the relationship of buyer and seller. It is analyzed that among the investors of the American population, three quarters of them are very conscious regarding CSR while they make buying/investment decisions. It is aggressively discussed on the number of occasions that people have right to know, right to listen and right to make decisions accordingly, and if some stimulus is affecting those decisions in a somewhat manner, then he/they would be considered as legally, ethically and morally criminal. People are suppose to be free in making buying decisions and their perception matters a lot regarding any brand, if this perception is being affected positively or negatively than buying decisions can be turn around which has pretty much effect upon the brand. Every now and then we see brand images are developed by exaggeration of discussion on the importance of CSR by the organizations. However there is little application of those discussions behind the scene.

Nike Corporation³⁷ is also facing the dilemma regarding its actual practices and the communication made by its stakeholders. As the Nike has extended its supply and production line, the more conflicts and contradicts they are facing among its supply chain and marketing channels. With the outsourcing programs, the issues regarding labor, the environment and local community increased drastically. For managing these issues Nike channelized some methods which created a vast platform for discussions whether it is an acceptable way to

³⁷ Appendix 8 Nike

resolve the issue or not, from different point of views. With the reputation of one of the largest manufacturer of athletic footwear Nike were labeled as sweatshops because of its unethical activities with labor especially women and child labor. When the Japanese market established, Nike moved its outsourcing activities towards the markets of Vietnam Indonesia, and Thailand. Nike was cited as they are exploiting labor and local society by putting extra burden on the child and women labor. It was identified that they were giving below the market pay rate and taking superfluous of work. When these reports acclaimed the spotlight in the media and became point of discussion among the foreign society, people reacted very strongly and get conscious regarding their buying decisions. As the subject raised that Nike is exploiting with lives of labor and society by providing an insecure environment for working and abusing the basic human rights, they responded instantly by setting up the tactics to create the goodwill instantaneously. Afterwards, Nike started to activate their PRs to communicate that they are fulfilling the human and labor rights and are proving comprehensive working environment. Now, the question arises here is that either they are providing correct information or not and second, if they started to provide proper ethical and legal rights to labors now, then why should they were not communicating well before the time. It is the one of the prime responsibility of an enterprise to fulfill ethical obligations of its stakeholders and provide full disclosure of its CSR activities to the people. The researchers have also found that there is hypocrisy in act of corporate social responsibility (CSR) as organizations are performing corporate social responsibility inconsistently and always has intentions of generating more profit behind the name of CSR.

Reaction approach to negative publicity by Nike raised many questions regarding their ethical and social activities. Another aspect was that Nike were creating artificial demand of consumers by exploiting the consumers' emotions and creating the perception that they are contributing more to the global world and are very conscious about labor, their working environment and the society. Nike also claims that they are consistently improving working conditions of labor and proving them proper platform to grow. They are improving their supply chain and operations in order to meet mutual expectation of industry and consumer. However we see there is a misconduct with labor force but Nike claims that they have a philosophy of mutual concern with trust and respect. There HR policy includes developing opportunities for human resources and they keep their environment ideal and safe for efficient production of goods and services. [1] The study shows that marketers are creating demands and through advertisement they are gaining attention and attraction of people. However, for

ethical decision making it is argued that there should be transparency of information that in what circumstances the product is made. It has felt that through ethical and moral advertisement the scenario can be changed. If it is comprehensively communicated that the objective of the organization is not only making huge profits by cutting down the expenses of production and labor, but is to maintain an ethical code of conduct also. It can easily be reflected that company is heading towards the right moral direction by making themselves accountable in front of a third party and by making external financial audits. Through this activity public would come to know that from where the profits are coming and what the margin is behind it. If the shareholders demand it to spend on the social welfare and improving the working environment for labor, then brand image will certainly improve and local communities would be satisfied as well. One other way of evaluating yourself is to set the standards and then check your competency with these standards over the period of time. Through PR campaign Nike manages to recover some moral damages but still it is suggested that they should introduce full transparency in accounts and information sharing to meet the expectation of stakeholders.

After getting charged by the court for its activities, Nike started improving its public relations by creating awareness and through labor report, CSR statements and personal letters. They revived their strategy and divided the work into tactical movement by visiting colleges, releasing newspapers and communicating through websites. Nike responded to the situation by documenting the ethical activities with the evaluation of working conditions. It was made sure that in all of its factories, Nike is taking care of labor through medical facilities and increments in pay rate of the workers. Nike all together tried to cement its position by making it visible that they are meeting the social responsibilities by inducting new production standards, monitoring the working environment and safety concerns. Through publishing news articles and press releases Nike got successful in clearing the image. Through personal letters and website posting they managed to get better ranking in the eyes of few evaluators as they endeavored meet global compliances regarding labor, the environment and local community. But with all of this, the concern of the world is that all these reactionary activities are temporary or they have actually revived their strategy. Another concern is, are they actually going to always communicate the correct information or there is again focusing on attention economy and exploiting the emotions of the people. Meeting the legislation or fulfilling the world's concern for the time being is not only the sole responsibility of the organization, people anticipate for global ethical accomplishment as well as competitive

pricing. It is argued that to have a focus on CSR considered as a competitive advantage as well. There is no falsity that an organization has objectives of creating maximum profits but it is questioned that there should be right balance in between corporate social responsibility and making profits. On the transparency and disclosure of information through advertisement, some intellectuals articulate that an Ad must meet some basic characteristics at first which includes; an Ad must be seen, read, believed, remembered and acted upon. The only point of making the standard for advertisement is that customers must think cognitively while making the buying decision. If an organization is channelizing the advertisement strategy of keeping the social, ethical and moral responsibility in view then there is no objection. But at the same time an organization is creating the artificial demand and do not execute the social and labor responsibilities then it would be considered as highly unethical. While consistency is prime importance in the process of making an organization ethical. The respect for people is critically important, if an Ad is made on the basis of motivational research and hence the emotional part of human being is being targeted than it would be considered as an attack on the integrity of the person. So there should be right balance in between providing the information and attracting people towards the product.

Nike was spotlighted in many studies by the non-profit social groups; it was accused of violating basic labor rights, abusing human rights and unacceptable working conditions. As a result of these accusations, Nike made an effort to hold a survey in order to get a report with hard core facts about the working conditions in their various factories.

Since Nike was unable to comply with the standards of human and labor rights, it had to face severe criticism public, political figures and even by stakeholders from IFCCR (Inter faith Center of Corporate Responsibility). There was so much of the debate over NAFTA and GATT that there was an increasing consciousness about trade policies with the third world countries, hence affecting Nike's image negatively. Later in 1997 U. S. -Based Vietnam Labor Watch critically evaluated Nike after their visit at different factories that the laborers were exposed to dangerous heat levels, overwork, poor food and physical punishments. Around the end of 1997, rallies against Nike were held in 50 different cities of 11 countries.

Even after all the criticism, on the basis of a survey held in 20 factories located in 6 Asian countries, Andrew Young made a report about the working conditions of different factories of Nike and concluded that they met all the standards related to health, labor and safety. He also concluded that the pay rates were almost double than the average wages in the same sector.

He also asserted that employees were given subsidies for food and medical coverage. He also found out that Nike had 90 inspectors who were responsible to monitor the factory conditions as well as the suppliers. Nike also holds audits without informing the local authorities so as to ensure standards are being met by all the factories and surprisingly the results are announced publicly. Nike has also worked on the initiative of monitoring labor practices of supply chain.

Nike reformed its labor practices by keeping the laborer's minimum age cap of 18 years, coping with the USOSHA's air quality standards, concentrating on workers' education, giving business loans to families in the developing countries like Pakistan, Indonesia and Vietnam and by allowing outside parties to visit their factories and monitor labor laws and human rights.

Nike has introduced a 'scorecard system, in which CSR is a part of the many factors that may affect engaging a contractor. As a result of the increasing pressure by the activists and NGOs, Nike made sure that the suppliers were in line with the standard working conditions and had community welfare as one of their aims. In order to ensure that the standards were being met with the contractors and that they could attract quality labor, Nike gave them different incentives, which shows their deep interest in CSR.

After the analysis of case it is demonstrating that a CSR statement is the solution of the problem. The need is identified regarding the mounting issues of social and ethical dilemmas. It is felt that there should be procedures, process and standards needed to be documented. With the passage of time there is needed to have an audit and continuous revival of these tactics. However audit is quite expensive which also will affect the bank statements of the organizations but with boosting knowledge in developing countries people are getting aware of their social and ethical rights.

To standardize and accomplishment of corporate social responsibilities is inevitable as boosting knowledge in developing country made people well aware of what is happening around the globe and what are the global ethical code of conducts. Shifting factories and outsourcing agents due to cost in different countries is not the solution because the awareness and education will always increase. Hence, the betterment of organizations is to know starting thinking about CSR because if violation of environmental constrains and labor exploitation will always increase the problems. So communicating the speech based upon truth will increase the bond between the company and consumers. By taking care of labor and giving

them freedom of expression will increase not only the productivity but the loyalty also. Taking care of the environment is very vital and thus increases the brand image also.

Nike in its CSR statements also states that they assume that the world might be facing some environmental issues; water scarcity, climate transformation and other environmental challenges, so they try to create sensitivity regarding the issues. The state of natural resources is not flattering. The effect of these issues also somehow reflects the business outputs also and therefore it is important that the world should think about it and behave accordingly. For the community Nike has created Nike foundation and created the concept of making the world healthier through sports. So it is realized that considering the delivery of values regarding labor, the environment and local community is sublimely important to survive in the market and the world over the longer period of time. Now it is the choice of organizations to choose the short term benefits of cutting down the costs or choose the long term profit by taking care of CSR.

5.2.4 Shell-Case Analysis

Shell is a well known Company associated with Oil and Gas. Here in this analysis we would be focusing over the Shell CSR initiatives³⁸ and its brand equity along with the folks over variables like environment, local community and labor. The CSR initiatives of Oil and Gas sectors have always been critically questioned and thus they have been under continuous discussions of critique who have tried to show that they are sociably responsible while in actual they are not. The shell is among one of those big CSR speaker companies in the world who actually are actors and they have been acting while using the terminology of CSR. The case studies of Shell have shown that its behavior towards the stakeholders whose most important component are laborers, which has been seen visually wrong. They have been doing different acts that were not in the favor of stakeholders. This was being targeted by many Social activists and among those major was Ogoni. Shell has been targeted on the basis of ethnic discrimination, environmental responsibility and human rights violations. They have been accused against the fact that they never put any positive impact on the Ogoni community/society although being operating there for last 40 years. Based on the company's behavior in Ogoni society the Shell's image has been tarnished a lot which has also made communal people to attack over Shell in UK.

³⁸ Appendix 10 Shell

All such acts show the social irresponsibility of Shell against stakeholders and this has seriously let them down in terms of brand equity. Now here in this case the major thing that needs to be considered is that the global impact and image of Shell might not be hurt but the point that should be noted here is that the local community got hurt a lot and this lets them face so many problems which made their thinking negative against Shell and this degraded company's CSR image. Shell has defended themselves by saying that the stakeholder definition doesn't fit for such communities thus they would not think about their benefit or loss. Afterwards this challenge was also been clarified as who so ever would be affected by company actions would come under the stakeholders. Shell always defended itself against such issues by giving excuses. Thus they both ended up in clear fighters which should not have happened if Shell would have responded responsibly.

The sinking of Brent Spar was highlighted by the media and criticized by Greenpeace too, as it was believed to be a planned incident. The reason behind it was found out to be the fact that it had some materials not safe for health.

Rather than emphasizing on a prolonged support for the community, Shell gave away temporary gifts that were at one-time help to the community and did not make any difference to its development.

Different companies within the oil and gas sector have developed strategies to save the local communities and their development. Although Shell has been responding to the criticism of NGO's and the critiques very well but when the question arises of global warming effects of the industry, nothing can justify their mistakes. They say that they have been striving for the betterment of the company image as a CSR responsible, and to keep the labor force happy with the company policies but it has been observed by many researchers that there lies a clear difference between the thoughts and real situations of Shell. Shell believed that the social investments would be helpful in maintaining the social image of the Company. They might not have thought about the Company's responsibility, instead they have considered it a tool to use for marketing and creating brand image in mind of people, which is absolutely wrong.

CSR and Shell have been under discussing of so many critics and scholars but few things do contribute to sincere effort of Shell towards the CSR. After so long, Shell had decided to play part in Social Community Development in the Niger Delta, Nigeria. In Nigeria there is a

serious issue regarding the poverty and sustainable development of the country because of low commitment of government bodies toward the issue. So Shell has taken part in the societal development and in removing poverty from the society. Although several different initiatives have been started before but the region has not yet been benefited. So now the strategy which was being planned by the largest Oil and Gas Company of Nigeria i.e Shell was expected to be successful by a huge margin because of the community support and good plans. This also happened because currently all the staff of the Shell in Nigeria included Nigerians who were committed to the change in society.

It was being observed that within Nigeria Shell contributed to the society from time to time under different paradigms. First one started from 1960 to 1997 and that was related to community assistance, the second was from 1998 to 2002 and it was more about community development and last one is from 2003 till present and it considers more of sustainable society development. This shows a serious attitude of Shell towards CSR and Nigerian society from the start. In the first era of community assistance, Shell was interested in interactions with the society and they were considering more over the wishes of people instead of their needs. Whatever projects were initiated in terms of CSR were not of participatory nature, instead minimal participation of society members was seen. By all this Shell was being considered as a multifaceted company in Nigeria.

If we look into the history of the second phase of Shell's CSR responsiveness in Nigeria, that is Community development. In this phase all the projects were properly planned and executed and along with that the participants from rural areas were planned. Although it happened but still a weak relationship was maintained among the society relationship and society development departments. Internal controls were very low if though about the society and their participations while having all such things still a few partnerships were observed in the society.

Now the last and latest era that was of sustainable society development in Nigeria, Shell has been successful in maintaining flawless integration of societal relationships and societal development departments which was a key to success of all pipelined projects. Along with company experts, many external advisories were also helpful in making decisions regarding the project status and final deliveries of projects. Proper and effective participation would lead to the organization's success and thus would lead to the society development. Through all this the multifaceted image of the Shell was removed and it was single faced now.

Operational synergies were being maintained with the stakeholders. More of thematic focus was observed during this phase e.g. Economic empowerment, health and human capital growth which were the actual reason for the success of CSR initiatives of Shell in Nigeria. Lastly and most importantly, the participation and partnerships were more of strategic nature all along this development period.

EIA, Environmental Impact Assessment, carried out by Shell, was one of them. Shell claimed that the EIA for Sakhalin was just according to the World Bank, although activists did not completely agreed with Shell’s analysis.

All this made the Shell’s image as a socially responsible organization in Nigeria. We hope and believe that Shell would continue to make such initiatives all over the world throughout all is branching which are extended in different regions of the world. This would not only help making Shell’s image positive in the community, instead it would lead to their better performance as the CSR would surely lead to better brand equity for Shell.

Other People Social Group And Media Views Of These Companies

Company name	Environment	Local community	Employees		Total Sum
			Owner	Supplier	
Shell	2	4	3	0	9
Nike	3	3	5	4	15
Apple	2	2	5	2	11
Coca Cola in India	1	4	4	3	12

**Figure 13 Other people social group and media views
The figure of the author2012**

The rating is given to the company on the scale from 1 -5, where 1 is very bad and 5 is very good at the basics of people, social group and media views about the companies towards environment, labor and local communities and its further categories of these variables mention in the above table1. The more they are following the above table1 variables category more rating is given to that company.

5.3Stakeholder Theory and Its Implementation On The People, Social Group And Media Views

After using the stakeholder theory and the Freeman approach on the social group views, based on Figure 14, it has been noticed that most companies consider employees to be an important

variable as compared to other variables. Nike was given the highest rating; it means that it considers its employees an important aspects. It happened especially after the serious allegation brought to the limelight with respect to its suppliers about child labor, low wage rates and poor working conditions. Now Nike is working on improving various practices related to its employees. Apple is treating its employees well in its head office, but the situation is different in its suppliers' places. Apple recently faced the allegation of injuring employees, suicidal attempts and overwork problem. Apple made their codes of conduct, but they are not implemented as Nike does. Coco-Cola and Shell both seem to be average in this case.

In case of environment, Coca-Cola in India has a very low rating because of dumping wastes near the residential areas, using toxic water and other allegations that make Coca-Cola in India less reliable as far as fulfilling their promises is concerned. Shell and Apple are also rated low in this category. The shell takes steps against the environmental issues only so that it can regain its image which was badly affected because of the environmental issues. Apple is working on this issue but it seems like it is not enough; they need to work on it even further. Nike is at the top in this case, as it considers it as an important issue in today's world. Nike is trying to use the material for its shoes that are can easily be recycled and can eventually make less waste.

In terms of local community, Coca-Cola and Shell is on the top with a 4 rating. Both are working on various projects. Coca-Cola is also working with NGOs as alliance partners. NGOs include Naandi Foundation, Child Relief and You (CRY) and Literacy India. They are working on health, education and rainwater harvesting in backward rural areas of the India. As far as labor and environment are concerned, they are doing better in the community. Shell, on the other side hand, is working on the removal of poverty and community development projects, so that it can prove itself as a well wisher of the local communities. For the community, Nike has created Nike foundation and created the concept of making the world healthier through sports. Apple, in terms of local community, almost does nothing.

If we compare what companies say and what they do, we can see that companies make more promises and in reality, they hardly ever fulfill those promises. Another important thing is that companies' CSR practices vary from developing countries to developed countries. In the head offices, they take good care of CSR practices, but in the underdeveloped countries, they normally don't bother giving much attention. Whatever actions are taken by these companies are a result of criticism of social groups or media, who highlight their negative aspects in the underdeveloped countries. Mostly, the problem is with the companies' suppliers, like Nike

and Apple, whose supplier were involved in child labor, poor working conditions, low wage rates etc. It is because of poor check and balance and lack of implementation of code of conduct by these suppliers.

Comparison of What Companies Say and What They Do

Company name	Environment		Local community		Employees Owner		Supplier		Total Sum	
	Say	Do	Say	Do	Say	Do	Say	Do	Say	Do
Shell	4	2	5	4	3	3	0	0	12	9
Nike	4	3	5	3	5	5	4	4	18	15
Apple	5	2	2	2	5	5	4	2	16	11
Coca Cola in India	5	1	5	4	4	4	3	3	17	12

Figure 14 Comparison what the companies say and what they are doing
The figure of the author 2012

The rating is given to the company on the scale from 1 -5, where 1 is very bad and 5 is very good at the basics of Comparison what the companies say and what they are doing.

5.4 UN Global Compact

The United Nations is imposing positive impacts around the world through its initiatives. These initiatives play a pivotal role in developing a thorough image of CSR. The ten principles of UN Global Compact³⁹ educate and create awareness among companies of around the globe to enhance their participation in different areas of CSR like human rights, labor, environment etc. These principals remained successful in gaining worldwide consensus.

5.4.1 Labor

As we have discussed in detail, environment, labor and local communities entail the value of brand equity and UN Global compact influence and enforce companies to involve, support and intact with a set of core values under the fields of environment, labor, anti-corruption etc. One of our core variables are labor and 4 principals come under labor in UN Global compact. First principal said; “Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining” (UN Global Compact). Freedom of association means to give complete independence to its employees to take decisions regarding their joining and exit. It is their right to decide either to join any trade union or not, and the employer does not have the right to interfere in this decision making process. Companies that we studied like Coke, Nike, Apple and Apple organized by a large hierarchical structure.

³⁹ <http://www.unglobalcompact.org>

Despite making so many efforts for the labor, the principal of good faith take birth from collective bargaining (UN Global Compact). As discussed earlier, Nike is facing severe allegations regarding the increase of child labor, so it is not possible to eliminate it individually. Mutual efforts with the other companies, local communities and labor unions are a must.

Exercising cumulative bargaining and step towards freedom of association open the doors of dialogue rather than confrontation among employees and companies. It evokes harness of energy and actually works in the favor of all the stakeholders, including the society. Freedom of association helps to enhance productivity to a greater extent through setting in to motion a “decent work” cycle and it is proven according to the number of researches. “Voice at work” embraces worldwide attention towards local responses and serves as profitable investment trend and consistent growth of the economy. As per International Organization for Employers, high performance companies admitted the importance of dialogue and negotiation that actually increased productivity and competitiveness.

Companies can use a lot of the employees to enhance their competitive position through giving them space and independence to join the trade union of their own choice. Non-discriminatory policies and procedures should be adopted with respect to labor unions, employee application procedures, transfers, joining and dismissal. Collective agreement can be a source of developing good relationships with employees’ representatives, so acceptance of representatives must be given importance by the companies.

To undertake corporate social responsibility, companies must understand the dynamics and the importance of understanding freedom of association and collective bargaining.

There are countries where respect of human rights is not supported by the local governments, and there is no such legal framework for the collective bargaining and industrial relations. Companies support to trade, and company unions become evident in this scenario.

The endorsements and intentions with the UN Global Compact must be informed to the local community, press, media and public authorities by the companies. Companies should share their intention towards accepting and respecting the workers’ rights. It must have a positive impact on the overall competitiveness of companies’ products and services.

According to the Labor principal of UN Global Compact, “businesses should eliminate all forms of forced and compulsory labor”.

Companies must ensure the elimination of any forced behavior in regards employees' intention to leave or join. The role of companies and state becomes extremely important to avoid the circumstances of slavery, child labor, physical abduction, bonded labor, threats to labor, non-payment of wages, deprivation of food and shelter, discrimination of employees etc. There are a number of companies around the globe involved in any of these unacceptable occurrences.

Companies must have clear cut policies to ensure elimination of any such acts. Large scale developments should never rely on forced labor. Careful monitoring of the supply chain and subcontracting arrangements is important in order to avoid any of these circumstances. It becomes difficult to hide any such violations and crimes in today's era and it imposes an extremely negative impact on the image of the companies as well as particular industries.

In order to increase brand equity, the role of CSR becomes vital with respect to these companies. They must build partnerships and trade unions to eliminate such events, increase facilities for the labor, arrangements of micro-credit facilities for adults, funding education and health for children of labor etc. They must ensure the elimination of child labor, which has become a worldwide issue. Age standards in regards to the type of work must be justifiable. There should be a mechanism of finding child labor and eliminating them.

Companies like Nike, who may have sub-contractors, need to ensure the elimination of child labor. There is a huge debate around the globe that few industries are not working to eliminate this crime as per their full capacity. The role of local communities and trade unions come in front to make them realize and make them responsible.

Discrimination of employees on the basis of race, sex, age, disability, religion must be done on justifiable basis. All these efforts must be shared with the stakeholders. The qualification, education and experience must be drafted in accordance with the reality. There should be no discrimination. Establishing training and skill enhancement programs spread a positive gesture among employees and push them to show their full energy and productivity.

5.4.2 Environment

"Businesses should support a precautionary approach to environmental challenges" (UN Global Compact)

Principle 15 of the 1992 Rio Declaration states that “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation”.

Precautionary approach make the companies and some particular industries like oil and gas realize to adopt risk assessment, management and communication in order to avoid any environmental uncertainty. Companies must decide about any work operations and projects on the basis of environmental risk involve public acceptance and economic and cost-benefit analysis. Here comes the famous role of prevention rather than cure in order to ensure the avoidance of any irreversible environmental damage.

Investing in research and developing environmentally friendly products can surely have significant progressions of progress in the long-run.

Developing a code of conduct and company guidelines is important to ensure the development of environment-friendly products. It must be shared on all the channels of production as well as communication. Companies must support independent as well as public researches conducted, in order to seek new ways of protecting the environment. These researches and knowledge must be shared among all the stakeholders and such efforts should be made through joint efforts.

Another principal of UN Global Compact dictates that "Businesses should encourage the development and diffusion of environmentally friendly technologies."

Environment friendly technology means less pollution, a protecting environment, recycling of waste and products, cleaner production processes and using all the resources in a productive manner. Coca-Cola engineered its production processes and upgraded its production technology to minimize the operational inefficiencies and toxic waste. The point of concern is to understand the importance of technology up-gradation and recognizing the role in the external environment. Companies usually under-estimate the importance of principals given by the UN Global Compact and the focus remains on generating revenues while neglecting the fact that brand equity somewhat directly relates to these positive contributions to the environment.

Environmentally sound technologies can eliminate day-to-day polluting emissions, operational inefficiencies, waste, workers' interaction with hazardous materials etc. It leads to enhancing productivity standards, less use of raw materials, increase in the overall

competitiveness and providing long-term growth. Shell and Apple in the past few years have changed the way of usage of technology in their production processes. Apple has become the giant in technology world but we need to assure that these companies set clear performance objectives regarding the production and consumption processes and are sustainable in the long-run and are sure about their compliance standards.

Nike is being imposed by the allegation of creating child labor, especially in Thailand and Vietnam. Coke observed many allegations of polluting the environment in India. The employees of Apple in China were severely affected by a chemical that was used in production processes. So, core focus and long-term development must not contain only the revenue streams. In fact, environment and labor are the backbone of any company and must be taken care of with the help of local communities. These companies, especially Nike, need to work on a sustainable program with their suppliers to eliminate child labor, improve environmental performance and responsibly become more active from product chain to supply chain.

5.5 Integration of ISO in CSR Practices

Corporate social responsibility plays a vital role for the whole economic system with the contribution to society, environment, and labor through organizational practices. Over the period of time its importance is inevitably increasing. Different activist groups, institutes, parties, and school of thoughts have made numerous contributions in this concept of global awareness. Thus to some extent, these forces try to induce organizations to implement the ethical rules and regulations for the betterment of society at large. However, with increasing awareness and implementation of CSR concerns, the costs of organizations have also drastically increased and the financial flow becomes more complex. But it is argued that over the longer run the organizations do get benefits, if they stay on track and some cases also prove this argument. If we secure nature/environment, local community, and labor then the reaction of business performances is also encouraging as brand equity ultimately gets stronger and positive. These all factors and variables are interlinked and hence synergize the whole system to get the overall constructive picture.

If the reputation or brand image gets stronger and easily recognizable then it is seen as the competitive advantage for an organization and brand image is not possible to develop without

fulfillment of expectations of labor, local community and environment security. As we are transformed from an information economy to attention economy, it is becoming more challenging convey to consumers that we are fulfilling the ethical norms of labor, society and global environment and at the same time it is important to get the attention of consumers also. It would be all in vain if you are taking care of corporate social responsibilities by meeting the expectations of labor, local community, and the environment but, you are not able to show off that you are doing such activities; which would mean that development of brand image would be remained as constant. Some scholars argue that it is not necessary that you fulfill CSR just because of your business concerns but the businesses owe to meet the corporate social responsibilities, they are not concerned with brand image or its outcomes. But still there is no problem to see CSR as selfishly which would in return built a brand image once you deliver regarding fundamental rights of labor and local communities.

ISO set the standards to provide the guidance to organizations for stabilizing its corporate social activities. Through implementation of its different clauses regarding the social responsibilities it is believed that organizations will only have joy of benefits/goodwill or superior brand image, as taking care of each stakeholder will reflect the reputation and reliability of the organization.

The organization should consider and study the two basic steps regarding delivery of social responsibility; one is to first, recognize the social responsibility and then secondly decide, to whom it should be delivered and how it should be delivered. Sometimes organizations perform CSR activities according to their own perception but these activities do not match the need of time. So it is sublimely important to identify the area in which organizations must ponder upon and then deliver, in order to get some positive outcomes.

According to an international standard organization, organizational governance must meet its basic six subjects regarding corporate social responsibility which includes fulfilling the human rights, encouraging and securing the labor practices, contributing to the global green environmental campaign, ensuring the operating practices are fairly accomplished, addressing the consumer issues, and timely contribution to the local community development. Apple is one of few most progressing technology platforms and need to be more aware about the CSR since the core focus is to be more and more technological advancements and CSR replaced with more generating revenue options. The employees of Apple in China effected due to some

usage of chemical in the products. If human rights are met and labor is provided with a comprehensive working environment which ultimately affect the efficiency and good will of the organization, it helps in building the brand image of the organization. According to one of the principals of UN Global Impact that firms must take precautionary measures to face the environmental challenges. It is characterized with risk assessment, management and communication.

The brand image is also positively affected if the company constantly addresses the issues of its consumers, understands and resolves their concerns, such kind of ethical contribution to the local community and labor enhance the credibility and seen as a socially responsible organization. Now the world is becoming globally aware of environmental concerns and if the current unethical and non-environmental supportive practices will continue then the result would be destructive. Since such awareness has created the chaos and people/customers expect organizations to protect the environment and greenery through controlling their wastages. If organization performs some extraordinary steps in order to prevent the nature which will ultimately beneficiary to people, built the brand image of organizations and influence the consumer buying intentions also. It is also expected from the organizations that their products should be environmental and animal friendly. Considering the world as home and taking the steps of business accordingly should be our prime responsibility. In such order we should be highly motivated to stop the destruction of nature, exploitation and pollution of the environment, and animal abusing. The shell is the leader of the oil industry and selling oil lubricants by violating the environmental concerns is not that easy. It is about taking responsibility that nevertheless, Shell has taken steps to be more active in CSR in terms of setting environmental standards globally and become part of social projects. Shell developed a code of conduct as stated in the principles of UN Global Impact under the principles of protecting environment that code of conduct protect labor as well environment due to the set standards. The involvement of Shell in Nigerian community development projects is appreciable even though community interconnections needed to be more connected.

While performing corporate social responsibility the accountability and transparency of practices is very necessary. The activities regarding CSR should have compliance with rules and regulations, law, and culture of local communities; it helps in making the brand equity more strong. Meeting the local culture is not only the vital thing to accomplish, but assurance of a global code of conduct is also very crucial. For instance, child labor is considered as legal

in some country but according to the global ethical code of conduct it is an unethical activity and world see this activity with dark eyes. Nike is a big name in the sports world and considered to be heavily involved in child labor. As Nike increased its supply chain networks, issues regarding labor, the environment and local community increased drastically. Nike being a leader in sports world declared as sweatshops because of unethical behavior for the labor. It has become a big challenge for the Nike to undermine and control these issues especially in the markets of Vietnam Indonesia and Thailand.

If a business is operating in any community and earning its bread and butter from the local area then it is a sublime responsibility of such business to contribute to the local community and also pay some attention towards its development. The benefits of such corporate social activities by businesses are secondary part of such ethical contributions, but being part of the local and global family, it is expected to take it as serious as you are in your personal life. On the other hand, if we see CSR from total business perspective, then there should be right integration of contributing to the society; labor, environment and local community, and the creating the awareness among them. However, on every end there must be constant an improvement regarding the standards, rules and regulations, and structures of the CSR component of a business which ultimately contribute to brand building of an organization. The activities of an organization can have a positive or negative effect on its brand image. Therefore, for building the positive brand equity, an organization should consider itself accountable to governing bodies and its stakeholders for all the decisions regarding its activities. The activities can include progressive decisions regarding labor working conditions, introducing an education plan/campaign to the local society, or introducing recycling plant for its wastages. If an organization starts taking its stakeholder as its assets then, with mounting brand equity the profitability also increases. We have studied many cases that organizations obtain reactive approach regarding corporate social responsibility however they should acquire proactive approach regarding these sensitive issues. Under one of the principals of Labor- UN Global Impact, companies should develop partnerships and consortiums to control the child labor and to give the freedom of association and the effective recognition of the right to collective bargaining. The role of Nike has become more responsive to all its stakeholders in order to stop negative communication regarding CSR.

Making the life all anthropocentric and non-anthropocentric creatures secure by recognizing all the potential threats makes the image of the organization more reliable and enhances its

reputation. These proactive strategies and activities may increase the cost and decrease the profitability but on the long run, the organizations get the benefits as consumer considers them reliable and dependable brand. Now the world is becoming very competitive on this end (ethical/CSR performance) of issue, addressing the issues like; animal testing, gender equality, preserving the natural resources, recycling of wastages, coherence with local community's culture and norms, and maintaining the labor working standards, is considered as the primary responsibility of the business. Not creating something out of the box is the need of the time. With all these ethical issues organizations must also highlight the unaddressed issues which can become its competitive advantage and help in building the brand equity. Steps up on unaddressed ethical dilemmas are crucial and takes a lot of courage to do. But, once an entity resolves those issues or at least make an attempt to resolve such dilemmas, helps in building the credibility of the brand. Now a day, CSR is seen as a competitive advantage also, because with the increasing communication in the global village, the brand is judged on the basis of its performance regarding product, services, and ethical dilemmas.

There was a time when organizations operate with the principle of caveat emptor but now with the ever mounting information and knowledge people demand full disclosure regarding the products they are going to buy and by the time different legislation regarding the product and advertisement came into place. Some advertising techniques are considered as unethical activities such as; exploiting the emotional part of the human being and persuade them emotionally to buy such product or after studying the consumer buying behaviors and traits which attract them towards any product, creating an artificial demand, these all practices is considered as unethical and many scholars and school of thoughts also condemn such activities. It is the fundamental right of every community to know what the products contain and how they are manufactured and delivered, and all these detail information create awareness which eventually have great impact on the brand image.

Organizational practices regarding gender equality are yet another ethical dilemma which organizations are facing. With increasing number of female employees in the industry makes it more complex to handle. HR practices of any organization reflect its image towards taking care of human resource and treating male and female employees equally. Managing workplace conflicts and providing male and female employees equal opportunity to train, learn, and grow is what is expected from an organization and thus these practices are

considered as social responsibility as well. Performing corporate social responsibility in human resource regard has a large influence on the brand equity of the organization and its performance as well. Not only the distribution of equal rights is required but providing healthy and secure working environment for every level of employee is the one of the fundamental responsibility of organizing.

In order to perform effective and efficient social responsibilities, organizations first have to clarify its structure, objective, and role in the society. There should be transparency in every system of the organization and structure must be strong enough to identify the expectation of local community, labor, and on the environmental end. In such manner organization would be able to execute CSR with compliance to local and global law regarding ethical behavior of firms. Once the corporate social responsibilities would be delivered efficiently according to the road map, it would have a great influence on brand image of the organization.

The activities of businesses are pretty much affective and molded according to the local community's culture, political situation and other economical barriers. These factors play an important role in the stance of any organization. Organizations face many challenges while making the strategy for CSR and may have to encounter difficulties in shaping the CSR strategies. For instance; Nike has been facing severe issues regarding labor in a few countries since the time of outsourcing operations. They are struggling with those issues and facing all the stakeholders. Political and economical dilemmas intervene and hence affect the decision making of an organization and same is the case with Nike. The 10 principles of UN Global Impact have given a detailed and comprehensive plan for the companies to adopt and play a positive role as an important member of this society. These principles are the guidelines to remain actively involved in CSR activities. All the companies have to make sure that their production processes are according to the guidelines given by the UN Global Impact. For instance, Coca Cola is being charged with over-usage of water in India few years ago. There is another allegation that Coca Cola is selling contaminated drinks which contain large amount of pesticides and discharging toxic waste into the nearest rivers of the plant. These allegations badly affect the image of Coca Cola not even inside but outside the country as well that Coca-Cola is not showing ethical concern towards the environment protection. Dumping toxic water into the rivers is extremely dangerous that farmers normally use for cultivation process. According to the principal of UN Global Impact, companies must take initiatives for cleaner environment and labor friendly policies. Coca-Cola has taken serious initiatives through health and safety, water discharging projects with the collaboration of local

NGO's. One of the principals of UN Global Impact stated that the company should diffuse environment and labor friendly technologies that minimize the operational inefficiencies and cut down the labor hazards.

With political and economical challenges, there is another dispute that an organization faces which is maintaining the sustainable development while fulfilling these social responsibilities. So ensuring the health and safety of the environment, local community, and labor with achievement of highly valuable financial objectives is quite a mess to clear up. In such situation holistic approach towards all these problems is the solution and now organizations can no longer be naïve or one-dimensional regarding their strategy because ultimately there whole activities and strategies will influence the image of the organization.

Value addition in the process of marketing channel is highly requisite and if this value is not delivered or communicated between the customers/society then they would not become motivated enough to return their loyalty to brands. So creating and building the image after identifying the need and psyche of the consumer is what's required. Different people belong to different cultures expect different actions of the organization and the diversification of cultures and their local norms and values make the task more challenging because ethical values change culture to culture and society to society. Now it depends upon organization in what manner they want to progress. If they are a multinational organization then they have to decide whether to go with uniformity in the implementation of CSR or they want to treat different countries solely according to their own local issues and concerns. Sometimes it is better to treat the global society as a whole and built the strategy accordingly and at times solving and treating the ethical concerns culture wise becomes imperative. It all depends upon the organizational objectives but what people expect is the solution to their problem and it does not matter in what manner you resolve such issues. The part of actually resolving the issue and proving the value to the society creates the image of the organization/brand. In this society labor, local people and environment is included which all of them are very important at their own places and considered as resources to sustain business profit and loss statement. On the counterpart, these resources are pretty much responsible for making or de-making of brand image.

5.6 CSR Impact on Brand Equity

The four major companies of their respective fields are chosen in order to analyze the CSR impact on brand equity. This study is looking at the brand values of four companies, Coca Cola, Apple, Nike and Shell. This study explored number of areas where CSR impose impact on brand equity.

⁴⁰5.6.1 Coca Cola

According to Interbred, global best brand category⁴¹, Coca Cola is on the top of the list in this category. The company is not only focusing on the sponsorship of popular events like FIFA world cup but they are also working on CSR activities like youth empowerment, disaster relief, and sustainability issues around the world. In 2010, Coca Cola gave 305 million US dollars to Coca-Cola foundation who is working is in the interest of the people and community. In the last couple of years, they are also working on recycling bottle plants. The success of Coca-Cola is a combined with CSR activities as well as conventional business activities.

⁴²5.6.2 Apple

In the global best brand category, Apple is on the 8th position. The brand values of Apple rapidly increased over the number of years. The major reason is the unique products like iPhone and iPad which brought the actual increase in its sales volumes plus heavy advertising campaigns also spread a lot of attraction for the people. Apple started taking part in CSR through different internal and external initiatives.

5.6.3 Nike

Nike moved from 26th to 25th position in this category⁴³. Nike is considered to be the most consistent brand in this category. This company is not only working on different advertising and promotional campaigns like sponsoring the sports and football clubs but they are also working in the field of CSR in order to improve its image into the market. Nike is following a code of conduct for each factory which is manufacturing their products and Nike also assigned a team who ensured that this code of conduct are properly implementing or not.

⁴⁰ Appendix 11 Brand Value

⁴¹ Interbred, (2011) Global Best Brand category report retrieve on may 11, 2012

⁴² Appendix 11 brand value

⁴³ Appendix 11 Brand Value

Nike is trying to eliminate the use of hazardous chemicals in their products up to 2020. Nike is also investing in some other CSR activities.

5.6.4 Shell

Shell⁴⁴ was at 92nd position which moved to 81 in 2010 and now at 74th rank in this category. Cost reduction strategy could be one of the reasons, increase in energy prices and second reason is taking necessary actions on the environmental issues and global warming. Shell is

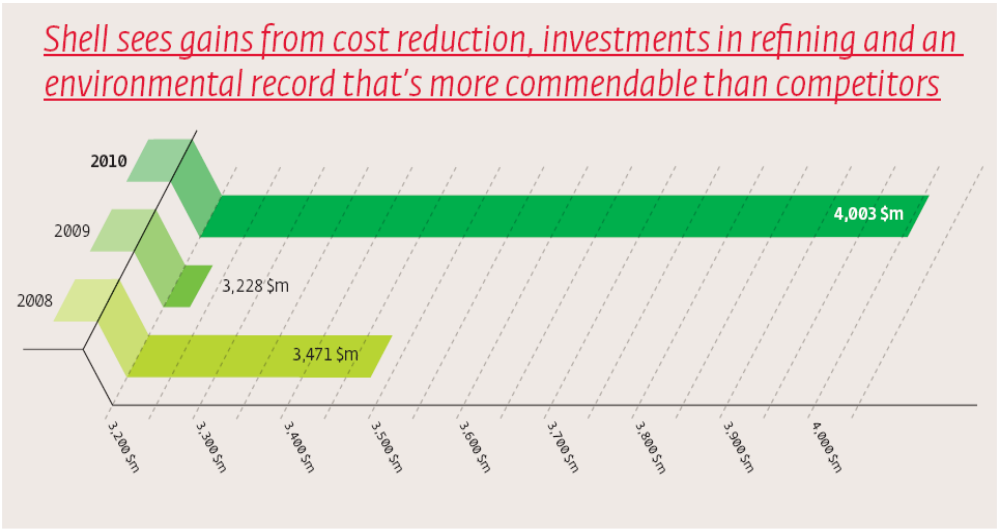


Figure 15: Shell Interbrand Image
(⁴⁵Image From Best Global Brand 2010 Report)

Supporting the regulation of Earth Watch and Nature Conservancy which enhanced the company image.

After a detailed review, this research shows that CSR does make an impact on the brand equity of the organizations. In few cases, it imposes a minor impact but it can affect a lot in most of the cases like in the case of Shell. Shell moved from 92nd to 74th and it enhanced its ranking because Shell focused on cost reduction strategy but taking part in CSR initiatives are also played a vital role to increase its brand value. Shell is now a leading company in oil and gas sector. Shell used CSR strategy as competitive advantage which enhanced its brand equity and helped to build a better image of the company.

⁴⁴ Appendix 11 Brand Value

⁴⁵ http://issuu.com/interbrand/docs/bgb_report_us_version?mode=a_p

Nike and Coca Cola are working on various CSR activities and consistently investing in various CSR programs because they believe that it is not possible to increase a company's brand image without investing time and money in CSR activities. Apple is slightly slow in this area and the reason of its major success is their unique products but still they have started working in this area with their partner Red Global Fund.

It has quite evidently proven that CSR can affect the brand equity of any organization.

The Interbrand brand value ranking is different as compared to Millward Brown top hundred ranking because both the assessments based on the different aspects.

⁴⁶Interbrand is using three aspects of the assessment

1. Financial performance of the branded products or a service.
2. Strength of the brand and
3. Role of brand in purchase decision process.

Whereas ⁴⁷Millward Brown assessment for the brand ranking is based on the

1. Kantar World panel data
2. Publicly available finances
3. Consumer research from the Brands database.

In both the assessments, values of the companies are same but the ranking is different because of different assessment factors, so we cannot rely on one source of brand value.

⁴⁶ <http://www.interbrand.com/en/best-global-brands/best-global-brands-methodology/Overview.aspx>

⁴⁷ <http://www.millwardbrown.com/BrandZ/default.aspx>

CHAPTER 6: CONCLUSION

On the basis of these findings, it has been drawn out that the main objective of all the companies is profit maximization. Companies are bound to implement CSR because of the pressure from people, NGOs and social groups use CSR practices in their business. Some companies developed a code of conduct, like Apple, but do not properly implement it in their supply chain. Most of the companies take action on such issue of CSR only after serious allegations or higher criticism by media or other social groups.

After implementing the stakeholders' theory and using the freeman approach, we come to know that companies do not give the same weight to all the groups of stakeholders. Stakeholders' practices vary from companies to companies, and even country to country, like Apple's practices implemented in China vary from those practiced in the USA. Shell's practices may vary in the UK from those in Nigeria.

Another thing is that company's brand equity is also affected if they don't follow CSR practices; like in India, some of the Coca-Cola bottling plants were closed after the allegations and criticism from different NGOs and media that they were using toxic water and were creating a shortage of water, where they had their plants. Coca-Cola in India was also banned in some universities and offices for the same reason. Nike was highly criticized by the media and different social groups because of wrong practices, like child labor, poor working conditions and low wage rates, which eventually affected their sales.

Shell was also facing similar problems like creating environmental pollution, doing nothing for the society, instead of doing good doing more harm to the people and putting more focus on profit maximization. In 1996-1997 350 incidents were reported in Africa that affected people and the employees. Green peace also criticized Shell and in return, Shell's sale dropped down in some parts of the world, especially Germany.

Apple faced the problem of child labor, low wage rate and effect on employees due to the chemicals used in the factory, employee suicides and other concerns that affected Apple's brand equity.

We have observed during the research that few big names of respective industries like Apple, Nike, Shell and Coca-Cola are somewhat involved in CSR but the forces of environment, labor and local communities made them aware regarding its importance.

Companies like Apple and Nike reduce cost by improving their working operation, using the materials that produce less waste and those that are easily recyclable. Companies like Nike and Shell are looking at new ways to do less harm to the environment. In terms of companies, brand value CSR is also considered an important element in this matter. Now they realize that without CSR imitative, they cannot compete with other companies in this competitive world. They also know that if CSR practices are not being followed, it can damage the image of the company, which is very difficult to regain, and it also effect company sales and profitability.

Companies realize that in order to attract competitive employees, they need to empower their employees, provide them better working conditions and involve them in company's decision making process, as the stakeholder freeman approach said.

The modern practices of CSR provide theoretical grounds, valid and reliable knowledge with the aim to transfer it to real-life situation. The managers of today's businesses should develop their own ideas about building a credible brand and developing healthy relationships with all the stakeholders.

Companies understand that if they use CSR as a strategy, it will increase their profitability, lower down their cost of high run over and earn them a good repute. This will lead to long-term profit maximization.

In the CSR, companies do the violations where the government has no concern or they don't care about CSR practices, especially in the underdeveloped countries. The government's role is also very important in CSR. They need to make certain rules and code of conduct and practices on CSR and enforce the firms to strictly follow them. If any firm doesn't follow these practices, the government needs to take action against them and stop them from running their operations.

Companies like Nike and Shell regained their image by using the CSR practices. Both are working now to maintain and improve the brand image. Shell got competitive advantage in the energy sector by taking initiative in the CSR, especially in term of local community and

environment and has now become one of the top most popular companies in the energy sector.

Nike, Shell and Coca Cola adopt the local CSR practices because they think CSR issue varies from country to country and culture to culture. They are trying to build a strong connection with the local community by working on the projects important for particular local societies. These positive steps create a good image in the mind of the consumers, which increases the company's brand equity, and people also think that they are their well-wishers.

People have very different views regarding the important group in the stakeholder theory; some people consider that the owner and the investor are the most important group who should be able to influence the decision making process, others think customers, suppliers and the community are also important groups in the stake holder, but Porter considers that all the groups are similarly and equally important in the stakeholder approach, just like the Freeman's approach, who considers all the element of CSR equally important in the decision making process.

By using the CSR practices and following the UN Global impact principal and ISO26000, companies can now become responsible corporate citizens who ultimately enhance the brand equity of that firm.

In terms of CSR, the role of the top management is very important because these are the people who make the company policies, and the implementation process of anything starts from the top. If they consider CSR as a part of their policy making and look at the pros and cons of everything, they won't have to face any issue related to CSR.

The research has given a few indicators and measurements to analyze brand equity and how much is CSR involved in it. One must admit here that building brand equity has become a big challenge in today's world, because there is a brand war going on in the market. Companies are consistently seeking ways to build brand equity. The presented Stakeholder theory that talks about all the stakeholders has given quite obvious reasons to accept the importance of this community. Environment, labor and communities jointly develop an entirely new and different image of a company that creates a positive impact on the workers as well as on the brands.

In the end, companies are socially responsible to their employees, community and the people and the environmental concerns. Companies need to give more attention towards the under developing countries, where many people are living below the poverty line and they are not much aware of the CSR. They don't even know about the adverse effects of environmental pollution. In this case, companies' role is very important; they, instead of taking the benefit, need to work to create awareness among people and need to guide them about the rights of a person, rights of employees and about how they can bring positive changes in your society. Nike and Shell are now working a lot in this case; Coca Cola is working on it somehow, but Apple is very weak in this case. Apple needs to take CSR issue seriously. It shouldn't only focus on profit and customers but should also work on labor and working environment issues, which especially need to be focus on at their suppliers' place.

Further research on the topic of CSR needs to consider other stakeholder groups like the role of owner, supplier etc. and by using CSR, what is the financial benefit that a firm can get, what are the new CSR practices that the companies need to follow, how CSR awareness can be created among the people and the employees of the firms. There is a need to have a closer look at the connection of CSR with all the stakeholders and what are the benefits that a firm can get after implementing CSR practices in the organization.

CHAPTER 7

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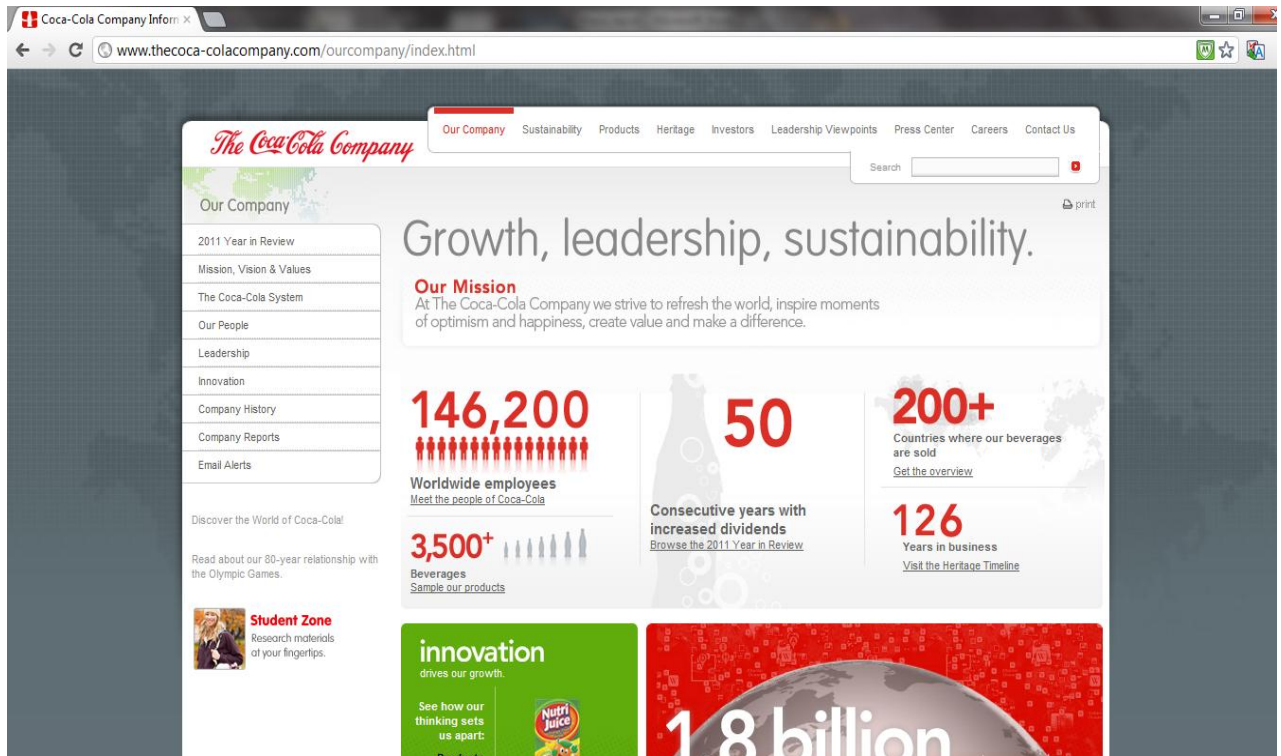
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- Shell foundation available at <http://www.shellfoundation.org/>
- Shell Live Wire inspiring enterprise around the world available at <http://www.shell-livewire.com/>

- Shell our people available at [http://www.shell.com/home/content/aboutshell/who we are/our people/](http://www.shell.com/home/content/aboutshell/who_we_are/our_people/)
- The Coca Cola company growth, leadership and sustainability our mission available at <http://www.theCoca-Colacompany.com/ourcompany/index.html>
- UN Global Compact (2010) Ten Principales Published by United Nations. Retrieved on May 10, 2012. www.unglobalimpact.org

8. Appendix

Appendix1 Coca Cola



Coca-Cola India

http://www.coca-colaindia.com/sustainability/sustainability.html

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Sustainability


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Sustainability Report 2009

our platform for sustainability

live positively

LIVE POSITIVELY focuses on seven core areas key to our business sustainability: Beverage Benefits; Active Healthy Living; Energy Management and Climate Protection; Community; Sustainable Packaging; Water Stewardship; and Workplace.



- BEVERAGE BENEFITS
- ACTIVE HEALTHY LIVING
- COMMUNITY
- ENERGY AND CLIMATE
- SUSTAINABLE PACKAGING
- WATER STEWARDSHIP
- WORKPLACE

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Water Replenishment Initiatives

Water is a resource under great pressure globally. Population growth, climate change and global development will increase pressure on freshwater resources. Ingredients that rely on or impact freshwater resources may be challenged if effective use and replenishment practices are not in place. As we prepare our business for the future, we are working to sustain the availability of water for our products and communities.

We work to balance the water we use in our finished beverages by participating in locally relevant water replenishment projects that support communities and nature. In India, our efforts to replenish groundwater is focused on the creation of rainwater harvesting structures, construction of check dams, restoration of ponds and traditional water bodies and projects that help improve water use efficiency in agriculture like drip irrigation. For the projects that the Coca-Cola system undertakes in India, NGOs and local communities help identify priority areas and then the company collaborates with local communities to establish rainwater harvesting partnerships. Our NGO partners implement the projects and mobilize community members to ensure that local knowledge plays an important part in planning and assessment.



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SUSTAINABILITY REVIEW 2009

Coca-Cola India

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recover & recycle

Another aspect of our package development process is to work with the industry associations and all others involved in the recycling value chain to recover and recycle packages after they are used. We work in partnership with local communities to help develop economically and environmentally effective solutions tailored to meet their specific needs. The majority of our packages are 100 percent recyclable and among the most recycled consumer packages in the world. This is a result of our selection of materials that have an established economic value, justifying their collection and reuse. In a bid to promote the recycling of PET packages, the Company periodically sources merchandise like T-shirts made from recycled PET and distributes it amongst its employees and business partners such that they become ambassadors of the cause.



Community Recovery & Recycling Efforts



Coca-Cola India

www.coca-colaindia.com/sustainability/workplace.html


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 - Sustainability Report


workplace



We foster open environments, **as diverse** as the markets we serve, where workplace rights are respected and people are **inspired** to be the best they can be. Our goal.

A Great Place to Work

Coca-Cola India wins in the marketplace because of the pride, passion and dedication our people bring to the business of quenching the world's thirst. We aspire to be a great place to work, where employees around the world are given opportunities to collaborate and build the world's greatest brands, to develop their skills and expand their breadth of experience, and all while having fun in the process.



Coca-Cola India

www.coca-colaindia.com/sustainability/community.html


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community




Our vision is to advance a packaging framework in which our packaging is no longer seen as waste, but instead as a valuable resource for future use. To realize this "zero waste" vision, we are guided by a commitment to continuous improvement.

Improving quality of life

The Coca-Cola system in India and The Coca-Cola India Foundation (Anandana), work with local organizations, governments and NGOs to support projects most relevant to community needs, connecting our business with communities to help them grow and prosper.

Among the community projects that we do are our projects to provide



Coca-Cola India

www.coca-colaindia.com/sustainability/physical_activity.html

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physical activity

Coca-Cola Mir Iqbal Hussain Trophy Football Program

Regular physical activity is essential to achieving an active healthy lifestyle. Among the physical activity programs that Coca-Cola supports in India is the Coca-Cola Mir Iqbal Hussain Trophy - a grass root level football initiative to discover budding football talent in the country. This program is in partnership with the All India Football Federation (AIFF) which is affiliated to FIFA. 2009 was our first year of partnership with FIFA for this Under-16 football tournament wherein an expected 6,000 young players participated. 16 young footballers who played in this tournament in 2009 were identified by the Technical team at AIFF and were sent to attend The Coca-Cola 2010 International Football Camp in South Africa from 15th-20th June, 2010. In 2010, the tournament has been further scaled up and will be played in 75 cities covering 1500 schools.

[» more information](#)



www.coca-colaindia.com/ourcompany/company.html

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Appendix 2

NIKE

www.nikebiz.com/crreport/content/workers-and-factories/3-1-0-overview.php?cat=overview

Topics

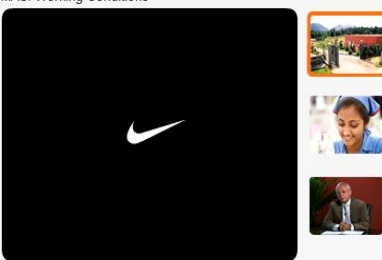
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- Interactive Map

Case Studies

- HRM in Practice FY08/09
- Brand and Factories Collaborate
- Hytex, Malaysia
- Interview with Whanil Jeong
- Future Factories

OVERVIEW

MAS: Working Conditions



One of the most fundamental impacts NIKE, Inc.'s business can have is to improve working conditions in our global supply chain and the industry as a whole.

The three main product lines of Nike's brand - footwear, apparel and equipment - are made by approximately 600 contract factories that employ more than 800,000 workers in 46 countries around the world.


Our overarching goal is to help build an equitable and empowered work force. We have worked toward this goal for nearly a decade, pioneering a variety of approaches to influence positive change in our supply chain. We've learned from our successes and our shortcomings, and shared that learning through these reports and other means. And while we can point to many examples of improvements, challenging issues remain for our company and our industry in systematically identifying and tackling how to affect long-term system-wide change. We have begun to identify these root causes in our work and continue working to

www.nikebiz.com/crreport/content/workers-and-factories/3-9-1-our-approach.php?cat=hr

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Culture of Empowerment Model



The HRM curriculum is based on the Culture of Empowerment Model, adopted from Toyota's Human Systems Model as described in "Toyota Culture, the Heart and Soul of the Toyota Way" (Jeffrey Liker and Mike Hoseus, 2008).

The curriculum contains 10 modules that each focus on a key area of the Culture of Empowerment Model. Each module is designed to share HRM best practices related to lean manufacturing, and contains interactive exercises that allow factory managers to assess their current state and identify improvement opportunities in areas including recruiting, selection, employee development, performance management, worker-management communication and retention.

The curriculum also contains instruction and exercises on lean problem solving and planning tools including PDCA (plan, do, check, act) and A3 reports, which facilitates knowledge sharing and collaboration in a concise document. These tools are used throughout the capacity building to define follow-up projects that factory managers implement after completing the training.

How We Build Capacity

A key tool of lean manufacturing is human resource management (HRM). In FY07 we began a process to

www.nikebiz.com/crreport/content/workers-and-factories/3-2-0-profiles-factories-monitoring-workers.php?cat=profiles

STRATEGY WORKERS & FACTORIES ENVIRONMENT COMMUNITIES PEOPLE & CULTURE PUBLIC POLICY ABOUT

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- Profile of Workers
- On the Horizon
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- Freedom of Association
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- Brand Collaboration
- Interactive Map

Case Studies

- HRM in Practice FY08/09
- Brand and Factories Collaborate
- Hytex, Malaysia

PROFILES: FACTORIES, MONITORING AND WORKERS

We use three complementary approaches to advance our vision of an equitable and empowered work force. We monitor conditions in the factories we contract with - focusing on those that are most important to the business and where we believe the risks are highest - and require corrective action when we find shortcomings. We also work with manufacturing management to build their capacity to do it right in the first place, by helping them develop effective human resources and other management capabilities. Finally, we collaborate with others to promote a consistent, coordinated, effective approach intended to raise performance across the industry.

This section provides an overview of the factories we contract with and the workers they hire. It also discusses our monitoring approach and results of that monitoring.

- Profile of Factories
- Factory Monitoring and Results
- Profile of Workers

Next >

www.nikebiz.com/crreport/content/workers-and-factories/3-8-0-freedom-of-association.php?cat=freedom-of-association

STRATEGY WORKERS & FACTORIES ENVIRONMENT COMMUNITIES PEOPLE & CULTURE PUBLIC POLICY ABOUT


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- Footwear Factories

FREEDOM OF ASSOCIATION

TARGET	PERFORMANCE	PROGRESS
Workers implement freedom of association education program in all focus contract factories	Making progress. Through FY09, 17 percent of focus contract factories had participated in HRM training including Freedom of Association education.	 On track

We measure performance based on focus factories taking part in human resources management training that incorporates a segment on Freedom of Association.

Going forward, the three targets tied to Human Resource Management training will be assessed with a single metric tracking the number of focus contract factories that have completed training.

Our Approach

We believe in the rights of workers to associate freely and bargain collectively. However, protecting these rights remains a persistent and fundamental compliance challenge in the industry. We see three important opportunities for Nike to support improvements in this area:

- Working with contract manufacturers to encourage them to engage in worker-management dialogue,
- Sharing best practices to improve factory grievance systems
- Directly intervening where specific Freedom of Association issues arise

Nike's North Star

Healthy Chemistry	Climate Stability	Water Stewardship	Closing the Loop	Thriving Communities	Game Changers
Minimize the impact of product ingredients throughout the life cycle	Provide leadership toward climate stability	Borrow water responsibly and return it clean to communities	Product creation to allow for material recovery or safe return to nature	Enable all our stakeholders along our value chain to meet their needs and lead fulfilling lives	Educate, challenge and empower athletes to join the sustainability journey

This vision helps us focus our effort and resources where we can make the most impact. For instance, through innovative design, we can design out waste, chemicals and energy, and design in new materials and new approaches. We call this concept Considered Design. Nike Considered started as a product initiative that challenged designers to "Consider your impact. Consider your choices. Consider design, consider innovation, consider solutions." When we integrate this elevated consciousness into the design process, we maximize the value of our products and minimize the impact of their production. We reduce waste and CO₂ emissions across the whole supply chain.

We anticipate a future that seeks out and rewards new models of consumption and growth, separated from material consumption. It's a transition from build, buy and bury - the common model of business to date.

We do not believe we have to make an "either/or" choice between addressing business needs today and attending to the impacts of the future. We must do both. Environmental issues and considerations are the pressing business issues for both tomorrow and today. Taking environmental issues into account is critical for future financial success and for the long-term sustainability of the business. Doing this in a manner which does not compromise the performance of today's products and today's business results is our challenge, but it is a challenge we are confident we can continue to overcome.

Our Approach Has Deep Roots

Understanding and incorporating the need to reduce waste is not new to Nike. It was a founding principle driven by company co-founder and University of Oregon track coach Bill Bowerman. Bowerman understood improving runners' performance required eliminating excess. He envisioned runners' shoes that contained only those items necessary to complete the race; everything else was waste.

In FY07-09 we worked across the entire spectrum, particularly in ways that tap innovation and will create deeper social impact.

Our community investment strategy has three primary areas of focus: the Nike Foundation, brand and retail engagement, and innovating for a better world through sport.

1. As a separate nonprofit organization (a 501(c)(3)), the **Nike Foundation** focuses on adolescent girls in the developing world as powerful agents of change in their communities, capable of unleashing a ripple effect that will change the course of poverty. The Foundation manages a portfolio of investments and strategic approaches in support of this mission, including: grant making, donation of business acumen, capacity building of organizations, support of social entrepreneurship, advocacy and co-investment of funds. Over the last three years, the Nike Foundation invested \$41.9 million against this strategy. Over the six-year life of the Nike Foundation, it has committed more than \$100 million to benefit adolescent girls
2. We leverage the power of our brands (Nike as well as affiliates Cole Haan, Converse, Hurley and Umbro) to connect with our consumers on issues they care about deeply. We manage a portfolio of investments in custom product lines, marketing campaigns, events and athlete engagements that have triggered donations from consumers leveraged from our initial investments. Some notable projects include Nike's commitment to **LIVESTRONG** and the **Human Race**, Hurley's H2O water initiative, Cole Haan's **Penny Harvest** and the Converse (Product) **RED**
3. Our commitment to channel innovation for a better world includes tapping the power of sport for social change. Nike believes that every young person in the world should have access to sport and has partnered to develop and deliver programming and activities, including the **Homeless World Cup** and **ninemillion.org** toward this end

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QUICK LINKS

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CR Strategy
Targets and Performance

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About NIKE, Inc.
Governance,
Accountability and Reporting
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All Charts

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Total Carbon Footprint

For 2011, we estimate that Apple was responsible for 23.1 million metric tons of greenhouse gas emissions.¹

How we calculate our carbon footprint.

To accurately measure a company's environmental footprint, it's important to look at the impact that company's products have on the planet. For the past three years, Apple has used a comprehensive life cycle analysis to determine where our greenhouse gas emissions come from. That means adding up the emissions generated from the manufacturing, transportation, use, and recycling of our products, as well as the emissions generated by our facilities. We've learned that about 98 percent of Apple's carbon footprint is directly related to our products. The remaining 2 percent is related to our facilities.

Minimizing the impact of our growth.

We know that the most important thing we can do to reduce our impact on the environment is to improve our products' environmental performance. That's why we design them to use less material, ship

Our Total Carbon Footprint

The vast majority of our carbon emissions come from the manufacturing, transportation, use, and recycling of our products. The rest — 2 percent — come from our facilities.

Kilograms of CO₂e Emissions per Dollar of Revenue

← → ↻ www.apple.com/environment/

Manufacturing

Manufacturing — including extraction of raw materials and product assembly — accounts for 61 percent of Apple's total greenhouse gas emissions.

61%

14,096,000 metric tons of greenhouse gas emissions

Material use.

Over the past decade, Apple's designers and engineers have pioneered the development of smaller, thinner, and lighter products. As our products become more powerful, they require less material to produce and generate fewer carbon emissions. For example, although today's 21.5-inch iMac is more powerful and has a much larger screen than the first-generation 15-inch iMac, it is designed with 50 percent less material and generates 50 percent fewer emissions. Even the iPad became 33 percent thinner and up to 15 percent lighter in just one generation, producing 5 percent fewer carbon emissions.

Toxic substance removal.

Designing greener products means considering the environmental impact of the materials used to make them. From the glass, plastic, and metal in our products to the paper and ink in our packaging, our goal is to continue leading the industry in reducing or eliminating environmentally harmful substances.

Reduction in Carbon Emissions

2007 Apple TV	90% Reduction
2011 Apple TV	
1998 15" iMac	50% Reduction
2011 21.5" iMac	
2007 Mac mini	52% Reduction
2011 Mac mini	
2006 15" MacBook Pro	21% Reduction
2011 15" MacBook Pro	
2010 iPad	5% Reduction
2011 iPad 2	

Apple's attention to product design has led to significant reductions in carbon emissions compared with previous-generation products — even though new products are more powerful than ever.

← → C www.apple.com/environment/


Environmentally conscious materials.

In addition to eliminating toxins and designing products with highly recyclable aluminum enclosures, Apple works with environmentally conscious materials including recycled plastics, recycled paper, biopolymers, and vegetable-based inks. We have also found ways to reengineer secondary materials to the high standard of our designs. For example, our fan assemblies use advanced materials derived from repolymerized plastic bottles. And millions of speaker assemblies and internal brackets are now made from recycled PC-ABS. Our packaging designs use pulp fiber from post-consumer paper streams, and we use vegetable-based inks for our product user guides. Millions of iPhone packages are made from renewable tapioca paper foam material. And iTunes gift cards are made from 100 percent recycled paper.

Responsible manufacturing.

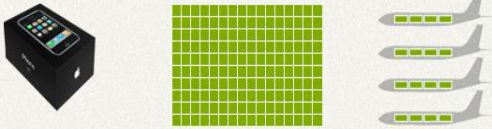
Apple is committed to ensuring that working conditions in our supply chain are safe, workers are treated with respect

← → C www.apple.com/environment/

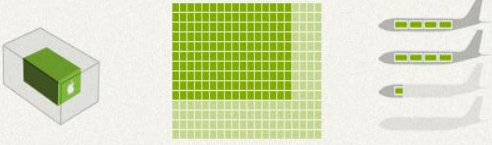
 **5%**
1,239,000 metric tons of greenhouse gas emissions

Reduction in Packaging

2007 iPhone



2011 iPhone

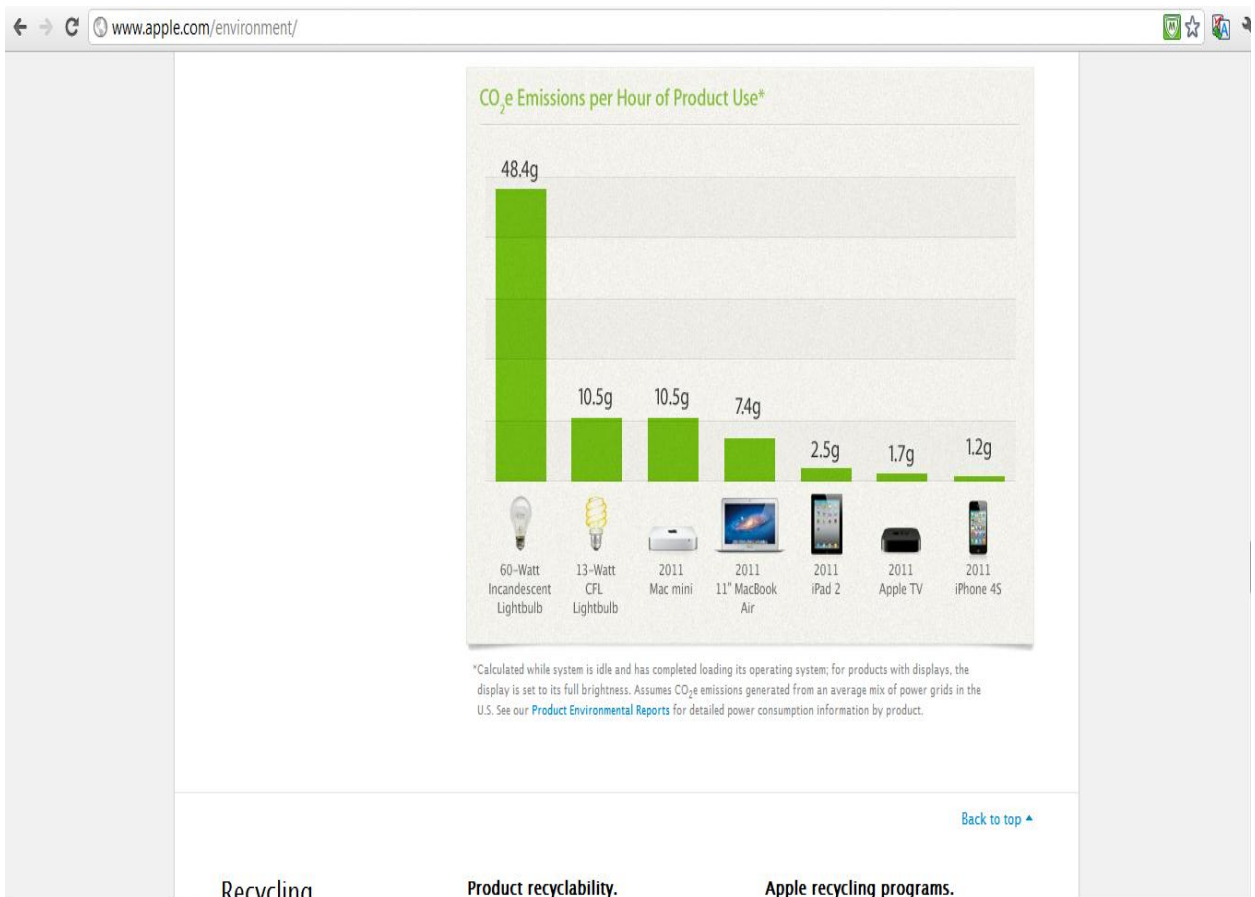


By reducing iPhone packaging by 42 percent from 2007 to 2011, we ship 80 percent more boxes in each airline shipping container. That saves one 747 flight for every 371,250 units we ship.*

*Calculated using U.S. configurations.

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Product Use **Energy efficiency.** Apple's A5 chip in iPhone 4S and iPad 2,



www.apple.com/supplierresponsibility/code-of-conduct/ethics.html

Fostering and enforcing ethical practices.

Apple has established ethics training programs for managers that cover proper recruitment of foreign workers, record-keeping and documentation of business practices, worker ID checks and age verification, tracking of working hours, and general management responsibilities.

We conduct yearly audits that include interviews with employees and contract workers about our suppliers' management practices. An important aspect of any audit is the supplier's willingness to disclose records and information about its management practices. So we look closely for instances of coaching — when management has directed workers to provide inaccurate information during audits. We also interview senior managers, review documentation, and inspect supplier records.

Violations of our ethics guidelines are not tolerated and can result in immediate termination of our relationship with a supplier, just as relationships have been terminated in the past with suppliers who were involved with bribery and falsification of audit materials.

[Learn more about our auditing process](#)

Protecting whistle-blowers.

When workers are interviewed during an audit, they receive a hotline card with a telephone number and a case number that identifies the facility and audit date. This enables workers to provide additional information after an audit and to report any adverse consequences of their participation in the audit — without fear of retaliation.

Apple and the Fair Labor Association.

Apple is the first technology company to be admitted to the [Fair Labor Association \(FLA\)](#). The FLA has made incredible progress over the past decade to improve working conditions and protect workers in the apparel industry. As a member of the FLA, Apple will open our supply chain to an FLA auditing team that will measure our performance against the FLA's own Workplace Code of Conduct. The results of these audits will appear on the FLA website. This represents a level of transparency and independent oversight that is unmatched in our industry.

Ending indentured migrant labor.

During a 2008 audit, we discovered that in order to work for some suppliers, many workers were coerced by unscrupulous recruiting agents into paying excessively high fees to gain employment in neighboring countries. Because fees to these corrupt middlemen often equaled many months' wages, workers were taking on huge debt even before they started at the job. They were forced to hand over nearly all their wages to recruiters to pay this debt, and they had to remain at the job until the debt was paid.

To protect workers from practices that could result in involuntary labor, Apple has established and enforces a standard that limits recruitment fees to the equivalent of one month's wages. We also require suppliers to reimburse overpaid fees for all foreign contract workers in their facilities — including workers not assigned to Apple projects. To prevent future

Results

- We expanded our audits to 28 suppliers in Malaysia and Singapore, countries known to be destinations for migrant workers.
- As a result of our expanded audits in 2011, suppliers reimbursed \$3.3 million in excess foreign contract worker fees, bringing to \$6.7 million the total that has been repaid to workers since 2008.
- We also delivered comprehensive training to 67 human resources

Additional protections for workers ages 16 to 18.

Preventing underage labor is only part of our efforts. We also monitor the treatment of workers who are old enough to work legally but are younger than 18. We don't allow these workers to perform some types of work, even in cases where local laws allow it. Our standards also require factories to adhere to student labor laws and to ensure that schools and universities follow the laws as well, which is particularly important as factories increasingly turn to these institutions for student interns.

Addressing excessive work hours.

We continue to address excessive work hours, and this has been a challenge throughout the history of our program. While the problem is not unique to Apple, we continue to fight it. Apple limits factory working hours to a maximum of 60 work hours per week and requires at least one day of rest per seven days of work — except in emergencies or unusual circumstances.

The reasons behind excessive work hours vary, but they include inadequate shift planning, failure to prepare for changing demand or employee attrition, lack of accountability by management, and inadequate oversight when the same employee works for multiple business groups or customers.

We began weekly tracking of 110 facilities where excessive work-hour violations were commonplace. Additionally, we are working with industry experts on a work-hour reduction program that combines training, management consultation, and verification of work-hour systems and practices. While the problem is complex, it is also manageable. Reducing excessive overtime is a top priority for our Supplier Responsibility program in 2012.

Employee assistance programs.

In 2010, Apple worked with our supplier Foxconn to launch an employee assistance program (EAP) at its facility in Shenzhen, China. Workers there now have access to free psychological counseling, including a 24-hour hotline, to get advice on their personal and professional concerns. Over the past year, we began working with three more suppliers to establish EAPs at their largest facilities, customized to meet the needs of their workers.

In addition to counseling services, the EAPs help build support networks and arrange social activities for workers. These programs are designed by mental health experts who specialize in issues that are common among workers in China.




Employee assistance programs like this one in Shanghai include telephone hotlines that workers can call to have confidential discussions about both personal and professional matters.

[Labor & Human Rights](#)

[Environmental Impact](#)

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- Biofuels and alternative transport fuels
- Carbon capture and storage
- Energy efficiency in our own operations
- Helping customers to use less energy
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Climate change


Population growth and economic development are driving energy demand. All energy sources will be needed, with fossil fuels meeting the bulk of demand. At the same time CO₂ emissions must be reduced to avoid serious climate change. To manage CO₂, governments and industry must work together. Government action is needed and we support an international framework that puts a price on CO₂, encouraging the use of all CO₂-reducing technologies. We believe the best way Shell can help secure a sustainable energy future is by focusing on four main areas: natural gas, biofuels, carbon capture and storage, and energy efficiency.




More natural gas for electricity generation
Providing more natural gas for electricity generation to help meet rising energy demand with lower CO₂ emissions.



Biofuels and alternative transport fuels
Developing low carbon alternatives for road transport.




Carbon capture and storage
Helping to advance technologies that capture CO₂ and store it safely underground.



Energy efficiency in our own operations
Investing in multi-billion dollar energy-efficiency programmes in our operations.

Helping customers to use less energy

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DISCOVER MORE


Shell, governments agree funding for Canadian CO₂ storage project

A new paradigm for climate change action

Dr Graeme Sweeney, Executive Vice President, CO₂, Shell, spoke at the Royal Institute of International Affairs, Chatham House, London on October 10, 2011

[Download the speech](#)

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Biofuels and sustainability

Strict environmental and social safeguards are needed for the sustainable production of biofuels. We work to ensure that the biofuels we purchase come from sustainable sources.

From cultivation to use some biofuels emit significantly less CO₂ compared to conventional petrol. But this depends on several factors, such as how the raw materials are produced. Other challenges include concerns over land competing with food crops, labour rights, and the water used in the production process. Our approach is designed to make sure that the biofuels we purchase have been produced in a sustainable way.

Our biofuels supply chain

We are a major purchaser of today's biofuels for blending. To help ensure that our biofuels come from sustainable sources we support rigorous sustainability standards.

In 2007 we introduced a policy that governs the way we work with our suppliers on sustainability. The policy requires suppliers to comply with regulatory requirements, for example through international certification schemes. When these are not available, we have been introducing our own environmental and social sustainability clauses into new and renewed supplier contracts.

Our clauses require suppliers to respect human rights in the production of biofuels and not to cultivate biofuels in areas rich in biodiversity.


Under the policy, we work closely with our suppliers in developing a sustainable supply chain and review their progress on a regular basis.

- Purchasing policy statement: sustainable sourcing of biofuel components (PDF, 67 KB) - opens in new window**
- We report on our performance in the Shell Sustainability Report - opens in new window**
- Read more about how our Raízen joint venture is working to lead the way in the sustainable production of sugar-cane ethanol in Brazil.**


Promoting standards for sustainability

To improve the sustainable production of biofuels, we support the adoption of international

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You are here: Home > Environment & Society > Environment > **Air emissions**

Air emissions

The production and use of fossil fuels can cause local air pollution. We work to reduce the emissions of pollutants from our operations and help customers reduce theirs by offering cleaner transport fuels and lubricants, and cleaner fuels and technologies for electricity generation.

Advanced technology and tougher regulations have helped improve air quality over the past 20 years. But this must continue as global energy demand grows.

Our operations



Pernis refinery, Netherlands

We have been working to limit the emissions of local pollutants – such as nitrous oxides (NOx), sulphur dioxide (SO₂) and volatile organic compounds (VOCs) – from our operations by investing in advanced technologies and improving our processes.

Cleaner fuels

We were one of the first companies in the early 1990s to produce ultra-low sulphur diesel on a commercial scale. We invested more than \$1 billion at our refineries over the past decade to produce lower sulphur fuels. The sulphur levels of the fuels we sell vary, depending on what is available from local refineries. These variations will narrow as more governments in developing countries move toward lowering fuel sulphur specifications. We continue to work with governments to promote lower sulphur fuels and the modern engines needed to benefit from them.

Read more about how we are producing more [natural gas for electricity generation](#), the [cleaner fuels](#) we produce and how we [help customers reduce their emissions](#).

PAGE TOOLS

DISCOVER MORE


Online Report

SHELL SUSTAINABILITY REPORT 2011

See our online Sustainability Report 2011 for the latest data on our environmental performance.

Visit the online Shell Sustainability Report 2011 - opens in new window

www.shell.com/home/content/environment_society/society/our_neighbours/impact/



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- Society
- Our neighbours**
- Our impact on local communities**
- Earning community trust
- Buying and hiring locally
- Social investment
- Innovation
- Products & Services
- About Shell

You are here: Home > Environment & Society > Society > Our neighbours > **Our impact on local communities**

Our impact on local communities


Our projects and facilities can bring benefits to local communities by creating jobs and investment in the surrounding area. They can also give rise to concerns, for example over environmental impact. We work to be a good neighbour to these communities.

We aim to encourage economic and social development while reducing any negative impact of our operations. The benefits we bring to local people can include jobs, tax revenue, [contracting and business opportunities](#) and [social investment](#).

We work to manage any negative effect on the livelihood, health, safety, lifestyle, security and economic development of communities.

Livelihood

Our operations sometimes require temporary or permanent access to areas of land or sea where people are living or working. In some cases projects may require relocating and resettling communities. We help such communities restore their standard of living and livelihoods.



Health

Our operations can affect the health of local communities. Building facilities can, for example, create mosquito-breeding areas and increase exposure to malaria. Migrant workers may introduce new diseases or sexually transmitted viruses such as HIV/AIDS. Read about our [approach to HIV/AIDS](#).

Local air and water emissions could also pose a risk to public health or damage food stocks by affecting farming and fishing.

We respond to community concerns and at our refinery and chemicals plant in Norco, Louisiana, for example, we set up an air monitoring working group with members of the community and government. The group designed and implemented an air monitoring system

PAGE TOOLS

DISCOVER MORE

Social investment

Online Report

SHELL SUSTAINABILITY REPORT 2011

Read three case studies on our interaction with local communities in the Shell Sustainability Report 2011.

Visit the online Shell Sustainability Report 2011 - opens in new window



You are here: Home > Environment & Society > Safety > Road safety

Road safety

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- Road safety**
- Improving road safety
- Road safety in the community
- Driving safety home
- Innovation
- Products & Services
- About Shell



Getting road safety right has long been a priority for us, and a serious challenge. We have the largest network of service stations in our industry. Shell staff and contractors drive more than 1.1 billion kilometres each year, around 75 times around the globe every day. We are making progress through our company-wide road safety standards and our proactive driver safety programmes. We are also working in partnerships to help set industry standards and pool skills and resources.



Improving road safety
Road safety is a priority for us and we have introduced a number of programmes to help keep drivers safe.



Road safety in the community
We work with others to help set industry standards and share resources as part of our efforts to reduce road incidents.



Driving safety home
A road safety scheme helps raise awareness of risks on the road and encourages drivers in the wider community to follow simple rules to stay safe.

[back to top](#)

DISCOVER MORE

Shell Bitumen and road safety



From providing high-visibility asphalt for cycle paths and traffic zones to paving rural roads in developing countries, we help improve the safety of transport routes.

- [Shell Instapave](#)
- [Shell Mexphalte C](#)

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- Environment & Society
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- Our neighbours
- Social investment**
- Bringing renewable power to the people
- Innovation
- Products & Services
- About Shell

Social investment

We make voluntary contributions to support local communities and the areas where we operate.

We invest in community programmes that allow us to use our expertise to bring long-term benefits to local communities, focusing on projects linked to road safety, local enterprise development, and securing safe and reliable access to energy for local communities.

Together with agencies and organisations, we help create self-sustaining community projects. Often we invite communities to help decide how to invest the funds, and they develop and implement the programmes.

We also support community development projects indirectly through the Shell Foundation, an independent charity that focuses on poverty and environmental charities.

Naya Daur education initiative, India



Watch the video:
Meet Anand, who has benefited from the Naya Daur ("new beginning") initiative supported by Shell in India to provide education to some of its workforce.

Programmes
[Shell LiveWIRE](#)

PAGE TOOLS



DISCOVER MORE

Online Report

SHELL SUSTAINABILITY REPORT 2011

Discover more about our social investment on the online Sustainability report 2011.

[Visit the online Shell Sustainability Report 2011 - opens in new window](#)

Saving energy in a cold climate



Shell Foundation



Shell Foundation is an independent charity that takes a business approach to challenges arising from the impact of energy and globalisation on poverty and the environment. It develops sustainable business models that can be scaled up to improve millions of lives across the world.

The Foundation was established in 2000 with an initial endowment of \$250 million from Shell Group, plus annual donations through to 2010 averaging \$15 million per year.

[Visit the Shell Foundation website - opens in new window](#)

Global Alliance for Clean Cookstoves: In 2010 Shell Foundation helped to set up the Global Alliance for Clean Cookstoves, as part of wider efforts to tackle harmful smoke caused by three billion people cooking on open fires or inefficient stoves. This public-private initiative will support the large-scale use of clean-burning domestic cookstoves in developing countries as a way to save lives and reduce greenhouse gas emissions.

Shell has committed \$6 million over three years to support the work of the GACC.

[Visit the Global Alliance for Clean Cookstoves website - opens in new window](#)

24 September 2010 - Shell cooks up cleaner future with \$6m donation for global clean stove initiative

Shell Project Better World



GLOBAL
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- Environment & Society
- Innovation
- Products & Services
- About Shell
- Who we are
- Our people**
- Meet our people

You are here: Home > About Shell > Who we are > Our people

Our people



We employ around 90,000 people in more than 80 countries and territories. Our people are central to the delivery of our strategy and we involve them in the planning and direction of their own work. We create a work environment that values differences and provides channels to report concerns.



Learn about the people in this video
Watch more Shell people videos on YouTube - opens in new window

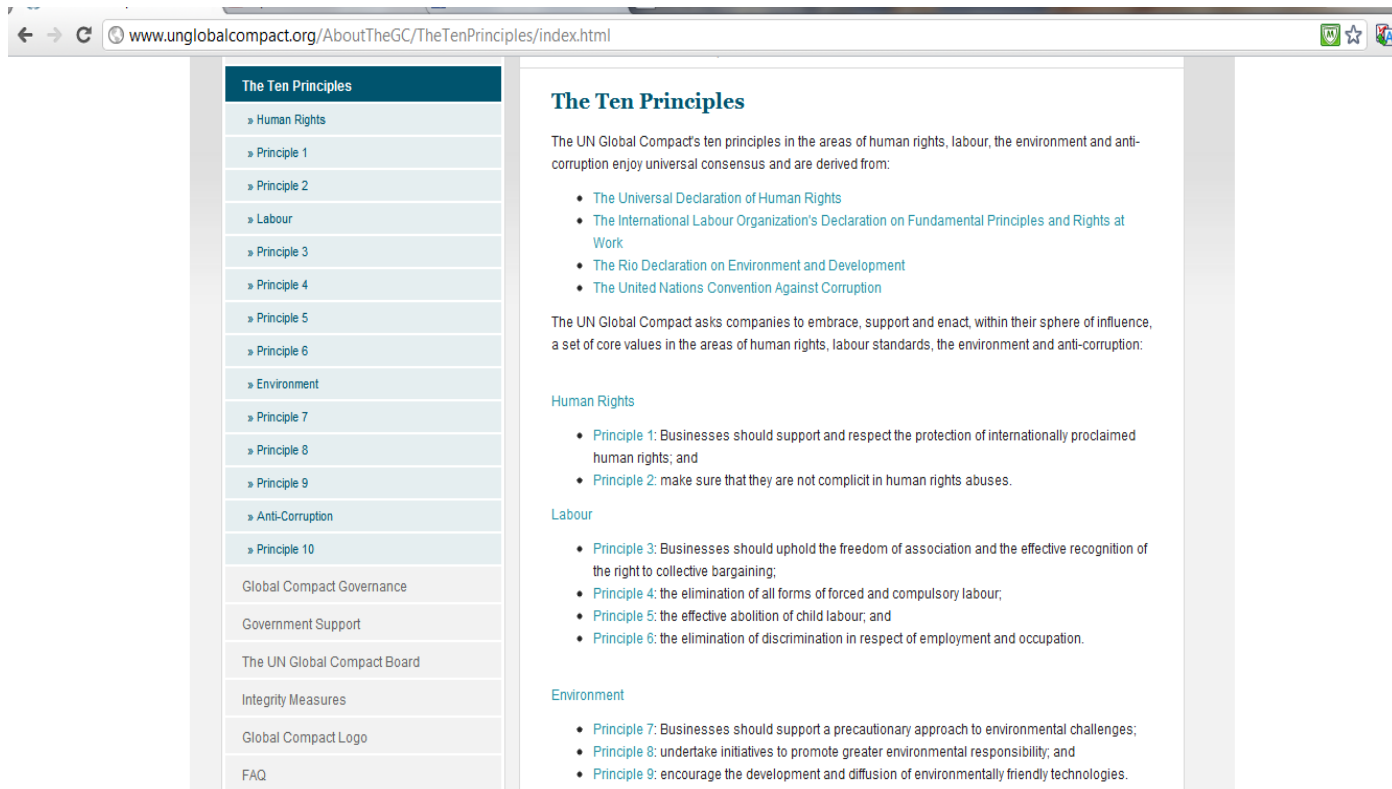
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CAREERS AT SHELL

Appendix5

UN Global compacts ten principles



The screenshot shows a web browser window with the URL www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html. The page is titled "The Ten Principles" and features a navigation menu on the left with the following items: Human Rights, Principle 1, Principle 2, Labour, Principle 3, Principle 4, Principle 5, Principle 6, Environment, Principle 7, Principle 8, Principle 9, Anti-Corruption, Principle 10, Global Compact Governance, Government Support, The UN Global Compact Board, Integrity Measures, Global Compact Logo, and FAQ. The main content area is titled "The Ten Principles" and contains the following text:

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- [The Universal Declaration of Human Rights](#)
- [The International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)
- [The Rio Declaration on Environment and Development](#)
- [The United Nations Convention Against Corruption](#)

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour

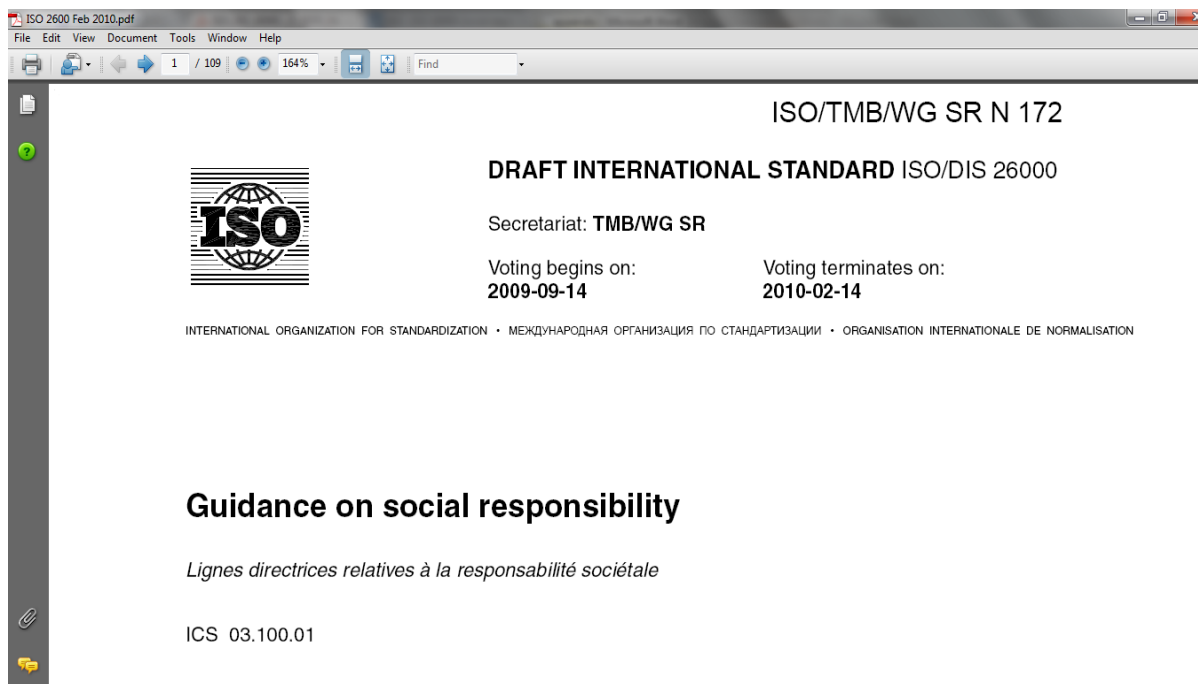
- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Appendix6

ISO20006



The screenshot shows a PDF document titled "ISO 26000 Feb 2010.pdf". The document is a draft international standard for social responsibility. The header information is as follows:

ISO/TMB/WG SR N 172
DRAFT INTERNATIONAL STANDARD ISO/DIS 26000
Secretariat: **TMB/WG SR**
Voting begins on: **2009-09-14** Voting terminates on: **2010-02-14**

INTERNATIONAL ORGANIZATION FOR STANDARDIZATION • МЕЖДУНАРОДНАЯ ОРГАНИЗАЦИЯ ПО СТАНДАРТИЗАЦИИ • ORGANISATION INTERNATIONALE DE NORMALISATION

Guidance on social responsibility
Lignes directrices relatives à la responsabilité sociétale

ICS 03.100.01

APPENDIX 7

Coca Cola articles

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Pages

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Corporate Social Responsibility and Environmental Management
 Corp. Soc. Responsib. Environ. Mgmt. 12, 168–177 (2005)
 Published online in Wiley InterScience (www.interscience.wiley.com). DOI: 10.1002/csr.097

Case Study: Coca-Cola and Water in India

Jonathan Hills^{1,*} and Richard Welford^{2,*}
¹CSR Asia
²Corporate Environmental Governance Programme, University of Hong Kong

Introduction to the Case

ALL THE MATERIAL IN THIS CASE STUDY IS BASED ON PUBLICLY AVAILABLE INFORMATION. THE CASE is intended to be used for both research and teaching purposes. In order to facilitate learning we have divided the case into three parts. At the end of each part is a set of questions that should be

coca cola case study7.pdf

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Vol. 13 & No. 2 (2009)	Dr. K.M. Mittal	-	Arum, Thomas
Vol. 14 & No. 1 (2010)	Dr. K.M. Mittal	-	Ms. Deepa Khanna
Vol. 14 & No. 2 (2010)	Dr. K.M. Mittal	-	Ms. Smita Rawat

APPENDIX 8

NIKE

The screenshot shows a PDF viewer window titled "nike case study 1.pdf". The document is from the "Journal of Business Ethics" (2005) 60: 359-376, with DOI 10.1007/s10551-005-0869-x. The article title is "The Pragmatic and Ethical Barriers to Corporate Social Responsibility Disclosure: The Nike Case", authored by Kristen Bell DeTienne and Lee W. Lewis. The abstract discusses the demand for information regarding corporations' relationships to society and the challenges of CSR reporting. The introduction begins by discussing the ethics of CSR disclosure and the difficulty of reconciling it with earnings expectations and activist demands.

Journal of Business Ethics (2005) 60: 359–376
DOI 10.1007/s10551-005-0869-x © Springer 2005

The Pragmatic and Ethical Barriers to Corporate Social Responsibility Disclosure: The Nike Case

Kristen Bell DeTienne
Lee W. Lewis

ABSTRACT. Numerous studies have documented the demand for information regarding corporations' relationships to society. Much recent research has demonstrated why stakeholders need this information, and how it benefits both companies and the public. These studies suggest numerous methods by which companies can effectively disclose corporate social responsibility (CSR) information to the public, but in practice, reporting this type of information is fraught with legal and ethical uncertainty often unexplored in most literature. This article represents a fresh analysis of the numerous pragmatic consequences and legal and ethical complications inherent in CSR reporting, using Nike Corporation as a case example. The article discusses the theoretical viewpoints surrounding the ethics of CSR disclosure, and presents the case of Nike and the complications it encountered while advertising CSR information. The article ends with an analysis of CSR auditing as a possible solution to companies seeking to improve the method and transparency of social responsibility reporting.

Introduction

The ethics of corporate social responsibility disclosure have historically been some of the most difficult to reconcile with earnings expectations and activist demands (Browne and Haas, 1974; Filios, 1984, 1986; Gelb and Strawser, 2001; Robertson and Nicholson, 1996). Research indicates that almost three quarters of American investors consider social responsibility when they make investment decisions (Companies Fail, 2001; Laurita, 2001). Every company must put its best foot forward at all times in advertisements and reports to remain competitive in the marketplace, but the jagged line between optimism and deceit is often difficult to distinguish.

Maintaining integrity becomes more challenging when a company must report less attractive details or respond to criticism. The problem that faces many companies engaging public dialogue is how to ethically...

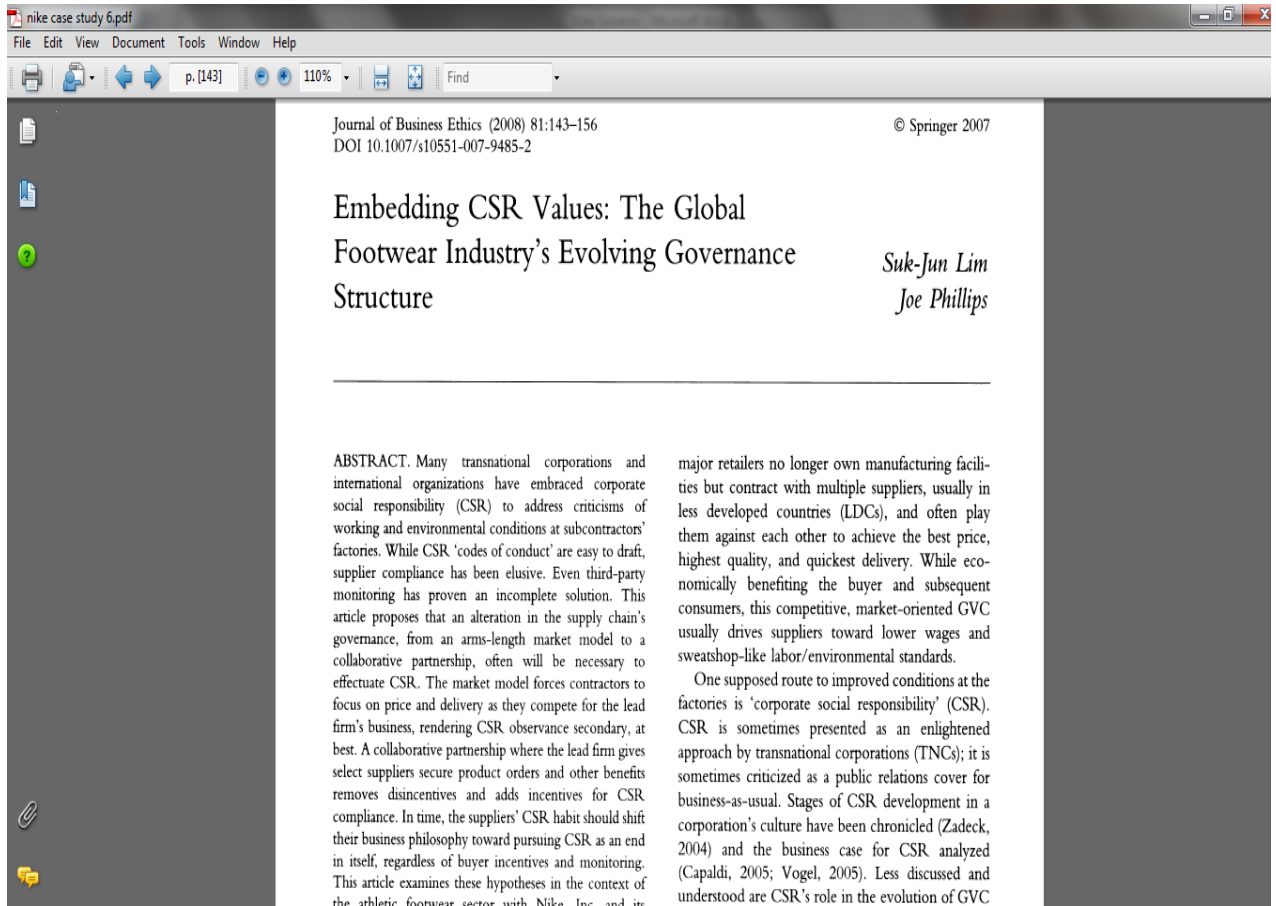
The screenshot shows a PDF viewer window titled "nike case 2.pdf (SECURED)". The slide features a red header with the title "Game Changing CSR". Below the title is a collage of images including a modern office interior, a person holding a globe, and various gears. The slide lists two authors: Mark Kramer, Senior Fellow at Harvard University, and John Kania, Managing Director at Foundation Strategy Group. The date is February 2006, Working Paper No. 18.

Game Changing CSR

Mark Kramer
Senior Fellow, Corporate Social Responsibility Initiative, John F. Kennedy School of Government, Harvard University
Founder and Managing Director, Foundation Strategy Group

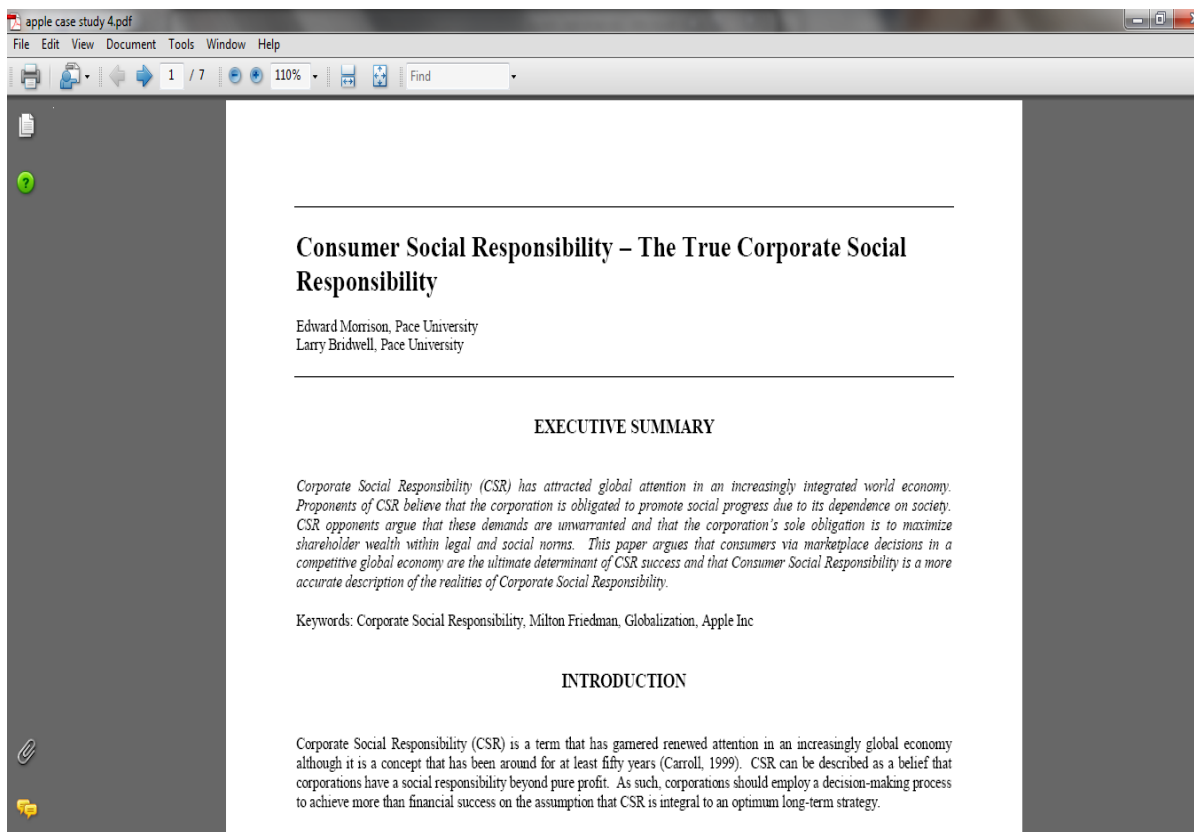
John Kania
Managing Director, Foundation Strategy Group

February 2006 | Working Paper No. 18



APPENDIX 9

APPLE ARTICLES



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WILEY InterScience
DISCOVER SOMETHING GREAT

Case Study: the Apple iPod in China

Stephen Frost^{1*} and Margaret Burnett^{2*}

¹Department of Asian and International Studies, City University of Hong Kong, China
²Corporate Environmental Governance Programme, University of Hong Kong, China

Keywords: Apple; iPod; Foxconn; China; sweatshop; Hon Hai; supply chain; electronics

Introduction to the Case

All material in this case is based on publicly available information. The case is intended to be used for both research and teaching purposes. The authors make no judgment whatsoever about the conduct of any of the parties involved in this case study.

Background

As with many other manufactured items these days, the bulk of electronic products sold on the global market are made or assembled in China. Although this has made good business sense, the outsourcing of production to the developing world (and particularly to China) has resulted in criticism from civil society organizations about workplace standards. Since the early 1990s, a range of people (including labour rights activists, trade unionists, students, journalists, academics and other concerned citizens)

Shell articles

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Paradoxes and Dilemmas for Stakeholder Responsive Firms in the Extractive Sector: Lessons from the Case of Shell and the Ogoni

David Wheeler
Heike Fabig
Richard Boele

ABSTRACT. This paper examines some of the paradoxes and dilemmas facing firms in the extractive sector when they attempt to take on a more stakeholder-responsive orientation towards issues of environmental and social responsibility. We describe the case of Shell and the Ogoni and attempt to draw out some of the lessons of that case for more sustainable operations in the developing world. We argue that firms such as Shell, Rio Tinto and others may well exhibit increasingly stakeholder-responsive behaviours at the corporate, strategic level. However for reasons of strategy, lack of competency or institutional will this increasing level of corporate responsiveness may not be mirrored effectively in dealings between subsidiary business units and their most

the struggles of Shell to replicate its corporate stakeholder-responsiveness at the local level in Nigeria with the experiences of other firms that seem to have developed managerial capabilities at a somewhat deeper level throughout the firm with consequent benefits both for stakeholders and the business.

KEY WORDS: corporate social responsibility, Shell, stakeholder theory, sustainability

Heike Fabig is a Ph.D. student in corporate responsibility at the Graduate Research Centre for the Comparative Study of Culture, Development and Environment at the University of Sussex. Her research examines the engage-

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Sustainable Development
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 Published online 5 August 2006 in Wiley InterScience
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Changing Times and Strategies: Shell's Contribution to Sustainable Community Development in the Niger Delta, Nigeria

Uwem E. Ite*†
*Environment and Development Research Group, Department of Geography,
 Lancaster University, UK*

ABSTRACT
 Sustainable development and poverty are pervasive problems in the Niger Delta, mainly due to lack of significant Nigerian government commitment to the development of the region. As a corporate citizen, Shell has contributed in various ways to

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Corp. Soc. Responsib. Environ. Mgmt. 15, 173–185 (2008)
 Published online 28 November 2007 in Wiley InterScience
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A Case Study of Shell at Sakhalin: Having a Whale of a Time?

Subhasis Ray*
ICFAI Business School, Hyderabad, Andhra Pradesh, India

ABSTRACT
 This is a case study on the world's largest oil and gas project, at the Sakhalin Islands, Russia. Shell is the key promoter of this project. The case highlights the sustainability challenges that Shell faced when working on the mega-project. By their very nature, all such projects involve disruptions in the environmental and social fabric of the project site. NGOs often take up these issues and create international headlines, bringing pressure on the management team. The Russian government also changed its stand over a period of time. While many of these issues are valid in their own way, they often create managerial dilemmas. Traditional management approaches to com-

Appendix 11

Brand value

Interbrand 2011

www.interbrand.com/en/best-global-brands/best-global-brands-2008/best-global-brands-2011.aspx

Interbrand Creating and managing brand value™

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LAUNCHED OCTOBER 4TH, 2011


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Interactive Charts

Methodology

Top Brand Interviews












Articles

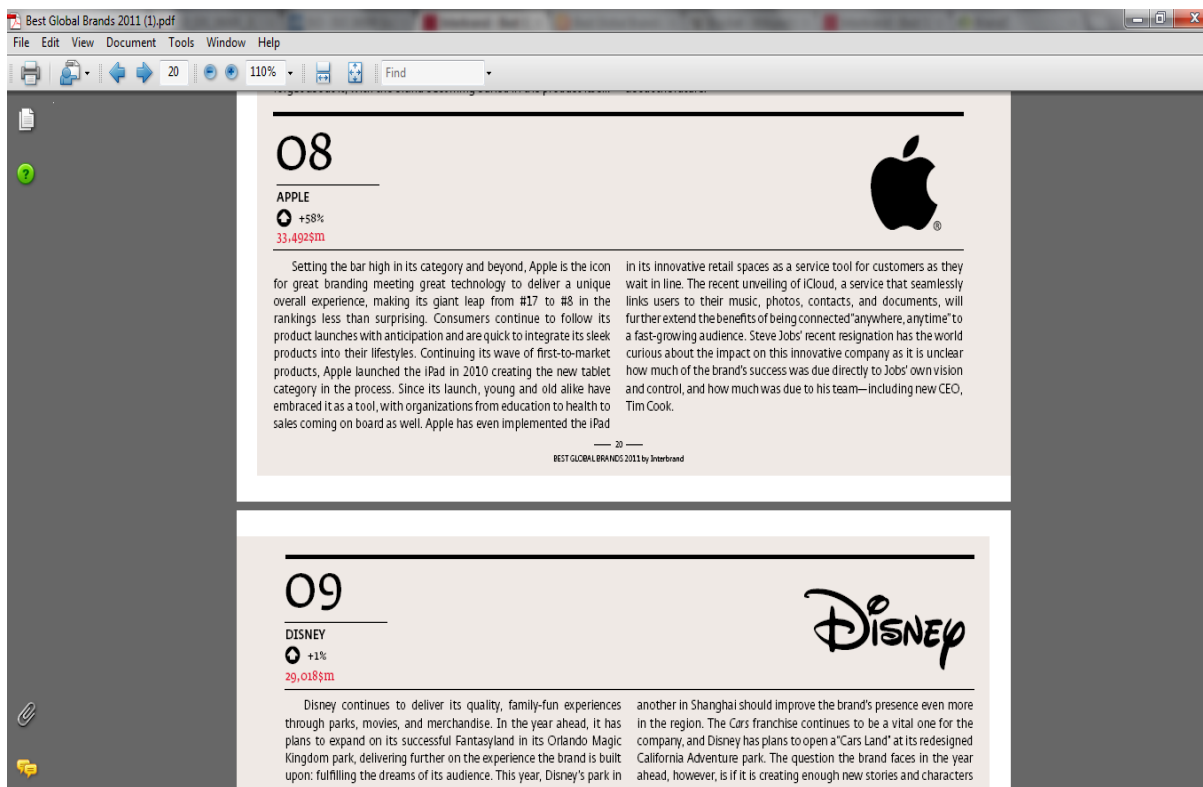
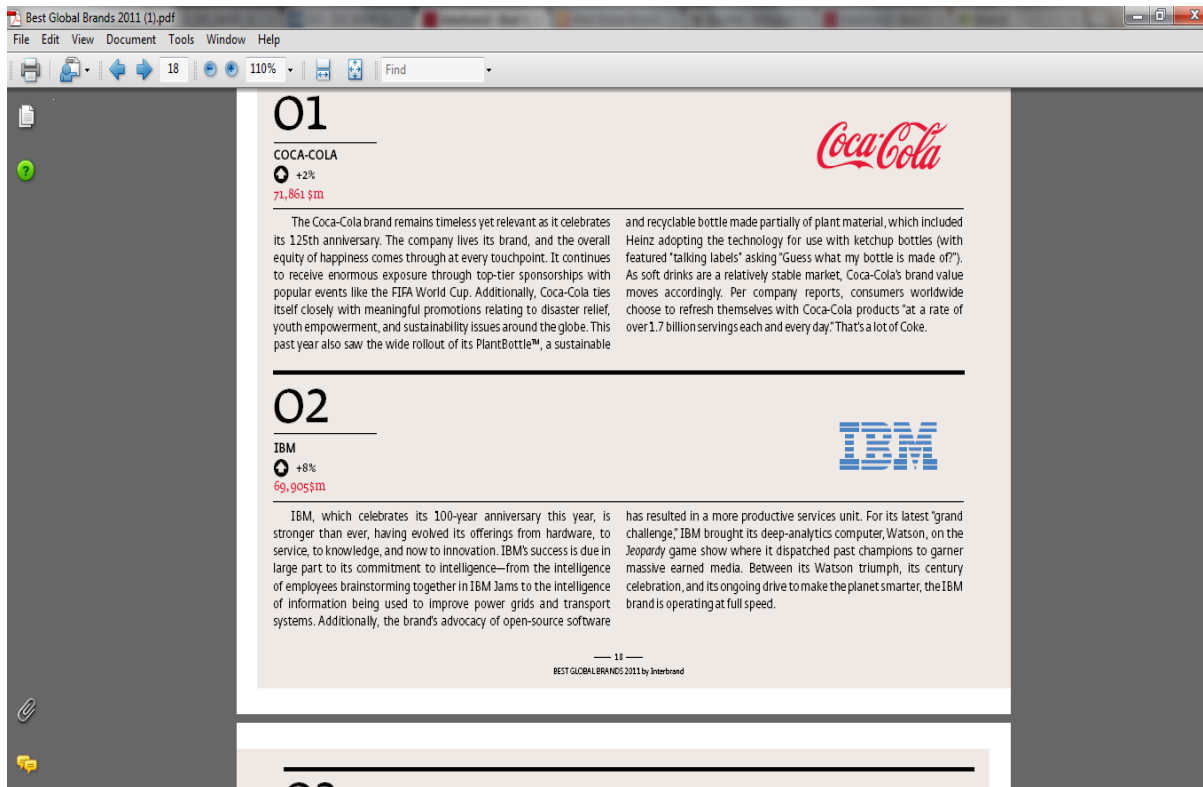
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Top 100 Poster

2011 Ranking of the Top 100 Brands

Print

+	Rank	Previous Rank	Brand	Region/Country	Sector	Brand Value (\$m)	Change in Brand Value
+	1	1		United States	Beverages	71,861	2%
+	2	2		United States	Business Services	69,905	8%
+	3	3		United States	Computer Software	59,087	-3%
+	4	4		United States	Internet Services	55,317	27%
+	5	5		United States	Diversified	42,808	0%
+	6	6		United States	Restaurants	35,593	6%
+	7	7		United States	Electronics	35,217	10%
+	8	17		United States	Electronics	33,492	58%
+	9	9		United States	Media	29,018	1%
+	10	10		United States	Electronics	28,479	6%
+	11	11		Japan	Automotive	27,764	6%



Best Global Brands 2011 (1).pdf


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24

SAP

+14%

14,542\$m




25

NIKE

+6%

14,528\$m



SAP remains a market-leader in business systems and software, and the company is highly profitable. Its long-running "Run Better" ad campaign remains a very powerful leadership statement as it remains focused on its innovation strategy by creating game-changing, customer-centered technologies for in-memory computing, mobile, and cloud computing. Its Business ByDesign service enables companies to run best-practice software solutions through the cloud and avoid IT installation. Additionally, the SAP High-Performance Analytic Appliance (SAP HANA), which allows customers to analyze what's happening in their businesses in real-time, continues to gain momentum. Through its 2010 acquisition of Sybase, SAP has become a leader in enterprise mobility, setting the stage for the growth of unwired enterprise as mobile devices continue to evolve. While recent performance has been strong, the appointment of SAP's new CMO has many watching to see where he will take the brand next.

Nike is an icon of global brand-building. Despite stagnant sales at the group level, Nike rallies its devotees with inspiring campaigns like Write the Future, its 2010 World Cup tie-in, and The Chance, a search for undiscovered soccer talent in the U.K. Additionally, Nike continues to sponsor high-profile sports leaders such as Kobe Bryant, LeBron James, Roger Federer, and the Inter Milan Football Club. With millions of Facebook fans spread across its many sub-brands, Nike maintains a phenomenally successful social media presence. Nike has worked aggressively to improve its CSR image through sustained action, including establishing codes of conduct for every factory manufacturing Nike products and assigning an internal team to ensure that it is enforced. Despite these efforts, the brand has recently come under fire from environmental groups, along with other apparel manufacturers, for the use of toxic chemicals in its supply chain. Nike quickly responded with a pledge to eliminate the use of hazardous chemicals in its products by 2020 and continues to invest in other CSR initiatives.


— 24 —

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26

AMAZON.COM

+22%



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37

110%

74

SHELL

+12%

4,483\$m



75

VISA

+12%

4,478\$m



Shell's earnings continue to be driven by increased energy prices and its strong operating performance. Additionally, rapid economic development in fast-developing markets is driving growth. While 2012 plans to drill near the Arctic National Wildlife Refuge in Alaska have received criticism, Shell's support of regulation and links to the Nature Conservancy and Earthwatch, among others, continue to boost its image. It isn't easy for energy brands to maintain a balance between environmental sustainability and the realities of the business, but Shell appears to be managing it well.

Visa's brand idea is "Better Money for Better Living," which supports the company's vision of Visa as "The Universal Currency of Life." Visa is committed to innovation and continues to launch new products and services in the payments space, such as money transfers via the Visa network, chip technology, and mobile payments and services. It has seen recent success in Middle Eastern countries where spending was up in the first half of 2010 and in the early part of 2011. Additionally, initiatives such as pushing checkout systems that let consumers pay with their mobile phones demonstrate the organization is constantly looking for ways to improve the customer experience.

— 37 —

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76

YAHOO!

-11%

4,413\$m



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2010 RANKING OF THE TOP 100 BRANDS

Print

Rank	Previous Rank	Brand	Region/Country	Sector	Brand Value (\$m)	Change in Brand Value
1	1	Coca-Cola	United States	Beverages	70,452	2%
2	2	IBM	United States	Business Services	64,727	7%
3	3	Microsoft	United States	Computer Software	60,895	7%
4	7	Google	United States	Internet Services	43,557	36%
5	4	GE	United States	Diversified	42,808	-10%
6	6	McDonald's	United States	Restaurants	33,578	4%
7	9	Intel	United States	Electronics	32,015	4%
8	5	Nokia	Finland	Electronics	29,495	-15%
9	10	Disney	United States	Media	28,731	1%

Best Global Brands 2010

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18 / 64 225% Search

14 / INTERBRAND

1

70,452 \$m ▲ + 2%

COCA-COLA




Coca-Cola gets almost everything right. Its brand promise of fun, freedom, spirit and refreshment resonates the world over and it excels at keeping the brand fresh and always evolving – all this, while also maintaining the nostalgia that reinforces customers' deep connection to the brand. For such a large brand, it operates quickly, flexibly and innovatively, tailoring itself to local markets without tarnishing its legacy. This includes different flavor profiles in each country and shrewd distribution models in fast-developing world markets (for example, carts in India). It has adapted quickly to social media, with 11 million fans on Facebook and 96,385 followers on Twitter as of August 2010. And while its brand may not be perceived as the best corporate citizen, in reality it leads in this area as well, providing US \$305 million through the **Coca-Cola Foundation**. The brand is likely to face challenges as customers grow more health conscious in the coming years, and soda is increasingly taxed in the U.S. However, it is already thinking ahead with aggressive targeting of fast-developing markets and programs like **Healthy Active Living** which address this criticism head-on.

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16

21,860 \$m ▲ + 4%


LOUIS VUITTON



17

21,143 \$m ▲ + 37%

APPLE



Luxury fashion and luggage brand **Louis Vuitton** continues to successfully differentiate itself by focusing on the art of the journey, despite continued counterfeiting problems. Its first jewelry collection, **L'Âme du Voyage**, by French designer Lorenz Bäumer, was consistent with this journey theme. So was its well-received London West End "boutique fantasque," which evokes the home of a collector. This year, its single deviation from this thread was its Vermeer-like portrait campaign, which was the subject of some controversy due to its claims that Louis Vuitton's products were all handcrafted. Overall, however, the brand is performing strongly and should expect to see continued growth in Asia (particularly Japan) once the market revitalizes. Not only has the brand cultivated a strong social media presence on Facebook and Twitter, but its corporate citizenship policies are particularly notable for this category: It has made progress in reducing the energy it consumes and communicates this clearly to employees as well.


Apple had another great year. Negative buzz over the iPad name was quickly replaced by glowing sales and avid converts. Meanwhile, the iPhone 4's sales reached the 1.5 million mark on its first day. It continues to control its messages very carefully, which creates enormous buzz and anticipation. Advertising campaigns and interactive websites remain distinct and consistent, keeping the role of brand exceptionally high. If the brand has one fault, it's the failure to provide perfectly functioning new products. This year, iPhone 4's reception glitches warranted a public apology from Steve Jobs – and left the door wide open for public criticism. Apple could also improve its corporate citizenship profile, which remains neutral. While it partners with the PRODUCT (RED) Global Fund, this remains relatively unknown.

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24

13,944 \$m ▼ - 7%


AMERICAN EXPRESS



25

13,706 \$m ▲ + 4%

NIKE



While **American Express's** brand value is still far from what it was in 2008, it has weathered the financial crisis fairly well. Now more than ever, a credit card that requires you to pay it off monthly and is prudent about who it offers credit to, looks like a safe investment. Moreover, no other credit card company successfully charges and justifies an annual fee like **Amex**, and with new credit card regulation impending, its revenue model is much less at risk than competitors'. As Warren Buffett recently said in an interview with CNBC, "American Express is going to be around forever." However, this hasn't kept the brand immune from its own share of embarrassments. For example, in April, Amex signaled to the world that it was in trouble when it offered a small number of cardholders with ongoing debt issues US \$300 each to pay off their account balances and close accounts – a move that was made to reduce the risk of defaults.

It would be hard to think of a brand that has a clearer, more consistent heritage than **Nike**. From its name to its positioning, victory is the thread that runs through the brand. While Nike's spending on endorsements, promotions and advertising has not grown in its most recent fiscal year, the brand has been focused on the ROI of its US \$2.35 billion global marketing budget. One success has been the company's ability to create content that attracts millions of viewers without any supporting advertising. Competition from adidas, however, means that Nike still needs to focus on upping the stakes. In particular, it could improve when it comes to social media, as this is one area where it trails adidas. This year, despite some hits for its support of Tiger Woods throughout his scandal (as well as negative criticism for its ad that aired on the subject), the brand seems to have escaped relatively unscathed. Additionally, Nike continues to focus on reversing its "children in sweatshops" image through good corporate citizenship.

Best Global Brands 2010


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35 / 64 225% Search

81

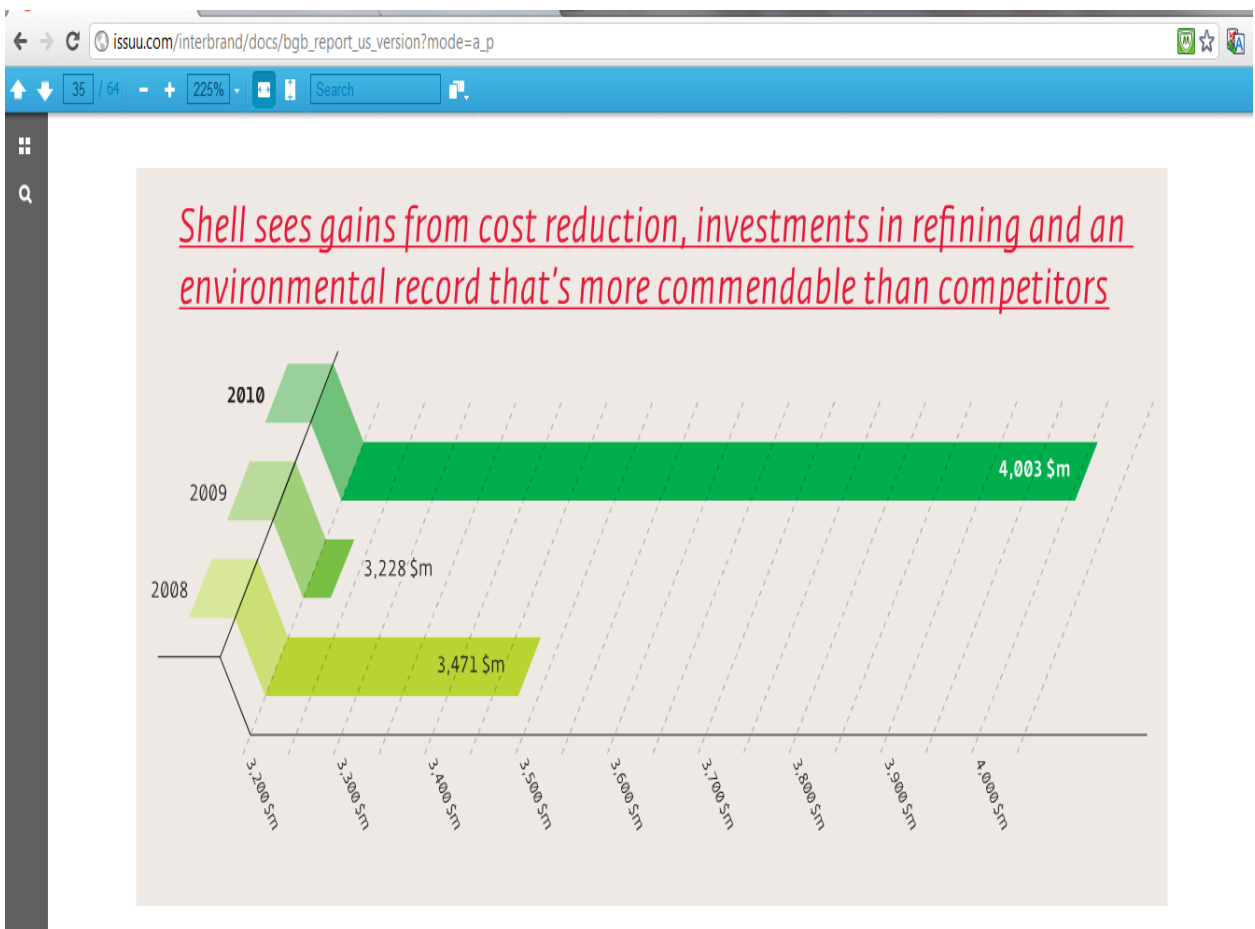
4,003 \$m ▲ + 24%

SHELL



Shell, which manages the largest distribution network among its competitors, continues to focus on reinforcing its position as a leader in the oil and gas industry while helping to meet global energy demands in a responsible way. This year, it made substantial investments in new refining and petrochemical technologies, on which its future performance will depend. Additionally, as seen last year when it shut down many projects and reorganized, Shell's priority is still cost reduction. Shell has plans to exit from 15 percent of its worldwide refining capacity and 35 percent of its current retail markets, and is taking steps to further improve its chemicals assets. While protesters have criticized Shell's environmental record, it appears far more committed to sustainable development than BP (which fell off the table this year), and chairman Lord Oxburgh has acknowledged the necessity to act on global warming issues.

Shell sees gains from cost reduction, investments in refining and an



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Brand value

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9 / 73 81.8% Find

TOP 100 Most Valuable Global Brands 2010							
#	Brand	Brand Value 2010 (\$M)	% Brand Value Change 2010 vs. 2009	#	Brand	Brand Value 2010 (\$M)	% Brand Value Change 2010 vs. 2009
1	Google	114,260	14%	28	TOYOTA	21,760	-27%
2	IBM	86,383	30%	27	中國建設銀行	20,820	-8%
3	Apple	83,163	32%	28	Gillette	20,863	-10%
4	Microsoft	76,344	0%	29	LV	19,781	2%
5	Coca-Cola	67,983	1%	30	中國銀行	18,746	16%
6	McDonald's	66,006	-1%	31	Santander	18,012	12%
7	Marlboro	67,047	16%	32	Nintendo	17,834	-2%
8	中國移動	62,816	-14%	33	Philips	17,434	-8%
9	AT&T	46,064	-26%	34	中國電信	17,283	N/A
10	odafone	44,404	-17%	35	CISCO	16,719	-7%
11	中國工商銀行	43,027	16%	36	中國銀行	16,808	12%
12	hp	39,717	48%	37	Bank of America	16,303	6%
13	Walmart	36,421	-4%	38	Endesa	15,901	20%
14	BlackBerry	30,708	12%	39	ExxonMobil	15,478	N/A
15	amazon.com	27,460	20%	40	中國郵政	15,112	N/A
16	UPS	26,492	-6%	41	Disney	15,000	-36%
17	TESCO	25,741	12%	42	中國銀行	14,980	0%
18	VISA	24,883	62%	43	NOKIA	14,866	-68%
19	ORACLE	24,817	16%	44	accenture	14,734	-2%
20	verizon	24,676	39%	45	ICICI Bank	14,464	N/A
21	SAP	24,291	3%	46	中國銀行	14,303	-2%
22	at&t	23,714	18%	47	Colgate	14,224	16%
51	中國銀行	13,936	N/A	76	eBay	9,328	-28%
52	中國銀行	13,912	-7%	77	SIEMENS	9,293	-31%
53	Mercedes-Benz	13,736	-11%	78	中國銀行	9,283	26%
54	citi	13,403	-8%	79	WRIGLEY'S	9,201	-16%
56	中国移动	13,010	20%	80	ZARA	8,986	4%
56	BBVA	12,977	-3%	81	中國銀行	8,971	-3%
57	docomo	12,960	-18%	82	Red Bull	8,917	9%
58	pepsi	12,762	-16%	83	中國銀行	8,747	1%
60	Nike	12,607	6%	84	NISSAN	8,607	-16%
60	中國銀行	12,434	14%	85	中國銀行	8,400	17%
61	CHASE	12,426	17%	86	中國銀行	8,467	8%
62	中國銀行	12,148	-1%	87	BARCLAYS	8,383	20%
63	H&M	12,131	1%	88	USbank	8,377	N/A
64	中國銀行	12,032	0%	89	中國銀行	8,327	1%
66	中國銀行	12,021	-31%	90	中國銀行	8,236	2%
66	中國銀行	11,938	-23%	91	中國銀行	8,214	19%
67	中國銀行	11,660	67%	92	中國銀行	8,160	-8%
68	中國銀行	11,361	80%	93	J.P.Morgan	8,169	4%
69	中國銀行	10,850	NA	94	SONY	8,147	30%
70	O2	10,693	23%	96	中國銀行	8,003	18%
71	TD	10,274	-7%	96	Auchan	7,848	NA
72	中國銀行	9,723	6%	97	GUCCI	7,688	2%

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