

# **Corporate Social Responsibility Concept in the Ice Cream Industry**

**Bachelor Thesis**

**Supervisor:**

**Ing. Renata Kučerová, Ph.D.**

**Author:**

**Andrea Jílková**

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## **Abstract**

Jílková, A. Corporate Social Responsibility Concept in the Ice Cream Industry. Bachelor Thesis. Brno: Mendel University in Brno, 2015.

The bachelor thesis is focused on the corporate social responsibility concept in the ice cream industry and in Ben & Jerry's company. Ben & Jerry's ice cream is Vermont-based company and subsidiary of Unilever and produces high quality ice cream while striving to serve to greater good. Collected data about the company that were used in analyses of the internal environment and CSR environment revealed some unique techniques of how company Ben & Jerry's deals with CSR. These analyses were equally conducted for the Unilever's Czech division of ice cream under the Brand Algida and based on the direct comparison of strengths and specific CSR activities between Ben & Jerry's a Unilever's Czech division were found its gaps on the Czech market. Proposals and recommendations to Unilever's Czech division of ice cream under the Brand Algida were done based on the benchmarking and there were covered all the CSR areas – social, environmental and economic.

## **Keywords**

Carroll's CSR pyramid, Corporate Social Responsibility, CSR, McKinsey's 7-S model, Situational analysis, Triple Bottom Line, 3P model

## **Abstrakt**

Jílková, A. Společenská odpovědnost firem v odvětví výroby zmrzliny. Bakalářská práce. Brno: Mendelova univerzita v Brně, 2015.

Tato bakalářská práce se zabývá společenskou odpovědností firem v odvětví výroby zmrzliny a ve společnosti Ben & Jerry's. Ben & Jerry's zmrzlina se sídlem ve Vermontu, je dceřinou společností Unilever a produkuje zmrzlinu vysoké kvality a zároveň se snaží sloužit "většímu dobru". Na základě shromážděných dat o společnosti, která byla použita pro analýzu vnitřního prostředí a CSR aktivit, byly zjištěny některé jedinečné postupy, jak společnost Ben & Jerry's pracuje v oblasti CSR. Tyto analýzy byly provedeny stejně tak i pro Českou Unilever divizi zmrzliny pod značkou Algida a na základě přímého srovnání silných stránek a konkrétních CSR aktivit mezi Ben & Jerry's a Českou divizí zmrzliny společnosti Unilever, byly nalezeny její nedostatky na Českém trhu. Návrhy a doporučení pro Českou Unilever divizi zmrzliny pod značkou Algida byly provedeny na základě benchmarkingu a pokryty byly všechny CSR oblasti – sociální, environmentální a ekonomickou.

## **Klíčová slova**

Carollova pyramida společenské odpovědnosti, CSR, McKinseyho model 7-S, Situační analýza, Společenská odpovědnost firem, Trojí zodpovědnost, 3P model





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# 1 Introduction

This is the age of philanthrocapitalism, when business leaders insist that non-profits should be run like for-profit firms. Donors want control of a charity's policies in exchange for their funds. Well-compensated CEOs leave their posts to try their management styles on community organizations. Billionaires contribute millions to charitable causes of their own devising. Business publications laud this new paradigm, though less so now than during the ascent of the overheated economy. The prevailing notion is that non-profits, government agencies and charities need only hard-edged business acumen to show quantifiable results or, conversely, that their leaders should run them on a more efficient economic basis, including an actual operating profit. (EDWARDS MICHAEL, 2010)

However, commercial methods are not appropriate for all altruistic tasks. In fact, the world can change only when "business behaves more like civil society, not the other way around." The for-profit impulse cannot unite communities or make citizens care more about others. Competition does not foster collaboration, consumption does not encourage awareness, and economic expansion still leaves behind those who usually are left behind – the poor and disenfranchised. (EDWARDS MICHAEL, 2010)

Business and organizations have huge impact on society and environment and do not operate in a vacuum and they are becoming increasingly aware of the need for, and benefits of, socially responsible behaviour. The objective of social responsibility is to contribute to sustainable development. (ISO 26000) Study of CSR research 2010 discovered that shopping behaviour of more than 2/3 of population is influenced by the corporate social responsibility of the firm. (GURSKÁ SYLVIE, 2012)

Some companies, among many others, succeed in getting CSR right, such as: Johnson & Johnson (USA), Veolia Environment (France), Petrobras (Brazil), Areva (France), Union Fenosa (Spain), NEC Group (Japan), Industrial and Commercial Bank of China, (China), Edcon (South Africa) and Anand (India). These companies naturally link their societal responsibility commitment to their core businesses: Johnson & Johnson focuses on public health, Veolia and Areva on the environment, and Petrobras and Union Fenosa on ecological protection. These companies are practical participants in the fight against poverty, AIDS and other pandemics, racial segregation, and other human tragedies – all crucial problems, not just nationally, but globally. (RENAUD-COULON ANNICK, 2008)

## 2 Objectives and Methodology

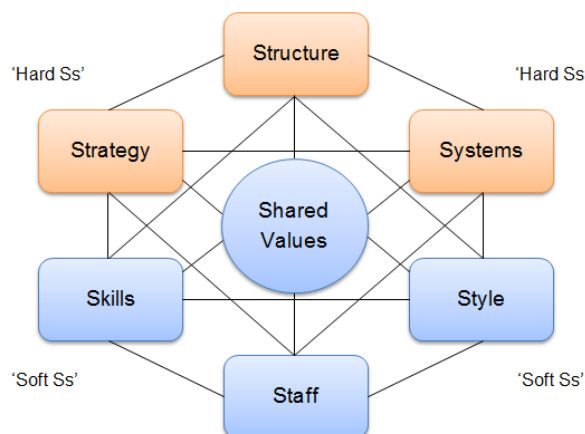
### 2.1 Objectives

The objective of the bachelor thesis is evaluation of the corporate social responsibility (CSR) concept in Ben & Jerry's Ice Cream company as well as introduction of current state of the company's strategy based on executed research and according to the results implementation of recommendations of the selected corporate social responsibility strategy steps as an improvement to other companies within the same sector. Current situation of the Ben and Jerry's ice cream will be analysed by the Carroll's CSR pyramid, Triple bottom line, McKinsey's 7S model and also by situational analysis and subsequently will be selected some of the unique and innovative CSR practices of Ben and Jerry's ice cream and adjusted for the Unilever's Czech division of ice cream under the brand Algida, with focus on best-selling ice cream in the Czech Republic – Míša. These steps will be used as a competitive advantage among other brands.

### 2.2 Methodology

Bachelor thesis is divided into two parts – a literature overview and results of the thesis. Both parts were analysed after collection of all necessary data from all available resources as literature, on-line pdf books, press releases, and internal company information. For the analysis were used tools as Triple bottom line, Carroll's CSR pyramid, McKinsey's 7S model, Situational analysis and Benchmarking.

*The McKinsey's 7S Model* is a strategic model that was used in this thesis to understand the core and most influential factors in an organization's strategy, and consists of- Hard elements: **strategy, structure, systems**, and on the other hand- Soft elements: **shared values, style, staff, skills**. Figure below (Figure 1.), shows the model and its interdependency of the hard and soft elements.



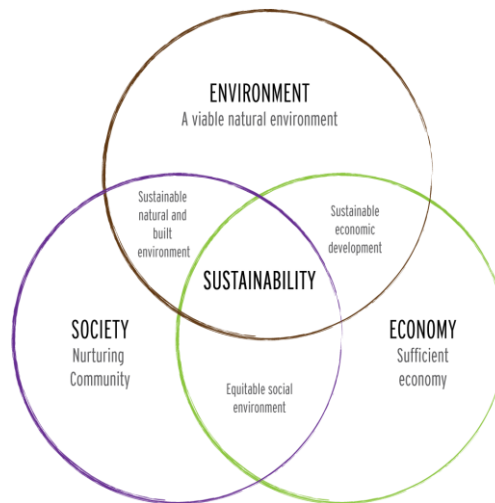
**Figure 1.: McKinsey's 7S Model**

Source: <http://www.strategicmanagementinsight.com/tools/mckinsey-7s-model-framework.html>



After analysis of internal environment was conducted *situational analysis*, based on The McKinsey’s 7S model with focus on CSR activities. Outputs were: **strengths** as factors that give an edge for the company over its competitors. The reason why were decided to search only for the strengths in CSR activities is that for this thesis is important CSR strategy of Ben & Jerry’s because it was used as an inspiration for other companies within the same sector therefore the strengths served as a guide.

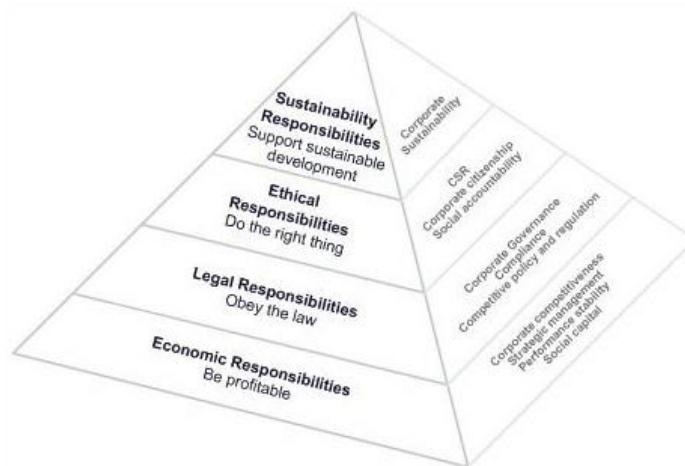
*Triple bottom line* as a way of expressing a company's impact and sustainability on both a local and a global scale, was used for measuring of 3P “profits, people, planet” also known as social, environmental and economic pillars (Figure 2.).



**Figure 2.: Triple Bottom Line Model**

Source: <https://tcorpinc.wordpress.com/tag/triple-bottom-line/>

*Carroll’s CSR pyramid*, as visible below (Figure 3.), consists of four responsibilities: philanthropic, ethical, legal, economic, and served for mapping of the corporate social responsibility situation in Ben & Jerry’s company.



**Figure 3.: Carroll’s CSR Pyramid**

Source: <http://www.csrquest.net/default.aspx?articleID=13186&heading=>

Results of the Triple bottom line, The McKinsey's 7S model and situational analysis conducted for Ben & Jerry's as well as for Míša, were used for *benchmarking*, based on which were proposed specific CSR practices that were adjusted for Míša and Czech market. For the comparison was created specific table (model of the table: Table 1.) where was clearly visible what should be improved. All the strengths were assigned with specific abbreviations for the better orientation in the text and in the table. Strengths of Ben & Jerry's were assigned with abbreviations S01-S20 and strengths of Unilever's Czech division of ice cream under the brand Algida were assigned with abbreviations U01-U20. This same method was used for comparison of CSR activities. All the CSR activities were assigned with specific abbreviations: B01-B10 for Ben & Jerry's and C01-C10 for Unilever's Czech division of ice cream under the brand Algida.

<b>Model Table - Comparison of "STRENGTHS/ CSR Activities" based on "Situational analysis/ TBL"</b>				
<b>Strength/ CSR Activity</b>	<b>Ben &amp; Jerry's</b>		<b>Unilever's Czech Division of Ice Cream under the Brand Algida</b>	
	Yes/ No	S01/ B01	Yes/ No	U01/ C01
Description	Yes/ No	S02/ B02	Yes/ No	U02/ C02
Description	Yes/ No	S03/ B03	Yes/ No	U03/ C03
Description	Yes/ No	S04/ B04	Yes/ No	U04/ C04
Description	Yes/ No	S05/ B05	Yes/ No	U05/ C05

**Table 1.: Model of the Table for Comparison of "STRENGTHS/ CSR Activities" in Companies**

Source: Created by author of the thesis

## 3 Literature overview

### 3.1 What is CSR

Corporate social responsibility (CSR) is “a commitment to improve community wellbeing through discretionary business practices and contributions of corporate resources.” CSR became popular in the 1960s but has changed considerably since. Before the 1990s, firms supported many organizations on a short-term basis. The purpose of that approach to CSR was “doing good to look good.” The result was shallow giving without follow through. In the 1990s, a new model of social philanthropy emerged that involved more strategically choosing charities to support. Corporate leaders looked for causes they believed in, narrowed their giving to a select few organizations and adopted the motto, “doing all we can to do the most good, not just some good.” (KOTLER PHILIP, HESSEKIEL DAVID AND NANCY R. LEE, 2012)

Noam Noked, HLS Forum 2013: *“CSR is defined many ways but generally refers to how a company addresses and manages its environmental, social, corporate governance and economic impacts and how such impacts may affect the company’s stakeholders. CSR provides companies an opportunity to strengthen their business, while contributing to society”.*

European Commission, 2015: *“Corporate social responsibility refers to companies voluntarily going beyond what the law requires to achieve social and environmental objectives during the course of their daily business activities.”*

Hohnen Paul, 2007.: *“CSR should be seen as the way that firms—working with those most affected by their decisions (often called “stakeholders”)—can develop innovative and economically viable products, processes and services within core business processes, resulting in improved environmental protection and social conditions.”*

#### 3.1.1 CSR Activities

Corporate social responsibility consists of specific firm investments called “activities.” Collectively, over time, these activities can lead to a reputation for social responsibility— a valuable business asset of its own. A recent review of financial metrics deployed to calculate the business case for CSR found 42 unique CSR activities (Table 2.) used by analysts and researchers over four decades of studies of the subject. (NOKED NOAM, HLS FORUM, 2011)

CSR Category	Examples of Specific CSR Activities
Philanthropy	<ul style="list-style-type: none"> <li>• Donation of sales</li> <li>• Unrestricted cash donations</li> <li>• Donation of products</li> <li>• Employee volunteerism</li> </ul>

	<ul style="list-style-type: none"> <li>• Collection of customer donations</li> <li>• Charity events</li> <li>• Promotion of public service announcements</li> </ul>
<b>Business Practices</b>	<ul style="list-style-type: none"> <li>• Pollution levels</li> <li>• Reduced energy consumption</li> <li>• Recycling</li> <li>• Labour practices (e.g. child/sweatshop labour)</li> <li>• Diversity</li> <li>• Fair trade</li> <li>• Other supply chain responsibility (e.g., human rights)</li> <li>• Third party awards for performance</li> <li>• Customer relations</li> <li>• Employee relations</li> <li>• Packaging</li> <li>• Animal testing</li> <li>• False advertising</li> <li>• Controversial advertising</li> <li>• Ethical conduct</li> <li>• Packaging</li> <li>• Animal testing</li> <li>• False advertising</li> <li>• Controversial advertising</li> <li>• Ethical conduct</li> </ul>
<b>Product-Related Activities</b>	<ul style="list-style-type: none"> <li>• Competing fairly and ethically</li> <li>• Investment in South Africa</li> <li>• Local sourcing</li> <li>• Industry codes of ethics</li> <li>• Adherence to other standards (e.g., GRI)</li> <li>• Product recalls</li> <li>• Governance</li> <li>• Carbon offset sales/offsets</li> <li>• Six Sigma projects</li> <li>• Lawsuits</li> <li>• Decreased product use/moderation message</li> <li>• Investment in workplace safety</li> </ul>
	<ul style="list-style-type: none"> <li>• Energy efficiency</li> <li>• Organic</li> <li>• Product ingredients</li> <li>• Controversial products (e.g., firearms, alcohol, gambling)</li> <li>• Product quality</li> </ul>

**Table 2.: Categorization of CSR Activities**

Source: <http://corpgov.law.harvard.edu/2011/02/28/investing-in-corporate-social-responsibility-to-enhance-customer-value/>

### 3.1.2 CSR Campaigns

Although CSR campaigns generally benefit corporations, leaders face several challenges, such as finding the right social issue to support, creating effective programs and implementing sufficient evaluation methods. Corporate social initiatives fall under six general categories. The first three are “marketing-driven initiatives,” and the second three are “corporate-driven initiatives”:

- “Cause promotion” – Raising awareness and support for a cause by donating funds or in-kind contributions.

- “Cause-related marketing” – Partnering with a non-profit organization to donate a percentage of sales or in-kind contributions based on customer participation.
- “Corporate social marketing” – Focusing on behaviour change.
- “Corporate philanthropy” – Donating cash or in-kind services to a specific charity.
- “Community volunteering” – Donating time to local causes.
- “Socially responsible business practices” – Implementing programs that “improve community well-being and protect the environment.” (KOTLER PHILIP, HESSEKIEL DAVID AND NANCY R. LEE, 2012)

### 3.1.3 CSR Report

The CSR report provides a company within one single document an opportunity to communicate its CSR efforts to the company’s stakeholders and to discuss company’s success in different areas of CSR, including:

- corporate governance, climate change, employee and supplier diversity initiatives, and community investments and partnerships

The CSR report is also a medium for transparency and can be used as an effective tool for a shareholder relations campaign. Also, the CSR report gives existing and potential investors CSR information to assist in analysing investment decisions. The use of CSR reports by US companies has rapidly increased. (NOKED NOAM, HLS FORUM, 2013)

Corporate CSR reports can vary in several aspects as format, length and other details. But certain parts are necessary and appear in reports repeatedly:

- an opening letter from the company’s chief executive officer/ chief CSR executive
- the company’s CSR policy or mission statement
- “forward-looking statements” disclaimer
- most significant, disclosures addressing issues most important to each of the company’s key stakeholders (NOKED NOAM, HLS FORUM, 2013)

## 3.2 Can Corporations Be Socially and Environmentally Responsible?

You may have heard a range of arguments about the ability of corporations to contribute to the greater good. People who oppose market-driven societies reject the concept of CSR because they view companies’ charitable activities as mere public relations exercises. These sceptics also label environmentally friendly deeds as “green washing.” This evolves from the confusion created by associating economic liberalism and global capitalism with corporations. Many CSR and sustainable development programs transcend this cynicism. Their leaders believe that the world’s citizens should try to fix its social ills by using whatever help is offered – even if the circumstances are not ideal and the parties’ motivations are not crystal

clear. They insist that the world cannot afford to wait any longer, that it must act quickly to solve the colossal societal and environmental problems that states can no longer handle. Corporations can be responsible when their motivations are genuine and when they adopt a humble communication style. (RENAUD-COULON ANNICK, 2008)

Companies choose to behave responsibly even when they are not legally required to do so for various reasons, which could be strategic, defensive, or humane and philanthropic. Some corporate social responsibility (CSR) programs have demonstrably improved working conditions, protected the environment and abetted social causes. Market forces that affect CSR (whether they promote or hamper it) include boycotts, investor pressure, consumer demand for responsibly manufactured products, top-tier management's values, and challenges from nongovernmental organizations (NGOs). (VOGEL DAVID, 2005)

### **3.3 Importance and Benefits of CSR**

If implemented properly, CSR benefits the corporation and the charitable cause. Demonstrating responsibility can improve a company's brand, image and sales. It can even attract more dedicated employees. In general, staff members who participate in their companies' social giving campaigns report greater loyalty to their firms. (KOTLER PHILIP, HESSEKIEL DAVID AND NANCY R. LEE, 2012)

Companies that practice corporate social responsibility (CSR) work to build profitable businesses while also improving conditions in their communities. Over the past two decades, CSR has become an increasingly powerful force in corporate governance. It has broadened beyond civic action and charity to include efforts to influence corporate policies affecting employee relations, the environment, community affairs, shareholder relations and executive compensation. (HANCOCK JOHN, 2005)

CSR has become increasingly important due to a variety of factors, including globalization and the rise of activist shareholders. CSR is a by-product of the growing dominance of multi-national corporations and the accompanying decline in state power. Corporations are increasingly likely to be more able to impose change than are state social and economic agencies. (HANCOCK JOHN, 2005)

While CSR is considered important for many reasons, like everything else in business, it is impelled by bottom line profitability. Companies with positive CSR programs have posted more stable, higher stock prices than companies that lack CSR programs. A study conducted by Euronext and CSR Europe found that 51% of fund managers and 37% of equity analysts would pay more for stock in companies with social responsibility programs. Other studies found that investors similarly would pay more for shares of a company that followed a program of corporate accountability. Along the same lines, customers say they would patronize stores that endorse specific social programs or charities, and would even change their shopping patterns to buy at shops that contribute to improving world conditions. (HANCOCK JOHN, 2005)

A survey taken by PricewaterhouseCoopers/World Economic Forum showed that some 70% of CEOs worldwide found that CSR enhanced their corporation's profitability. In a Harris poll, 800 North American and European CEOs also emphasized the importance of having a positive corporate reputation. The flip side is that a corporation's actions must match its CSR policy. Because of greater worldwide media coverage, companies can no longer engage in irresponsible social behaviour in some nation far away from headquarters and expect to get away with it in their home country. For instance, when Coca-Cola was accused of using a private police force against its South American employees, the charge made the international news. When Shell Oil attempted to sink an oil platform in the North Atlantic, environmentalists generated worldwide bad publicity with their claim that the platform would harm the environment. Nike was forced to defend itself in court after one activist found that the shoe company's advertising overstated its Southeast Asia CSR activities. The activist said that Nike's untrue statements regarding working conditions at the factory shown in the ad were false advertising. Nike said ads were covered under free speech protection. The court ruled that Nike's claims were business-related, so a trial could proceed. Eventually, Nike agreed to an out-of-court settlement of \$1.5 million, but the damage to its reputation was already done. (HANCOCK JOHN, 2005)

### **3.4 The Social Impact of CSR**

Many modern CSR efforts have focused on improving conditions for workers in developing countries, among other issues. Since the 1990s, more than 1,000 companies – particularly U.S. and European firms – have adopted codes of conduct affecting child labour, wages, working conditions and overtime. (VOGEL DAVID, 2005)

In part, you can thank Nike for that. In the late 1980s and the 1990s, Nike attracted vast negative media attention for the labour conditions in its factories in developing nations. At first, Nike denied responsibility for the conditions in its contractors' factories. Criticism escalated and Nike got a reputation as a "sweatshop employer." In 1998, Nike enacted a series of reforms, including raising the minimum age of workers, requiring suppliers to meet clean air standards and allowing human-rights groups to audit its subcontractors. These reforms affected labour and environmental practices in 50 nations, reaching more than 700 factories employing upwards of 600,000 workers. (VOGEL DAVID, 2005)

### **3.5 Regulatory Efforts**

CSR plus civil regulations or "soft laws" led to several major, socially responsible changes since the 1990s, including:

- Fewer children work in manufacturing jobs.
- Factories have upgraded their health and safety features.

- Manufacturers use less wood from “tropical, old-growth and endangered forests.”
- Factories now emit less greenhouse gas.
- Businesses are making an effort to use developing nations' natural resources without damaging the society or the environment. (DAVID VOGEL, 2005)

Yet, bad problems still exist:

- Factories and retailers, even those providing goods to the West, still fail to pay their workers steadily or fairly, provide good working environments, set reasonable hours or allow "freedom of assembly."
- Most workers still endure poor living standards.
- Tropical deforestation continues at a significant pace.
- The rate at which Western firms produce greenhouse emissions is still increasing.
- Industries that mine or harvest natural resources are still linked to environmental abuses and violations of human rights. (DAVID VOGEL, 2005)

Global corporations exist in many different countries under diverse commercial laws. No supranational authority guides them. Thus, some independently promote global regulations and a global civil society. The closest thing to global regulation comes from international organizations that play a large role in current global politics and business, such as the United Nations (and its International Labor Organization), the World Trade Organization, the G8, regional authorities, international rating agencies, consultancy firms, associations and some governments. To ease the problems of incompatible standards, several organizations have created suggested guidelines for corporations, (RENAUD-COULON ANNICK, 2008) for example:

- The U.N. Global Compact – Created in 1999, this is the world's largest CSR initiative. It identifies 10 principles affecting human rights, labor standards, the environment and the prevention of corruption.
- The Organization for Economic Cooperation and Development's guidelines – The OECD's standards for multinational corporations codify an agreement among 30 nations.

Numerous international rating agencies, standards, ethical stock indexes and nonfinancial indexes also want to run the show. They exert influence on companies and international organizations. Some give awards to motivate corporations to standardize their practices, and to adopt accepted principles and social goals. Others sanction by exclusion. Examples include the International Standards Organization's awards for quality (ISO 9000) and environmental management (ISO 14000). The Dow Jones Sustainability Indexes are another regulatory instrument. They rate firms on how well they manage the opportunities and risks of economic, social and environmental change to create long-range value. (RENAUD-COULON ANNICK, 2008)



### 3.5.1 ISO

ISO, the International Organization for Standardization, develops International Standards in an open, impartial and consensus-based process. ISO standards help break down barriers to international trade, which facilitates global exchange and promotes sustainable growth. (DISCOVERING ISO 26000)

#### 3.5.1.1 ISO 26000:2010

ISO 26000:2010 provides guidance to all types of organizations on:

- concepts, terms and definitions related to social responsibility;
- the background, trends and characteristics of social responsibility;
- principles and practices relating to social responsibility;
- the core subjects and issues of social responsibility;
- integrating, implementing and promoting socially responsible behaviour throughout the organization and, through its policies and practices, within its sphere of influence;
- identifying and engaging with stakeholders; and
- communicating commitments, performance and other information related to social responsibility. (ISO 26000:2010)

It is not certification for the organizations but it is help to clarify to organizations what social responsibility is and it translates principles into effective actions and shares best practices relating to social responsibility, globally. (ISO 26000:2010)

#### 3.5.1.2 Content

ISO 26000 addresses seven core subjects of social responsibility defined in the standard and portrayed in the following graphic (Figure 4.).



**Figure 4.: Social Responsibility : 7 Core Subjects**

Source: [http://www.iso.org/iso/discovering\\_iso\\_26000.pdf](http://www.iso.org/iso/discovering_iso_26000.pdf)

Clause title	Clause n°	Description of clause contents			
Scope	Clause 1	Defines the scope of ISO 26000 and identifies certain limitations and exclusions.	Guidance on social responsibility core subjects	Clause 6	Explains the core subjects and associated issues relating to social responsibility. For each core subject, information has been provided on its scope, its relationship to social responsibility, related principles and considerations, and related actions and expectations.
Terms and definitions	Clause 2	Identifies and provides the definition of key terms that are of fundamental importance for understanding social responsibility and for using ISO 26000.			
Understanding social responsibility	Clause 3	Describes the important factors and conditions that have influenced the development of social responsibility and that continue to affect its nature and practice. It also describes the concept of social responsibility itself – what it means and how it applies to organizations. The clause includes guidance for small and medium-sized organizations on the use of ISO 26000.	Guidance on integrating social responsibility throughout an organization	Clause 7	Provides guidance on putting social responsibility into practice in an organization. This includes: understanding the social responsibility of an organization, integrating social responsibility throughout an organization, communication related to social responsibility, improving the credibility of an organization regarding social responsibility, reviewing progress and improving performance and evaluating voluntary initiatives for social responsibility.
Principles of social responsibility	Clause 4	Introduces and explains the principles of social responsibility.	Examples of voluntary initiatives and tools for social responsibility	Annex A	Presents a non-exhaustive list of voluntary initiatives and tools related to social responsibility that address aspects of one or more core subjects or the integration of social responsibility throughout an organization.
Recognizing social responsibility and engaging stakeholders	Clause 5	Addresses two practices of social responsibility: an organization's recognition of its social responsibility, and its identification of, and engagement with, its stakeholders. It provides guidance on the relationship between an organization, its stakeholders and society, on recognizing the core subjects and issues of social responsibility, and on an organization's sphere of influence.	Abbreviated terms	Annex B	Contains abbreviated terms used in ISO 26000.
			Bibliography		Includes references to authoritative international instruments and ISO standards that are referenced in ISO 26000 as source material.

**Figure 5.: Outline of ISO 26000**

Source: [http://www.iso.org/iso/discovering\\_iso\\_26000.pdf](http://www.iso.org/iso/discovering_iso_26000.pdf)

### 3.5.2 B Corp Certification

Certified B Corporations are leading a global movement to redefine success in business. Organizations are voluntarily meeting higher standards of transparency, accountability, and performance. B Corps distinguishing themselves in the marketplace by different way how can be business done and they create higher quality jobs and improve the quality of life in communities. Over 1,000 businesses have already joined the B Corp movement, encouraging all companies to be part of this movement that grows and becoming powerful agent of change because they are passing laws and driving capital. (BCORPORATION, WHY B CORPS MATTER)

#### 3.5.2.1 Certification procedure

- Step 1: Meeting Performance Requirement – Completion of the B Impact Assessment and earn a reviewed minimum score of 80 out of 200 points.
- Step 2: Meeting Legal Requirement –Determination of the path for the corporate structure and state of incorporation.
- Step 3: Making it Official - Signing the B Corp Declaration of Interdependence and Term Sheet. (BCORPORATION, HOW TO BECOME)

## 3.6 Transparency

Transparency means being clear and open with public to give “greater authenticity to your company and your brands.” Transparency doesn’t mean sharing everything with everyone, giving away industrial secrets, violating employee privacy or flooding the Web with endless data. Effective transparency means your firm’s leaders address the world with openness, especially in a crisis. It requires that your employees and executives learn to represent your business and communicate its values. It involves sharing your strategy with your investors and explaining the results of your choices. (SHEL HOLTZ AND JOHN C. HAVENS, 2009)

Transparency – the decision to engage in open conversation – is essential, in large part, because it is unavoidable. Keeping things secret is increasingly difficult. The proliferation of social media is eroding the boundaries between the personal and the professional worlds. To practice transparency, remember the acronym “OPEN,” meaning “objectivity, purpose, esteem and navigation.”

- Objectivity – You can’t be dispassionate when you’re invested in something, as you are, literally and emotionally, in your firm. But, you can be honest and real.
- Purpose – Respond immediately by issuing a public apology if your company does something wrong. Don’t just talk a good game; act to make things better.
- Esteem – The world will evaluate you and your organization. Esteem, which is shaped by your communication with the public, is the sum total of those evaluations.
- Navigation – Every company eventually faces opportunities and crises. Have plans in place to guide your firm’s crisis responses so that its behaviour benefits its reputation. (SHEL HOLTZ AND JOHN C. HAVENS, 2009)

Companies that practice transparency “do the right thing.” They act ethically and align their actions with their words. Transparent companies act as if their books were open to scrutiny. This isn’t easy, but the leaders of transparent firms are willing to be brave and take risks. (SHEL HOLTZ AND JOHN C. HAVENS, 2009)

### 3.6.1 Transparency and Social Responsibility

Businesses are under pressure to demonstrate greater “corporate social responsibility” (CSR) in their internal and external activities. Internally, people tend to judge your CSR by the way you treat your employees. Institute “internal transparency,” which means making your employee policies visible. Inform staff members about your practices and let them tell you how these policies affect them. A blog lets employees offer feedback so you can make improvements. A blog is helpful but, more than any specific mechanism, keeping your staffers informed is what matters. Teach them the implications of their actions, who your competitors are, how you compare and what issues face the industry. Show employees how improv-

ing their individual results help the firm. (SHEL HOLTZ AND JOHN C. HAVENS, 2009)

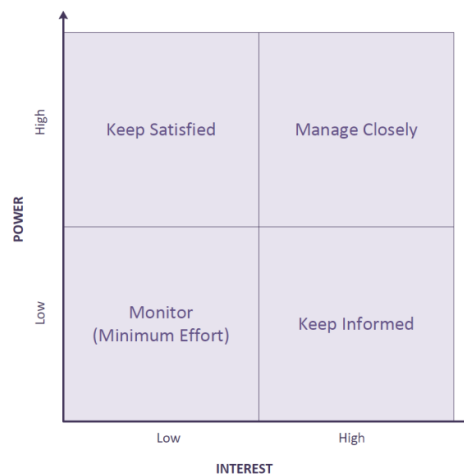
### 3.7 Stakeholders

There is a natural fit between the idea of corporate social responsibility and an organization's stakeholders. The word "social" in CSR has always been vague and lacking in specific direction as to whom the corporation is responsible. The concept of stakeholder personalizes social or societal responsibilities by delineating the specific groups or persons business should consider in its CSR orientation. Thus, the stakeholder nomenclature puts "names and faces" on the societal members who are most urgent to business, and to whom it must be responsive. (CARROLL, Archie B., 1991) Stakeholder engagement and understanding who the stakeholders are have become especially important as shareholders and potential investors are increasingly evaluating CSR issues when analysing investment decisions. (NOKED NOAM, HLS FORUM, 2013)

#### 3.7.1 Stakeholder Analysis

Stakeholder Analysis is technique that is used to identify the key people and can be divided into 3 steps:

- Step 1. Identifying who the stakeholders are: It is necessary to think of all the people who are affected by the work, who have influence or power over it, or have an interest in its successful or unsuccessful conclusion. (THOMPSON RACHEL, 2011)
- Step 2. Prioritizing Stakeholders: Mapping out stakeholders on a Power/Interest Grid as shown below (Figure 6.), and classify them by their power over work and by their interest in you work. (THOMPSON RACHEL, 2011)



**Figure 6.: Power/ Interest Grid for Stakeholder Prioritization**

Source: [http://www.washington.edu/research/rapid/resources/toolsTemplates/stakeholder\\_analysis.pdf](http://www.washington.edu/research/rapid/resources/toolsTemplates/stakeholder_analysis.pdf)

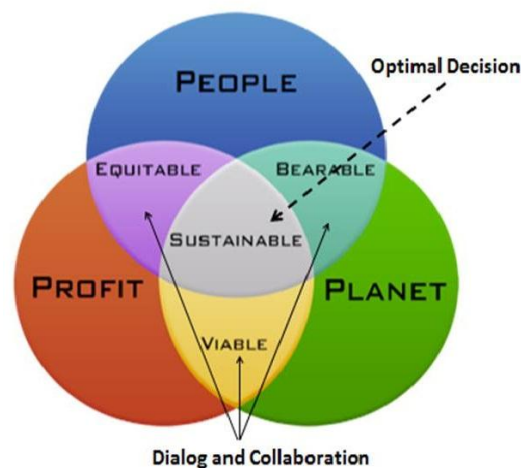
- Step 3. Understanding Key Stakeholders: It is necessary to know how the stakeholders are likely to feel about and react to the project and what is the best way to engage them in the project and how best to communicate with them. (THOMPSON RACHEL, 2011)

### 3.8 Triple Bottom Line

The TBL is an accounting framework that incorporates three dimensions of performance: social, environmental and financial, measured over a period of time. It can be also called as three Ps: profit, people and planet. The phrase “the triple bottom line” was first coined in 1994 by John Elkington, the founder of a British consultancy called SustainAbility. His argument was that companies should be preparing three different bottom lines:

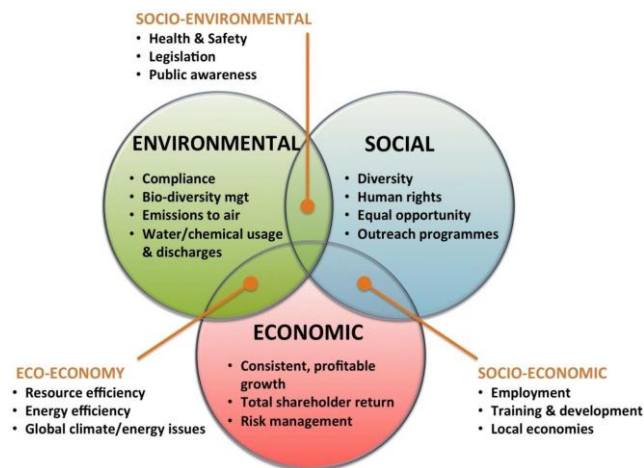
- First - the traditional measure of corporate profit—the “bottom line” of the profit and loss account
- Second - the bottom line of a company's “people account”—a measure in some shape or form of how socially responsible an organization has been throughout its operations
- Third - the bottom line of the company's “planet” account—a measure of how environmentally responsible it has been

Only a company that produces a TBL is taking account of the full cost involved in doing business. (ECONOMIST, 2009), (TIMOTHY F. SLAPER, PH.D., IBR, 2011)



**Figure 7.: Triple Bottom Line, Three Ps**

Source: <http://www.quality-consult.com/index.php?site=triplebottom>



**Figure 8.: TBL Model**

Source: <http://www.sellingsustainabilitysolutions.com/what-is-sustainability/>

### 3.8.1 Calculating the TBL

If we would like to calculate the TBL, there is no universal standard method for doing so. Neither is there a universally accepted standard for the measures that comprise each of the three TBL categories. (TIMOTHY F. SLAPER, PH.D., IBR, 2011)

**Economic Measures** - variables that deal with the bottom line and the flow of money. Some examples:

- Personal income; Cost of underemployment; Establishment churn; Establishment sizes; Job growth; Employment distribution by sector; Percentage of firms in each sector; Revenue by sector contributing to gross state product (TIMOTHY F. SLAPER, PH.D., IBR, 2011)

**Environmental Measures** - measurements of natural resources and reflect potential influences to its viability. Some examples:

- Sulphur dioxide concentration; Concentration of nitrogen oxides; Selected priority pollutants; Excessive nutrients; Electricity consumption; Fossil fuel consumption; Solid waste management; Hazardous waste management; Change in land use/land cover (TIMOTHY F. SLAPER, PH.D., IBR, 2011)

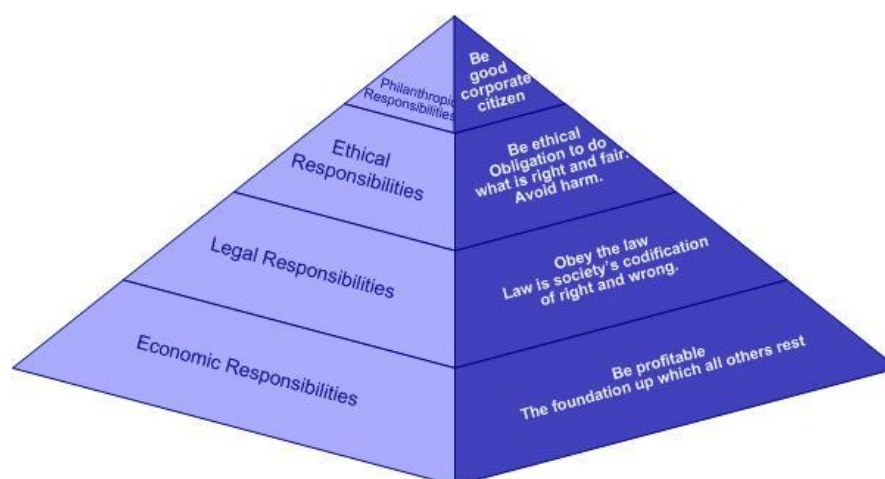
**Social Measures** - measurements of education, equity and access to social resources, health and well-being, quality of life, and social capital. Some examples:

- Unemployment rate; Female labour force participation rate; Median household income; Relative poverty; Percentage of population with a post-secondary degree or certificate; Average commute time; Violent crimes per capita; Health-adjusted life expectancy (TIMOTHY F. SLAPER, PH.D., IBR, 2011)

### 3.9 Carroll's Pyramid of Corporate Social Responsibility

According to Carroll "corporate social responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions when discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent" (DUDOVSKIY, JOHN, 2012)

- **Economic responsibility**  
It concerns the responsibility of business of producing goods and services needed by society and selling them making a profit. (DUDOVSKIY, JOHN, 2012)
- **Legal responsibility**  
The legal responsibility of corporations demands that businesses abide by the law and play by the rules of the game. (DUDOVSKIY, JOHN, 2012)
- **Ethical Responsibility**  
The main concept of ethical responsibility as defined and expressed by Carroll (1991) is that the ethical responsibility consists of what is generally expected by society over and above economic and legal expectations. (DUDOVSKIY, JOHN, 2012)
- **Philanthropic responsibility**  
As it is in the top of the pyramid, it focuses on more luxurious things such as improving the quality of life of employees, local communities and ultimately society in general. (DUDOVSKIY, JOHN, 2012)



**Figure 9.: Carroll's CSR Pyramid**

Source: <http://www.csrquest.net/imagefiles/CSR%20Pyramid.jpg>

<b>Economic Components (Responsibilities)</b>	<b>Legal Components (Responsibilities)</b>
1. It is important to perform in a manner consistent with maximizing earnings per share.	1. It is important to perform in a manner consistent with expectations of government and law.
2. It is important to be committed to being as profitable as possible.	2. It is important to comply with various federal, state, and local regulations.
3. It is important to maintain a strong competitive position.	3. It is important to be a law-abiding corporate citizen.
4. It is important to maintain a high level of operating efficiency.	4. It is important that a successful firm be defined as one that fulfills its legal obligations.
5. It is important that a successful firm be defined as one that is consistently profitable.	5. It is important to provide goods and services that at least meet minimal legal requirements.
<b>Ethical Components (Responsibilities)</b>	<b>Philanthropic Components (Responsibilities)</b>
1. It is important to perform in a manner consistent with expectations of societal mores and ethical norms.	1. It is important to perform in a manner consistent with the philanthropic and charitable expectations of society.
2. It is important to recognize and respect new or evolving ethical moral norms adopted by society.	2. It is important to assist the fine and performing arts.
3. It is important to prevent ethical norms from being compromised in order to achieve corporate goals.	3. It is important that managers and employees participate in voluntary and charitable activities within their local communities.
4. It is important that good corporate citizenship be defined as doing what is expected morally or ethically.	4. It is important to provide assistance to private and public educational institutions.
5. It is important to recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations.	5. It is important to assist voluntarily those projects that enhance a community's "quality of life."

**Table 3.: Components of CSR According to Carroll's CSR Pyramid**

Source: <http://www-rohan.sdsu.edu/faculty/dunnweb/rprnts.pyramidofcsr.pdf>

## 3.10 Related terms

### 3.10.1 Business Ethics

Business ethics is the application of ethical values to business behaviour. Business ethics is relevant both to the conduct of individuals and to the conduct of the organization as a whole. It applies to any and all aspects of business conduct, from boardroom strategies and how companies treat their employees and suppliers to sales techniques and accounting practices. Ethics goes beyond the legal requirements for a company and is, therefore, about discretionary decisions and behaviour guided by values. (IBE) Business ethics are implemented in order to ensure that a certain required level of trust exists between consumers and various forms of market participants with businesses. (INVESTOPEDIA)

### 3.10.2 Code of Ethics

Code of ethics is a guide of principles designed to help professionals conduct business honestly and with integrity and may outline the mission and values of the business or organization and how professionals are supposed to approach



problems, the ethical principles based on the organization's core values and the standards to which the professional will be held. Businesses and trade organizations have some kind of code of ethics that its employees or members have to follow and cannot be broken. Its importance is clear – it gives the rules for the right behaviour and provides warnings. (INVESTOPEDIA)

The Code of Ethics maintains that you must:

- Place the integrity of the profession and the interests of clients above your own interests
- Act with integrity, competence, and respect
- Maintain and develop your professional competence (CFA INSTITUTE)

### **3.10.3 Fairtrade**

Fairtrade is global movement based on a partnership between producers and consumers and it's aims is to make sure small farmers in developing countries can compete and thrive in the global economy. When a product carries the FAIRTRADE Mark it means the producers and traders have met Fairtrade Standards. When farmers can sell on Fairtrade terms, it provides them with a better deal and improved terms of trade. (FAIRTRADE) When you buy Fairtrade certified products, you can be confident that the farmers who grew these ingredients received a fair price for their harvest. And also it means that Fairtrade farmers agree to use environmentally sound farming practices, implement fair working standards, and invest in their communities. (SEAR 2013)

## 4 Results

### 4.1 Ben & Jerry's

Ben & Jerry's started to make ice cream in 1978 when Ben Cohen and Jerry Greenfield opened their first scoop shop in Burlington, Vermont. The main motto of the company is: "We make the best possible ice cream in the best possible way." Ben & Jerry's ice cream is now owned by Unilever and is managed out of the Central Support office in Vermont. Ben & Jerry's sits within Unilever's Refreshments division, which is managed globally out of London and regionally from Unilever offices in Englewood Cliffs, New Jersey. As of 2013, packaged ice cream and novelties, such as ice cream bars and sandwiches, are sold in 35 countries, primarily through packaged products in retail outlets. Ben & Jerry's also sold products, in 2013, through scoop shops operating in 20 countries. Products are produced in pints, quarts, 500 ml cups, 2.4 gallon, 9.08 liter and 4.5 liter tubs, single-serve cups and individual novelties; and these are distributed in supermarkets, grocery stores, convenience stores, scoop shops, restaurants and other venues. By the end of 2013, outside of North America, Ben & Jerry's products were marketed and distributed by affiliated companies within Unilever, and third-party licensees in Israel, Hong Kong and Singapore. (SEAR 2013)

<b>Ben &amp; Jerry's Homemade Holdings, Inc.</b>	
Type	Subsidiary
Parent	Unilever
Industry	Food processing
Product	Ice cream
Founded	Burlington, Vermont, May 5, 1978
Founders	Ben Cohen, Jerry Greenfield
Headquarters	South Burlington, Vermont, U.S.
CEO	Jostein Solheim
Website	<a href="http://www.benjerry.com">www.benjerry.com</a>

**Table 4.: Ben & Jerry's Homemade Holdings, Inc. Basic Information**

Source: Created by author of the thesis with help from [http://en.wikipedia.org/wiki/Ben\\_%26\\_Jerry%27s](http://en.wikipedia.org/wiki/Ben_%26_Jerry%27s)

## 4.1.1 Internal Environment of the Company

### 4.1.1.1 MCKINSEY'S 7S MODEL

McKinsey's 7S model consists of 7 fields according to which is analysed the internal environment of the company. For this analysis are used information mainly from the Ben & Jerry's 2013 Social & Environmental Assessment Report, available at <http://www.benjerry.com/about-us/sear-reports/2013-sear-report>.

Ben & Jerry's main **strategy** is to use the company in the new innovative ways to serve the common good and in the same time produce the best quality ice cream from the best possible sources and not only to not harm the nature but also to be beneficial to it **(S01)**. All these objectives are achieved every year because of the commitment of the company to find new ways how to deal with CSR **(S02)**. For this reason is Ben & Jerry's couple of steps ahead in comparison to the competition who is mostly not able to innovate in such a fast pace **(S03)**.

The **structure** of the company was mainly set in the time that Unilever purchased Ben & Jerry's. That time was established Agreement and Plan of Merger which say that Ben & Jerry's is governed through a unique distribution of powers between the CEO, Unilever, and an independent Company Board of Directors. Jostein Solheim is now Chief Executive Officer and he receives direction, counsel and support from an independent Ben & Jerry's Board of Directors that was established at the time of the Unilever acquisition. This Board is responsible for the company's Social Mission and the Essential Integrity, which includes for example product quality and standards. The Board's role is to advice and support Ben & Jerry's senior management in maintaining and strengthening the Company's three-part Mission Statement and protecting Ben & Jerry's brand equity. This Board meets on a quarterly basis (at least twice annually), and conducts on-going committee work throughout the year. The independent Board of Directors in 2015 consists of these members: Jeff Furman, Pierre Ferrari, Jennifer Henderson, Jostein Solheim, Terry Mollner, Anuradha Mittal, Pier Luigi Sigismondi, Helen Jones, Daryn Dodson, Annie Leonard. Globally is Ben & Jerry's managed out of the Central Support office in South Burlington, Vermont and consists of 447 employees whose are employed on permanent work agreement. Each department has its leading manager, who takes the responsibility for the processes in the company. (SEAR 2013)

The **staff** of the company consists of 447 full-time workers, 6 part-time workers, 31 full-time workers in Managerial positions, and none temporary worker. Important part of the company culture is diversity and for this reason can be found people from all around the world employed in Ben & Jerry's **(S04)**, because company has Affirmative Action plan, made for the purpose of imbalances in the workforce and is focused on equality in hiring, training, promoting, and compensating employees **(S05)**. Employees speak fluent English (if they are not native speakers), and Board of Directors consists of people that are Native Americans but also of people from: The Democratic Republic of the Congo, Norway, India, Venezuela and UK **(S04)**.

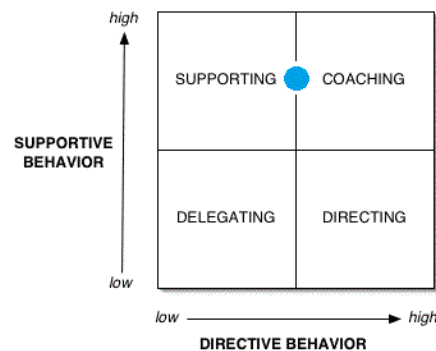
The internal **system** of the company is based on perfect coordination of all processes to be able to manufacture this huge amount of ice cream every year and to make satisfied customers. To achieve this perfect coordination is needed good training of the employees and also perfectly set time management. The company has also internal software, ensured by confidentiality about the processed data.

Ben & Jerry's **shared values** are to operate on a three-part mission that aims to create linked prosperity for everyone who is connected to the business: suppliers, employees, farmers, franchisees, customers, and neighbours alike **(S06)**. Company is leading with progressive values **(S07)** across the whole business by - striving to minimize the negative impact on the environment **(S08)**; - striving to show a deep respect for human beings inside and outside the company and for the communities in which they live **(S09)**; - seeking to support nonviolent ways to achieve peace and justice **(S10)** and also believes that government resources are more productively used in meeting human needs than in building and maintaining weapons systems; - recognizing that the gap between the rich and the poor is wider than at any time, and because of this is company striving to create economic opportunities **(S11)** and advancing new models of economic justice that are sustainable and replicable **(S12)**; - supporting sustainable and safe methods of food production that reduce environmental degradation **(S13)**, maintaining the productivity of the land over time, and supporting the economic viability **(S15)** and rural communities **(S16) (S17)**. (SEAR 2013)

The valuable and unique **skills** are essential for the company that wants to be prosperous and for the creation of the breath-taking product which can be successful on the market nowadays. As visible on the market share and on the overall performance and success, this is what Ben & Jerry's has **(S18) (S19)**. Employees must be flexible because of the different working shifts and must be able to handle stress well, because of the situations that can occur during the manufacturing processes. Reliability among employees is necessary as well, because some procedures are highly confidential, but the company is well known for its high level of transparency and also providing lots of internal information on their web pages and gives possibility to take the factory tour in Vermont, where you can even taste ice creams that have not yet been brought to the market **(S20)**.

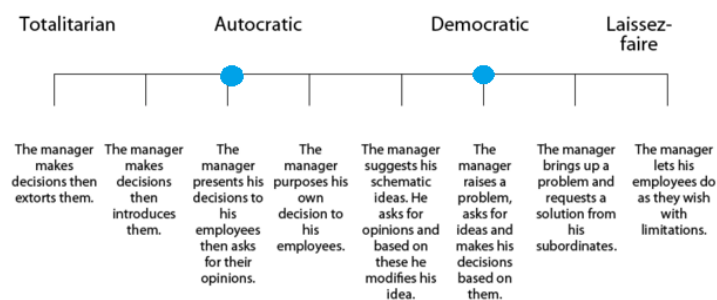
**Style of leadership** among managers is according to observations in more democratic way, but it also depends on the current situation of the problem that must be solved, because some cases needs to be solved rather in autocratic way (Figure 11.). But democratic way is very functional because in the board of directors are ten members and everyone has his/hers experiences and ideas, therefore it is necessary for decisions to be made by all board members together and by the words of Jeff Furman, the board members compliment and push each other to fulfil the dreams and aspirations of the original founders, it means that the motivating and leading of the whole company works in the very enthusiastic way and more than anything is supported creativity of employees. In the situations of hiring new employees is also needed appropriate training during the beginnings and therefore

is used coaching style which is important for developing skills of individuals and for improving overall performance (Figure 10.).



**Figure 10.: Style of Leadership**

Source: Adjusted by author of the thesis <http://ramanju.blogspot.cz/2009/08/role-of-geometry-in-management-science.html>



**Figure 11.: Style of Leadership**

Source: Adjusted by author of the thesis

[http://www.tankonyvtar.hu/en/tartalom/tamop412A/0007\\_e6\\_alkalmazotti\\_vezetes\\_eng/the\\_theory\\_of\\_huneryager\\_and\\_heckman\\_17rdywu7ZRawliGf.html](http://www.tankonyvtar.hu/en/tartalom/tamop412A/0007_e6_alkalmazotti_vezetes_eng/the_theory_of_huneryager_and_heckman_17rdywu7ZRawliGf.html)

#### 4.1.1.2 SITUATIONAL ANALYSIS

Based on the McKinsey's 7S model were found some of the important strengths in the internal environment of the company that are marked in the text with abbreviations S01 – S20, for the purpose of further benchmarking.

##### STRENGTHS

- S01 - Unique style of dealing with CSR
- S02 - Effective CSR projects
- S03 - CSR competitive advantage
- S04 - Diversity in the workforce
- S05 - Affirmative action plan
- S06 - Linked prosperity
- S07 - Progressive values
- S08 - Minimizing negative impact on the environment

- S09 - Showing deep respect for human beings
- S10 - Supporting nonviolent ways to achieve peace and justice
- S11 - Striving to create economic opportunities
- S12 - Advancing new models of economic justice
- S13 - Supporting sustainable and safe methods of food production
- S14 - Maintaining the productivity of the land
- S15 - Supporting the economic viability
- S16 - Supporting rural communities.
- S17 - Giant effort to improve the quality of life through CSR
- S18 - Good reputation on the market
- S19 - Tradition and high level of provided services
- S20 - High level of transparency

## 4.1.2 CSR Situation in the Company

### 4.1.2.1 MISSION

Ben & Jerry's is built on and dedicated to a sustainable corporate concept of linked prosperity (Figure 12.). Company is trying to find practical ways to implement business decisions that manifest the best efforts every day and challenge themselves to keep developing and implementing new ways how to deal with pressing problems.



Figure 12.: Ben & Jerry's Linked Prosperity

Source: <http://www.benjerry.com/about-us/sear-reports/2013-sear-report>

The mission consists of three interrelated parts (Table 5.), (Figure 13.):

<p><b>Product Mission</b> To make, distribute and sell the finest quality all natural ice cream and euphoric concoctions with a continued commitment to incorporating wholesome, natural ingredients and promoting business practices that respect the Earth and the Environment.</p> <p><b>Economic Mission</b> To operate the Company on a sustainable financial basis of profitable growth, increasing value for our stakeholders and expanding opportunities for development and career growth for our employees.</p> <p><b>Social Mission</b> To operate the company in a way that actively recognizes the central role that business plays in society by initiating innovative ways to improve the quality of life locally, nationally and internationally. Underlying the mission is the determination to seek new and creative ways of addressing all three parts, while holding a deep respect for individuals inside and outside the company and for the communities of which they are a part.</p>
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**Table 5.: Three-Part Mission Statement**

Source: <http://www.benjerry.com/about-us/sear-reports/2013-sear-report>



**Figure 13.: Three-Part Mission Statement**

Source: <http://www.benjerry.com/about-us/sear-reports/2013-sear-report>

Ben & Jerry's overall mission is to make the best product they can, be economically sustainable, and at the same time, create positive social change – specifically to advance new models of economic justice that are both sustainable and replicable.

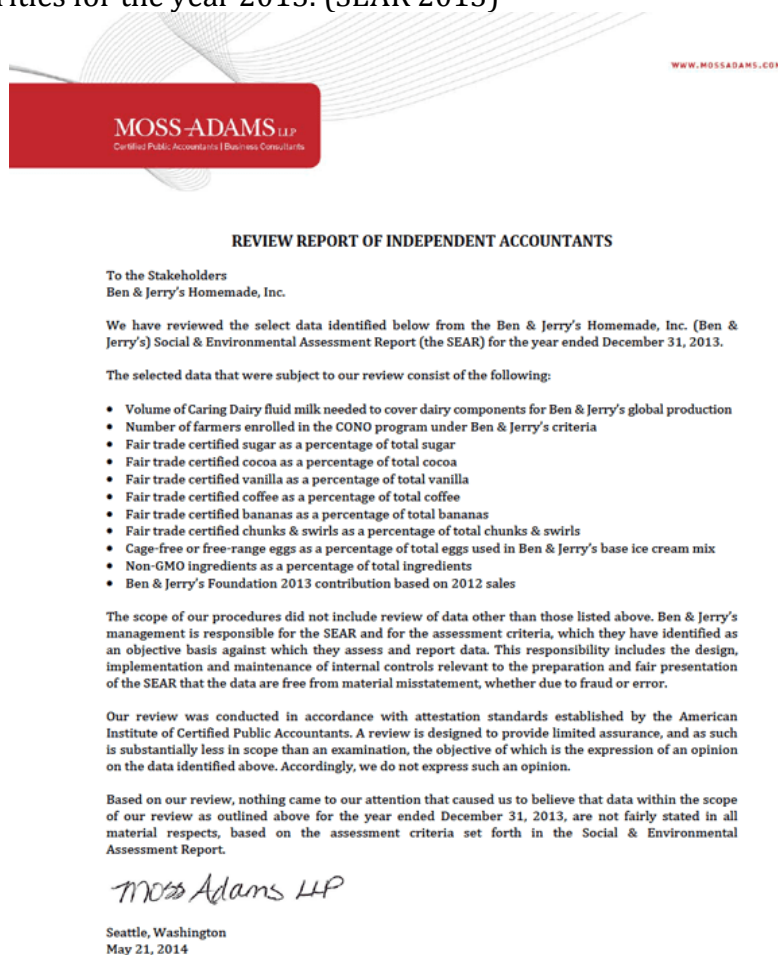
#### 4.1.2.2 CODE OF BUSINESS PRINCIPLES

The code includes: continuous improvement in managing environmental impacts, safe and healthy standards for workers, and a firm commitment to human

rights, among other things. All of the suppliers for Ben & Jerry's ice cream are expected to follow practices consistent with the Code of Business Principles of the parent company, Unilever. (SEAR 2013)

#### 4.1.2.3 SEAR REPORTS

In 1988 company pioneered a Mission Statement that added a Social Mission alongside the Product & Economic Missions. Each year since 1989 company reported the Social performance that have been delivering as an important aspect of the business and share both the bad and good aspects of it with the world in their Social & Environmental Assessment Report (SEAR). This report and Company priorities are reviewed every year by a third-party (independent accountants). For the last report from year 2013 was engaged independent accounting firm - Moss Adams LLP, that reviewed specific Quality of Results indicators that Ben & Jerry's set as priorities for the year 2013. (SEAR 2013)




**Figure 14.:** 2013 Social & Environmental Assessment Report

Source: <http://www.benjerry.com/about-us/sear-reports/2013-sear-report>




#### 4.1.2.4 B CORP CERTIFICATION

In October 2012, Ben & Jerry's became the first wholly-owned subsidiary in the world, with full support from the parent Company, Unilever that gained B Corp Certification. Rigorous assessment that covers: corporate governance, worker benefits, community engagement and environmental performance, was satisfied and Ben & Jerry's scored 89 points, above the minimum 80 points to achieve B Corp certification. This recertification process happens every other year. (SEAR 2013)

<b>Ben and Jerry's 2014 B Impact Report</b>		
<b>Certified</b>  <b>Corporation</b>	Company Score	Median Score*
	<b>Overall B Score</b>	<b>101</b>
<b>Environment</b>	<b>25</b>	<b>9</b>
Environmental Products & Services (e.g. Renewable energy, recycling)	0	4
Environmental Practices	25	6
Land, Office, Plant	6	4
Energy, Water, Materials	10	2
Emissions, Water, Waste	6	1
Suppliers & Transportation	3	N/A
<b>Workers</b>	<b>26</b>	<b>22</b>
Compensation, Benefits & Training	21	15
Worker Ownership	<1	2
Work Environment	4	4
<b>Customers</b>	<b>0</b>	<b>N/A</b>
Customer Products & Services		N/A
Products & Services		N/A
Serving Those in Need		N/A
<b>Community</b>	<b>34</b>	<b>32</b>
Community Practices	34	15
Suppliers & Distributors	10	4
Local	1	5
Diversity	3	2
Job Creation	<1	2
Civic Engagement & Giving	6	4
<b>Governance</b>	<b>16</b>	<b>10</b>
Accountability	12	6
Transparency	3	3
<b>Overall</b>	<b>101</b>	<b>80</b>

80 out of 200 is eligible for certification  
 \*Of all businesses that have completed the B Impact Assessment  
 \*Median scores will not add up to overall

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**Figure 15.: B Impact Report 2014**

Source: <http://www.bcorporation.net/community/ben-and-jerrys/impact-report/2014-11-21-000000>

#### 4.1.2.5 CSR ACCORDING TO TRIPLE BOTTOM LINE

TBL consists of 3 pillars according to which is analysed the CSR environment of the company. For this analysis are used information mainly from the Ben & Jerry's 2013 Social & Environmental Assessment Report, available at <http://www.benjerry.com/about-us/sear-reports/2013-sear-report>.

##### **ECONOMIC PILLAR**

Ben & Jerry's is currently fully converting its global product line to source **Fairtrade**-certified ingredients (sugar, cocoa, vanilla and coffee, bananas, chunks and swirls), to have meaningful impact for farmers in developing countries, which is the largest solution ever made by the company (**B1**) and company is also supporting through the flavour "Late Night Snack" Fair Trade Universities in the US, as well as participating on the World Fair Trade Day, Fairtrade Fortnight in the UK, and Fair Trade Month in the US. Ben & Jerry's is committed to paying all of its workers a **liveable wage**. The Liveable Wage Policy covers all full and part-time employees in the Vermont manufacturing plants and in all of the company-owned scoop shops. In 1995 in Vermont was established a method for calculating a liveable wage benchmark, defined as the starting wage for a single person that will sustain a reasonable quality of life to include expenditures for housing, utilities, out-of-pocket health care, transportation, food, recreation, savings, taxes, and miscellaneous expenses. Since then, this liveable wage is adjusted annually to ensure the relative value is sustained in today's marketplace. Ben & Jerry's liveable wage benchmark for 2013 was \$16.13 per hour, up from \$15.97 in 2012, \$15.34 per hour in 2011 and from \$14.64 in 2010. This hourly wage translates to \$33,550 per year. For the comparison the national minimum for the 2013 was \$7.25/hr (\$15,080/yr). Company is also well known for its high level of **transparency**, which is visible on its entire social media, where can be found current reports but also reports from couple of years ago (**B02**). Part of the economic pillar is also the **Ben & Jerry's Foundation**, which could be also considered at the social pillar, because company supports through this foundation immigrant workers, farm workers and those who needs to be dealt with fairly. In 2013 company contributed \$2,530,080 to The Foundation. On the border of the economic and social pillar is also the idea of the company that the certain **percentage of the royalties, sales** from the scoop shops are provided to non-profits and Fairtrade organizations. (SEAR 2013)

##### **SOCIAL PILLAR**

In the term of community improvement company contributed more than 5,000 hours of community service and donated more than 5% of **profits to charity**. More than 40% of board and management are from **underrepresented populations**. 45% of COGS goes towards investing and supporting small scale suppliers through the **Caring Dairy program** for dairy farmers in Vermont and the Netherlands to hit year-on-year improvements, company is also fighting for **Dairy Animal Welfare** in Europe and this movement aims to improve humane conditions for cows in Europe. Usage of the **Cage-free and Free-range eggs** become substantial part of the company's culture. Employees of B&J's are each year encouraged to

participate and contribute to the society by a variety of **Company sponsored volunteer hours**. The form of this contribution is in 40 paid volunteer hours that the employees can use on activities organized by Ben & Jerry's worksites or at various Company gatherings during the year. Estimation of the employee's paid volunteer time spent on group community projects and individual volunteer time globally: 4,492 hours in 2013, and 3,552 in 2012. Ben & Jerry's is an equal opportunity employer that values **diversity** in the workforce. Important part of the workforce selection is Affirmative Action plan, made for the purpose of imbalances in the workforce and is focused on equality in hiring, training, promoting, and compensating employees (**B03, B04**). Additionally Ben & Jerry's donates office space in their South Burlington office to non-profit mentoring organization that matches college mentors with young people growing up in subsidized housing projects. Name of this organization is **DREAM** and in the B&J's they have access to all shared resources in the building. Social Entrepreneurs are also supported by Ben & Jerry's through the competition - **Join Our Core**, that comes from the partnership between Ben & Jerry's- Ashoka- HUB, and the purpose of it is to find the best social entrepreneurs across the whole Europe and support them with the cash prize and mentoring program and Ahoka. Company is continuously expressing support for **equal rights (B05)** regardless of race, gender or sexual orientation. And support for the **same sex marriage** express also through the **special flavours** – like Mint Chocolate Chunk= EngageMint (Ireland), Cookie Dought= Coppa di Fatto (Italy), Cookie Dought= I Dough I Dough (Australia), Oh My Apple Pie= Apple-y Ever After (UK). Ben & Jerry's also support **The Peace Alliance** that promotes prevention and intervention acts to keep children drug-free. (**B06**) Company is also helping to youth that facing some life barriers, through Ben & Jerry's **PartnerShop® Program**, which aim is to give the young people training and employment opportunity in the PartnerShop scoop shop, that is independently owned and driven by community-based non-profit organization. (**B07**) The **brownies** that company use in the ice cream come from New York's **Greyston Bakery**, where the mission is to bake good bread and to provide jobs and training to low-income city residents and thanks to their open door hiring policy, anyone that comes through the front door of the bakery is given the chance to work, regardless of educational attainment, work history or past social barriers, such as incarceration, homelessness or drug use. (**B08**) (SEAR 2013)

#### **ENVIRONMENTAL PILLAR**

When it comes to **Environmental pillar** and to the issue of climate, the company knows that their business is at the centre of some of the most pressing climate issues of this time and they are aware that they have to work harder to mitigate their impact on the environment. Company has invested for many years in **energy-efficient technology from cooling systems** to lighting to water and waste management systems at their manufacturing plants (**B09**). They pursue innovative plans to reduce the greenhouse gas emissions associated with their business to respond to the urge challenge of climate change. They are sending their dairy waste from their Vermont ice cream plants back to two of the farms that

supply them with fresh dairy ingredients and their waste is put into methane digesters with other farm waste where it gathers energy to power the farm. Company is doing very good job on this field but strives for more because they understand that it is very important to reduce their negative impact in the environment. Company is also measuring environmental impact and they are looking at four performance parameters at every plant that makes their ice cream products – water, solid waste, energy and CO2 emissions. They are using a formula that weights each plant's performance by the volume of Ben & Jerry's products it produces. There are some important environmental numbers from years 2013-2011 that the company takes a track of in their SEAR Reports: (SEAR 2013)

<b>2013 EPR Numbers</b>	
Water Use:	1.2 % better than 2012 (cubic meters per unit of production)
Solid Waste:	195.8% better than 2012 (kg per unit of production)
Energy Use:	0.7% worse than 2012 (gigajoules per unit of production)
CO2 Emissions:	12.3 % worse than 2012 (kg per unit of production)
<b>2012 EPR Numbers</b>	
Water Use:	2.7 % better than 2011 (cubic meters per unit of production)
Solid Waste:	11.9 % worse than 2011 (kg per unit of production)
Energy Use:	1.2 % better than 2011 (gigajoules per unit of production)
CO2 Emissions:	60.5 % better than 2011 (kg per unit of production)
<b>2011 EPR Numbers</b>	
Water Use:	0.3% better than 2010 (cubic meters per unit of production)
Solid Waste:	14.0% better than 2010 (kg per unit of production)
Energy Use:	0.3% worse than 2010 (gigajoules per unit of production)
CO2 Emissions:	3.1% worse than 2010 (kg per unit of production)

**Table 6.: Environmental Numbers 2013-2011**

Source: created by author of the thesis from the source: <http://www.benjerry.com/about-us/sear-reports>

In this industry is very hard to solve problem with **packaging**, because package must stand the temperature of 20 degrees below zero (F) and at the same time it must meet very strict requirements for food packaging. Because of this, Company really focuses on the sources of the paperboard and is using **Forest Stewardship Council certified paperboard** that comes from forests that are managed for the protection of wildlife habitat and other Rainforest Alliance criteria for healthy forests. Company succeeded in their plan to convert the primary European packaging to FSC packaging. Company is also trying to minimize the environmental impact through the **scoop shops** by using unbleached paper in the napkins and recyclable plastic drink cups. In **company corporate office** are solely used environmentally friendly materials, including 100% post-consumer recycled and process chlorine-free paper; compostable dinnerware, green cleaning solutions, low-VOC paints, and flooring that is recyclable (**B10**). In 2011 received company approval from the U.S. Environmental Protection Agency to use **hydrocarbon freezers** in the U.S. Firstly company launched 250 of these next-generation green freezers. Because of the huge success, company decided to roll out an additional 840 HC freezers in

2012. In 2013 company had up to 4,588 freezers in the U.S (**B09**). In 2013, company continued to engage with **Business for Innovative Climate and Energy Policy**, that is a coalition of businesses committed to working with policy makers to pass meaningful energy and climate legislation that will enable a rapid transition to a low-carbon, 21st century economy that will create new jobs and stimulate economic growth while stabilizing planet's fragile climate. In Vermont-based company can be found three employee-led teams that come up with projects, activities, and events that highlight relevant environmental issues within the Company and beyond, they are called **Green Teams**, and are composed of employees interested in environmental issues. (SEAR 2013)

#### 4.1.2.6 CARROLL'S PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY

After consideration of all the information about the company, it is certain that Ben & Jerry's fulfils all the responsibilities of the Carroll's CSR pyramid.

Company comply with the **economic responsibility** by making strategic decisions to maximize sales, and to be able to make sufficient profit. Company is maintaining following financial controls -Segregation of Accounts Receivables and Account Payable duties; Segregation of check writing and check signing privileges; Limited access to accounting software systems to appropriate personnel; Limited access to credit/ATM cards to appropriate personnel; Inventory management system with routine management or third-party reviews (BEN & JERRY'S IMPACT ASSESSMENT).

As company's **legal responsibility** is to obey all laws and adhere to all regulations, which is fulfilled. Company produce financials that are verified annually by an independent source through an audit. Also there is a Whistle-Blowing Policy and Community Service Policy in the company. Company has a written policy to match individual worker's charitable donations as an effort to encourage charitable giving, and also allows workers to select non-profit organizations to receive company charitable giving donations. In 2012 company achieved the B Corp certification as the first wholly-owned subsidiary in the world. Company is making internal environmental review at least once a year and this review is shared with broader community outside the company. Company's environmental management system includes policy statement documenting the organization's commitment to the environment. Company is also a member of an association that fosters environmentally sustainable business practices. (SEAR 2013)

**Ethical responsibility-** Ben & Jerry's is a member of the Fairtrade Labelling Organizations International, and is currently converting all of its global product line to source Fairtrade ingredients. The decision was an intentional directive to create a meaningful impact for farmers in developing countries around the world. Company also use an office recycling program that includes- paper, cardboard, plastic, glass and metal and composing and also some chemical reduction methods have been implemented, as non-toxic janitorial products, unbleached/ chlorine free paper products and low VOC inks. Company is continuously expressing support for the equal rights, same sex marriage and diversity in the workforce.

In concern of **philanthropic responsibility**, company do its best to fulfil this part in all the ways as visible on the overall performance and the way how company represents itself. Company is contributing part of its profits to charity and around 50-75% of employees participate in company organized community service days. (SEAR 2013)

## 4.2 Unilever's Czech Division of Ice Cream under the Brand Algida

Company Unilever is currently divided into several categories and divisions but in relation to this thesis is important only the food category that covers the field of ice creams. Ice creams in Unilever are under the brand Algida, including traditional Czech products Míša or Ledňáček.

### 4.2.1 Míša

Míša is a popular Czech brand of ice cream that has been operating on the market since 1961, and sells over 12 million ice popsicles per year, making it the most successful ice cream brand in the Czech Republic. (PAMĚTNÍK MÍŠA) The ice cream is made from frozen cream cheese and can be bought as a plain one or with fruit flavours, covered in chocolate. The plain cheese flavour consists of 53% cream cheese. In the 2013 was Míša best-selling ice-cream in the Czech Republic with a turnover of 141 million CZK, and with prestigious award of good quality product-Klasa. (JANEBOVÁ M., UNILEVER, 2011)

### 4.2.2 Internal Environment of the Company

#### 4.2.2.1 MCKINSEY'S 7S MODEL

McKinsey's 7S model consists of 7 fields according to which is analysed the internal environment of the company. For this analysis are used information mainly from the: Unilever Plán Udržitelného Rozvoje 2013 – Pokrok a podpora změn.

Company's main **strategy** is to produce quality ice cream that is made of quality resources and provide to people with long run tradition, and also the common goal is to improve the living conditions of people, yet the CSR projects are not conducted on very advanced unique level yet so the company is missing the competitive advantage opportunity among other brands. **(U01-03)**

Best-selling Ice Cream on the Czech Market in 2013		
ICE CREAM	PRODUCER	Sales CZK mil
1. Míša tvarohový	UNILEVER	141
2. Mrož jahodový s tvarohem	PRIMA	84
3. Twister Green	UNILEVER	55
4. Mrož jahodový s tvar. v bílé čokoládě	PRIMA	50
5. Ruská zmrzlina	PRIMA	46
6. Magnum Almond	UNILEVER	38
7. Ledňáček vanilkový	UNILEVER	38
8. Eskymo kokosové	UNILEVER	34
9. Mrož Tvaroh a smetana	PRIMA	29
10. Míša Tvaroh/jahoda	UNILEVER	29

**Table 7.: Best-Selling Ice Cream on the Czech Market in 2013**

Source: <http://ekonomika.eurozpravy.cz/ceska-republika/91339-zmrzlina-v-cesku-ktera-nam-chutna-nejvice/>

The **structure** of the company is set by Unilever, as the parent company for the Czech division of the ice cream under the brand Algida.

The **staff** in the company is crucial part, therefore must be selected workers who are capable to handle appropriate tasks. Company is giving working opportunities to people regardless to race and discrimination, but creation of the new opportunities for the underprivileged people could be greater. **(U04) (U05)**

The internal **system** must be operated properly in order to manufacturing products on time and supply shops with the products, also appropriate training to staff must be managed in order to operate smoothly on the everyday bases.

Company's **shared values** are to produce quality ice cream from the quality resources and not to be harmful to the environment and to the society but to be beneficial to it and to support safe methods of food production. **(U06-16)** But the effort to create job opportunities for the underprivileged people could be greater as mentioned in the "staff" part. **(U11)**

**The skills** of high professionalism are substantial part of the successful business and for the good reputation on the market and according to the sales from the last years is visible that the company's products are evaluated by people as quality ones and also the brand is perceived in the good way because of its high level of tradition that was built through the couple of decades. **(U18) (U19)** Because of the different working shifts, employees must be flexible and must be able to handle stress well, because of the situations that can occur during the manufacturing processes. Reliability among employees is necessary as well, because some procedures are highly confidential.

**Style of leadership** can greatly vary on the situations, for example when hiring new employees is also needed specific training and in this situation is necessary to use coaching style. Among managers is rather used democratic way of dealing with situations but some problems must be also solved by autocratic way. Y

#### 4.2.2.2 COMPARISON OF STRENGTHS BASED ON SITUATIONAL ANALYSIS

In the Table 8. is conducted comparison of strengths in both companies for the purpose of finding out, which activities should be considered as a part of CSR in Czech division of ice cream. All the strengths are assigned with specific abbreviations for the better orientation in the text. Strengths of Ben & Jerry's can be found on the pages 35-38 of this thesis, under the abbreviations **S01-S20**. Unilever's Czech Division of Ice Cream under the Brand Algida – and its strengths can be found on the pages 47-48. Abbreviations of these strengths are **U01-U20**.



<b>Comparison of STRENGTHS based on Situational analysis</b>				
<b>Strength</b>	<b>Ben &amp; Jerry's</b>		<b>Unilever's Czech Division of Ice Cream under the Brand Algida</b>	
	Unique style of dealing with CSR	Yes	S01	<i>No</i>
Effective CSR projects	Yes	S02	<i>Yes, but not sufficient</i>	U02
CSR competitive advantage	Yes	S03	<i>No</i>	U03
Diversity in the workforce	Yes	S04	<i>Yes, but not sufficient</i>	U04
Affirmative action plan	Yes	S05	<i>Yes, but not sufficient</i>	U05
Linked prosperity	Yes	S06	Yes	U06
Progressive values	Yes	S07	Yes	U07
Minimizing negative impact on the environment	Yes	S08	Yes	U08
Showing deep respect for human beings	Yes	S09	Yes	U09
Supporting nonviolent ways to achieve peace and justice	Yes	S10	Yes	U10
Striving to create economic opportunities	Yes	S11	<i>Yes, but not sufficient</i>	U11
Advancing new models of economic justice	Yes	S12	Yes	U12
Supporting sustainable and safe methods of food production	Yes	S13	Yes	U13
Maintaining the productivity of the land	Yes	S14	Yes	U14
Supporting the economic viability	Yes	S15	Yes	U15
Supporting rural communities.	Yes	S16	Yes	U16
Giant effort to improve the quality of life through CSR	Yes	S17	<i>Yes, but not sufficient</i>	U17 - missing
Good reputation on the market	Yes	S18	Yes	U18
Tradition and high level of provided services	Yes	S19	Yes	U19
High level of transparency	Yes	S20	<i>No</i>	U20 - missing

**Table 8.: Comparison of Strengths Based on Situational Analysis**

Source: Created by author of the thesis

From the Table 8. are visible gaps that should be improved by the Czech division of ice cream under the brand Unilever.

### 4.2.3 CSR according to Triple Bottom Line

TBL consists of 3 pillars according to which is analysed the CSR environment of the company. For this analysis are used information mainly from the : Unilever Plán Udržitelného Rozvoje 2013 – Pokrok a podpora změn.

#### **ECONOMIC PILLAR**

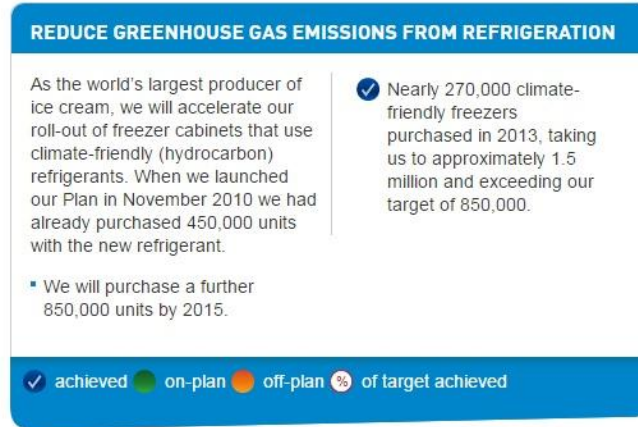
Common goal of the company is that in connection with their economic goal, they will improve the living conditions of people. Company is expanding its cooperation with the association of Rainforest Alliance. Starting in 2015, the Magnum will annually buy 30.000 tons of cocoa, which comes from cocoa beans certified farms **(C01)**.

#### **SOCIAL PILLAR**

Company is providing help and training to employees but also to farmers with help from agricultural suppliers. Company plans to deepen this engagement to ensure it feeds through to a positive impact on the livelihoods. Employee safety is one of company's priorities. Annually is company trying to reduce amount of the labour injuries by educational programs and competitive programs. The majority of the food products meet, or are better than, benchmarks based on national nutritional recommendations. Company runs project focusing on physical activity, good nutrition and mental well-being of their employees and they offer to all employees completion of a complete health measurement. Company also has resolutions as – introduction of the fairness in the workplace, support of opportunities for women **(C03, C04)** and the development of inclusive business. Company is trying to protect the rights of all who work with them and wants to make actions leading to the removal of identified abuse and to improve the procedures **(C05)**. Company is also trying to give work and training opportunities to women that face discrimination and disadvantage.

#### **ENVIRONMENTAL PILLAR**

Thanks to internal campaign Green Office, company has resolved to reduce the impact of its office activities on the environment by 10% **(C10)**. Company is trying to halt the deforestation, promote sustainable agriculture and rural development and management of small farmers, and also improve hygiene through hand washing. Company wants to achieve its goal that by the end of 2020 will originate 100% of agricultural raw materials from sustainable resources and reduce waste from their products by half. Company is also trying to reduce greenhouse gas emissions from refrigeration, see Figure 16. **(C09)**.



**Figure 16.: Plan for Reduction of Greenhouse Gas Emissions from Refrigeration**

Source: <http://www.unilever.com/sustainable-living-2014/reducing-environmental-impact/greenhouse-gases/climate-friendly-refrigeration/>

#### 4.2.3.1 COMPARISON OF CSR ACTIVITIES BASED ON TBL

In the Table 9. below is conducted comparison of selected CSR activities for the purpose of finding out, which activities should be considered as a part of CSR in Czech division of ice cream. All these activities are assigned with specific abbreviations for the better orientation in the text. CSR activities of Ben & Jerry's can be found on the pages 42-45 of this thesis, under the abbreviations **B01-B10**. Unilever's Czech Division of Ice Cream under the Brand Algida is analysed according to TBL on the pages 50-51, and selected activities can be found under abbreviations **C01-C10**.

Comparison of CSR Activities Based on TBL				
CSR Activity	Ben & Jerry's		Unilever's Czech Division of Ice Cream under the Brand Algida	
Fairtrade, sustainable resources	Yes	B01	Yes	C01
Transparency	Yes	B02	<i>Yes, but not sufficient</i>	C02 - missing
Diversity in the workplace	Yes	B03	Yes	C03
Fairness in the workplace	Yes	B04	Yes	C04
Equal right in the workplace	Yes	B05	Yes	C05
Children drug prevention support	Yes	B06	<i>No</i>	C06 - missing
Youth growth support	Yes	B07	<i>No</i>	C07 - missing
Underprivileged/ disabled people growth support	Yes	B08	<i>No</i>	C08 - missing
Environmental awareness support	Yes	B09	<i>Yes, but not sufficient</i>	C09
Reduction of the office impact on the environment	Yes	B10	Yes	C10

**Table 9.: Comparison of CSR Activities Based on TBL**

Source: Created by author of the thesis

From the Table 9. is visible that some of the CSR practices were not possible to find in the TBL analysis because they are not yet established in the Czech Republic. In the matter of transparency (C02), there is not sufficient amount of information available on-line in comparison to Ben & Jerry's. Other things that have gaps in the implementation are environmental awareness support – as greener freezers (C09). Three activities that are not implemented by Czech division are: children drug prevention support (C06); youth growth support – as Youth Training Shop (C07); underprivileged/ disabled people growth support – as involvement of CSR Bakery (C08).

#### 4.2.4 CSR Practices Adjusted for Míša

##### GREENER FREEZERS

Refrigerants traditionally used in cabinets and other storage facilities have a much higher global warming potential (GWP) than carbon dioxide. Hydrofluorocarbons (HFCs), hydrochlorofluorocarbons (HCFCs) and chlorofluorocarbons (CFCs) typically have GWP ranges from 1,200 to 8,500 whereas CO<sub>2</sub> has, by definition, a GWP of one. Finding environmentally-friendly alternatives to refrigerants is important in reducing greenhouse gas emissions. (JANEBOVÁ, M., UNILEVER 2012) Therefore is recommended to use these Greener freezers also in the Czech Republic but with the Míša logo on it, to promote the awareness about the reduction of greenhouse gas emissions.

##### *Retail chains*

In the Table below is a list of retail chains of supermarkets in the Czech Republic, where could be installed these green freezers.

Retail chains in the Czech Republic			
Name	Stores	Web page	Group
Penny Market	341	<a href="http://www.penny.cz">www.penny.cz</a>	REWE Group
Albert	282	<a href="http://www.albert.cz">www.albert.cz</a>	Ahold
Lidl	227	<a href="http://www.lidl.cz">www.lidl.cz</a>	Schwarz Gruppe
Billa	203	<a href="http://www.billa.cz">www.billa.cz</a>	REWE Group
Tesco	147	<a href="http://www.itesco.cz">www.itesco.cz</a>	Tesco
Kaufland	103	<a href="http://www.kaufland.cz">www.kaufland.cz</a>	Schwarze Gruppe
Globus	16	<a href="http://www.globus.cz">www.globus.cz</a>	Globus Hypermarket Holding
Makro	13	<a href="http://www.makro.cz">www.makro.cz</a>	Metro AG

**Table 10.: Retail Chains in the Czech Republic**

Source: Created by author of the thesis, with help from

[http://cs.wikipedia.org/wiki/Seznam\\_obchodn%C3%ADch\\_%C5%99et%C4%9Bzc%C5%AF\\_p%C5%AFsob%C3%ADc%C3%ADch\\_v\\_%C4%8Cesku](http://cs.wikipedia.org/wiki/Seznam_obchodn%C3%ADch_%C5%99et%C4%9Bzc%C5%AF_p%C5%AFsob%C3%ADc%C3%ADch_v_%C4%8Cesku)



**Figure 17.: Cleaner, Greener Freezers**

Source: <http://www.benjerry.com/values/how-we-do-business/cleaner-greener-freezers>

### ***Estimation of the costs***

As seen from the Figure 16. on the page 51 of this thesis, it is certain that Unilever is targeting the exchange of all freezers to the “greener” ones. But because of the not sufficient promotion of this action, the people’s awareness about this exchange is minimal. For this reason is recommended to use special design on the “greener” freezers with the logo of Míša and promotional campaign about reduction of greenhouse gas emissions.

Estimated price for the design of the new “freezer look” that will promote the reduction of the greenhouse gas emissions, is 6 600 CZK (based on the price list of the provided services by graphic studios in the Czech Republic <http://grafickyservis.cz/cenik/>)

The most sufficient material for the promotional campaign on the “greener” freezers is self-adhesive perforated foil that is possible to print in the large format digital printing. Costs are calculated based on the price list of the printing studios in the Czech Republic (<http://www.agentura-delta.cz/>) Estimated surface of the freezer is around 1m<sup>2</sup> (calculated as 94 cm height, times 71 cm width, equals 0,6674 m<sup>2</sup>, times 2 because freezer has two sides, equals 1.3348m<sup>2</sup>) price for the print of one self-adhesive foil of the size between 1-10m<sup>2</sup> is 984 CZK. The final price for one freezer would be around 1313,44 CZK (calculated as 1.3348m<sup>2</sup> times 984 CZK).

<b>Estimation of the Costs</b>			
<b>Activity</b>	<b>Description</b>	<b>Costs</b>	<b>Source</b>
Design	Creation of the surface design	6 600 CZK	<a href="http://grafickyservis.cz/cenik/">http://grafickyservis.cz/cenik/</a>
Marketing and promotion	Facebook campaign	690 CZK	<a href="http://www.oxyshop.cz/sluzby-cenik">http://www.oxyshop.cz/sluzby-cenik</a>
Freezer foil	Self-adhesive perforated foil	1 314 CZK	<a href="http://www.agentura-delta.cz/">http://www.agentura-delta.cz/</a>
TOTAL	For 1 freezer	8 604 CZK	-
TOTAL	For all freezers in all 1332 retail chains	1 757 538 CZK	-

**Table 11.: Estimation of the Costs – Greener Freezers Promotion**

Source: Created by author of the thesis

### ***Benefits***

- reduction of greenhouse gas emissions
- increase of the awareness of the greenhouse gas emissions

## **NEW FLAVOURS**

This proposal comes from the Ben & Jerry's activity that consists of 25 years long cooperation with Greyston Bakery that is committed to provide jobs and job training for individuals who face barriers to employment and crafting award-winning gourmet cakes and tarts. The motto of the bakery is: *"We don't hire people to bake brownies, we bake brownies to hire people."* Their goal is to promote economic opportunities for the disadvantaged, use sustainable environmental and agricultural practices, and promote peace and justice.

Main idea of this proposal to Míša is to create new flavour of the ice cream (for example: biscuit flavour), which would promote CSR activities and for the purpose of the creation of this ice cream would be established cooperation with bakeries that are focused on the employment of the underprivileged people. Also there would be specific name assign to this flavour that would signify the purpose of this new flavour of the ice cream and from which would be clear, that company fights for some improvement in the society and underprivileged communities.

### ***Bakeries***

After market research was found out that bakeries of this type exist in the Czech market and that they would welcome cooperation like this – with big companies. For example Etincelle (<http://etincelle.cz/index.php/pekarna-na-navsi>) is non-profit organization that support people with mental or multiple disabilities. During the recent years, Etincelle started to cooperate with the company PriceWaterhouseCoopers and runs their coffee shop „PwC Café” in Prague. From this is clearly visible that cooperation with ice cream company would be optimal for the non-profit organization, because they would have the possibility to hire even more disabled people that are facing multiple challenges when they are trying to find jobs and pass through the classical way of hiring people.

Bakeries that could cooperate on this project with Míša:

- [http://www.slunce.info/index.php?option=com\\_content&view=article&id=178&Itemid=101](http://www.slunce.info/index.php?option=com_content&view=article&id=178&Itemid=101)
- <http://etincelle.cz/index.php/pekarna-na-navsi>

### ***Organizations***

There is also a list of web pages of organizations that are currently operating in the field of CSR in the Czech Republic, which could collaborate on this project with Míša and could have beneficial information about other bakeries and farmers of this type.

[www.spolecenskaodpovednostfirem.cz/en](http://www.spolecenskaodpovednostfirem.cz/en)

[www.amspace.cz](http://www.amspace.cz)

[www.czech.ashoka.org](http://www.czech.ashoka.org)

[www.csr-online.cz/en](http://www.csr-online.cz/en)

[www.gocsr.cz](http://www.gocsr.cz)

### ***Estimation of the costs***

Precise prices about the ice cream manufacturing processes are confidential therefore are used assumptions for what may be needed during this creation of the new flavour. First of all is assumed that there would be needed testing of the new flavour, for this would be hired a chemist that would have to do a different set of tests for the flavour to be tasty and also he would control and monitor the quality of the ingredients. Costs of this new flavour would depend on the number of the ingredients in the ice cream, but the costs for baking the biscuit (or the product from the bakery, e.g.: cookie), should be very low because it would be baked in large amounts. In concern to bakery – there are no additional costs assumed because bakery is already equipped with the kitchen accessories that are needed for the manufacturing of the baked products. Other assumed costs are connected with the introduction of this new flavour, as creation of the surface design (6 600 CZK, source: <http://grafickyservis.cz/cenik/>) and some marketing and promotion costs, and campaigns (Facebook campaign: 690 CZK; creation of banners and design elements 2690 CZK- <http://www.oxyshop.cz/sluzby-cenik>)

### ***Benefits***

- more jobs and opportunities for people with mental or multiple disabilities to integrate to ordinary life and chance to gain higher self-esteem

## **YOUTH TRAINING SHOP**

Proposal to Míša about this activity comes from the Ben & Jerry's Partner-Shop® Program innovation that works very well in the United States. As described in the previous part of the thesis it is a form of social enterprise in which non-profit organizations leverage the power of business for community benefit.

This Youth training shop would be Míša's franchise of scoop shop, but would be independently owned and operated by community-based non-profit organizations that would be exempt from the standard franchise fees and the annual royalty fee — 3 percent of gross sales, but would be provided additional support to help them operate. But Foundation/ non-profit organization has to come up with start-up costs. The basic idea is to give non-profit organizations the power to use business for community benefit by providing on-the-job training to youth who face employment barriers. Also there rises the idea which goes beyond the original Ben & Jerry's program innovation, that these Youth training shop would be equally beneficial when would be Universities involved, this means forming of the Youth training shops directly on the university campuses.

### ***Míša's help to organizations***

Míša's help would include support in all of these fields:

- Market analysis
- Marketing and promotional support



- Financial planning advisory
- Equipment, design, architecture
- Training - Management training (marketing, customer services, operational and management skills, human resources, financial techniques, business operations training program in Míša company); In-store training for employees; Training materials, manuals, recipes, standards, rules
- Opening of store assistance

### ***Structure of the shop***

Structure of the shop would be as follows -

Management: shop manager, director, training coordinator

Youth trainees: depends on the size of the shop, but estimated number of trained employees annually is between twenty and forty trainees.

### ***Structure of the program***

Youth Training program would be 16-week program for youth between the ages 15 – 21. It means that the hiring of the trainees would be held three times a year. During the first 4 weeks of the program, students would learn business and customer service skills. The next 4 weeks training would involve direct stores training, where would be the opportunity to experience the learned customer service and also learn some of the techniques that cannot be learned only from books. After successful completion of these 8 weeks of training, they participate in 8 weeks paid work experience as a Scooper in our Ben & Jerry's store. While students are completing their paid work experience, we work with them to find employment within the community.

### ***Restrictions and eligibility for the program***

Age of the participants would be restricted on: 15 – 21

Following criteria must be met:

- 1. Member of a low income family
- 2. Low academic performance
- 3. High school drop-out
- 4. Prior involvement with criminal offense
- 5. Single parent of a child
- 6. Substance abuse
- 7. No prior work history
- 8. Other personal/work related challenges

### ***Organizations***

There is a list of web pages of organizations that are operating in the field of CSR in the Czech Republic, which could collaborate on this project with Míša.

- <http://www.spolecenskaodpovednostfirem.cz/en/>
- <http://www.amspace.cz/>

- <http://czech.ashoka.org/>
- <http://www.csr-online.cz/en/>
- <http://www.gocsr.cz/?lang=en>

### ***Estimation of the costs***

On the previous pages of the thesis (p.56-57) section “Míša’s help to organizations” are listed all activities in which would be Míša’s contribution to organizations. Estimation of the costs on these activities was conducted based on the information found out after research in the field of opening the franchise in the ice cream industry.

<b>Estimation of the Costs</b>			
<b>Activity</b>	<b>Description</b>	<b>Costs</b>	<b>Source</b>
Market analysis, financial advisory	Analysis of the key words	4 990 CZK	<a href="http://www.oxyshop.cz/s/luzby-cenik">http://www.oxyshop.cz/s/luzby-cenik</a> <a href="http://www.atlascon.cz/software/equanta/cenik">http://www.atlascon.cz/software/equanta/cenik</a>
	Financial analysis	19 900 CZK	
	Financial calculations	6 600 CZK	
Marketing and promotional support	Facebook campaign	690 CZK	<a href="http://www.oxyshop.cz/s/luzby-cenik">http://www.oxyshop.cz/s/luzby-cenik</a>
	Mailing campaign	4 790 CZK	
	Creation of banners and design elements	2 690 CZK	
Equipment, design, architecture	-	75 000 CZK	<a href="http://menchiesfranchise.com/research-menchies/what-are-the-startup-costs/">http://menchiesfranchise.com/research-menchies/what-are-the-startup-costs/</a>
Training expenses	-	60 750 CZK	<a href="http://menchiesfranchise.com/research-menchies/what-are-the-startup-costs/">http://menchiesfranchise.com/research-menchies/what-are-the-startup-costs/</a>
<b>TOTAL</b>	-	175 410 CZK	-

**Table 12.: Estimation of the Costs – Youth Training Shop**

Source: Created by author of the thesis

### ***Benefits of this program:***

- reduction of the high school dropout rate
- decrease of recidivism and providing an opportunity for youth to become wage-earning, tax-paying citizens
- more focused graduates who have a higher self-esteem

## TRANSPARENCY

People are nowadays used to search for the information on the internet and rather than paper books are using internet resources, eBooks and blogs because these on-line information are available anywhere and only limitation for access to them is internet availability. For this reason should be also provided more of the company's internal information to Míša's customers. As visible on the web pages of Ben & Jerry's, the transparency of the company is substantial part of their mission and in this modern age is obvious that company's reputation decreases when customers have a feeling that the company is hiding almost everything from them. Currently has Míša only web page ([www.zmrzlina-misa.cz](http://www.zmrzlina-misa.cz)), with not enough information and then there is also Facebook page ([www.facebook.com/misa.zmrzlina](https://www.facebook.com/misa.zmrzlina)) according to which is visible, that consumers wants to know more about the Míša, because Míša FB page is liked by almost 109.000 people (17.4.2015). Therefore would be beneficial to create **blog** part on the web page as well as more interaction with people on the FB page.

Another important thing nowadays is involvement of the **Instagram** because in the Czech Republic is used on daily bases by millions of users. Also it is visible on the Instagram page of the Ben & Jerry's, (<https://instagram.com/benandjerrys>), that this is very important tool for social interaction with customers. Ben & Jerry's page has already 481K followers and reached 9.8 million users.

### *Content of the page*

- promotional materials, campaigns
- inside look into the manufacturing processes
- videos of the manufacture
- usage of specifically designed hashtags for the campaigns and competitions with aim to increase brand awareness

### *Creation and costs*

Creation of the Instagram account is free of charge; therefore no additional costs are needed. Possible names for the Instagram page could be one of those four options:

- "zmrzlina.misa" <https://instagram.com/zmrzlina.misa>
- "zmrzlinamisa" <https://instagram.com/zmrzlinamisa>
- "misa.zmrzlina" <https://instagram.com/misa.zmrzlina>
- "misazmrzlina" <https://instagram.com/misazmrzlina>

All of these proposed names mentioned above are still available to be used by anyone on the Instagram (every Instagram name can be used by only one user on the whole world).

### *Benefits*

- increase of brand awareness and new flavours awareness
- good way how to let people know about all new CSR activities of Míša

### SAFE ROUTES TO SCHOOL PROGRAM

This last campaign proposed to Míša is based on the Ben & Jerry's support of The Peace Alliance that promotes prevention and intervention acts to keep children drug-free. Campaign would focus on a safer way to get to school and to improvement of children's safety while walking and bicycling outside (not even on the way to school). The main point of the campaign would be to educate society about bicycle safety and to promote safe driving in the school zones. While in the same time would be reached the recommended goal of 60 minutes of physical activity for children every day, if they would start bicycling. This would be also beneficial for the environment because of the reduced usage of cars from time to time.

It is optimal to promote this safety on the roads through ice cream brand because usually people are refreshing themselves with ice cream when they are bicycling in the summer and consumption of the ice cream increases.

#### *Estimation of the costs*

Campaign would be conducted during the summer time in the outside stand/kiosk where would be promoted safer way to bicycling. There would be also games and competitions on the bicycles and people will have a chance to find out why it is necessary to wear helmets when riding bicycles.

<b>Estimation of the Costs</b>			
<b>Activity</b>	<b>Description</b>	<b>Costs</b>	<b>Source</b>
Marketing and promotion	Facebook campaign	690 CZK	<a href="http://www.oxyshop.cz/sluzby-cenik">http://www.oxyshop.cz/sluzby-cenik</a>
	Creation of banners and design elements	2 690 CZK	
Equipment	10 bicycles	25 900 CZK	<a href="http://www.insportline.cz/1668/detske-kolo-dhs-prince-2001-model-2011/modra">http://www.insportline.cz/1668/detske-kolo-dhs-prince-2001-model-2011/modra</a>
	10 helmets	5 290 CZK	<a href="http://www.insportline.cz/11117/detska-cyklo-prilba-monster-high">http://www.insportline.cz/11117/detska-cyklo-prilba-monster-high</a>
	20 PVC adhesive foils	1 380 CZK	<a href="http://www.agentura-delta.cz/">http://www.agentura-delta.cz/</a>
	Stand/ kiosk	749 CZK	<a href="http://www.vetroshop.cz/altan-party-white/d-57544/">http://www.vetroshop.cz/altan-party-white/d-57544/</a>
	<b>TOTAL</b>	-	36 699 CZK

**Table 13.: Estimation of the Costs – Safe Routes to School Program**

Source: Created by author of the thesis

#### *Benefits*

- expected reduction of the bicycle injuries
- expected increase in physical activities of children

**BENEFITS OF ALL THE CSR PRACTICES ADJUSTED FOR MÍŠA**

All of these CSR activities adjusted for Míša are unique on the Czech market and because of this it should serve as the competitive advantage among other brands of ice cream in the Czech Republic. Also it should lead to the better way how people look at brand Míša, because nowadays is Míša viewed as a traditional ice cream what is good but it is more like “old fashioned” and these new CSR activities should serve as “fresh wind under the wings” of the brand.

## 5 Discussion

The aim of the thesis was to analyse the CSR situation in the Ben & Jerry's ice cream company and use it as an inspiration for the other companies within the same sector.

Firstly were found twenty important strengths in the internal environment of the Ben & Jerry's company based on conducted McKinsey's 7S analysis. These founded strengths clearly showed why is the company market leader in many countries and why other companies (not only in the ice cream industry) should take it as an example when dealing with CSR. The main and overall strength of Ben & Jerry's that was found and that should be pointed out is the unique style of dealing with CSR when producing high quality ice cream. This was confirmed after the more detailed analysis of the CSR environment through the Triple bottom line. Unfortunately the strategy on the Czech market is not yet so advanced and the brand is not very well known, and also the poor distribution and higher price are not very beneficial if would Ben & Jerry's aspire to be the Czech market leading ice cream brand, therefore was selected Míša as the Czech market leader in the ice cream industry, which is under the same parent company Unilever, as an optimal solution for the improvements of the CSR activities according to the model of Ben & Jerry's.

McKinsey's 7S and Triple bottom line were therefore used in the same way in the case of Unilever's Czech division of ice cream under the brand Algida – Míša, for the purpose of further comparison of both brands and benchmarking. Outputs from both of these tables showed that there are some gaps in the Míša's CSR strategy in the areas of: transparency, youth training opportunities, children safety promotion, creation of jobs for underprivileged people and promotion of solutions of environmental problems. Therefore were based on the benchmarking selected specific activities that were adjusted for Míša and for the Czech market. Firstly was decided to use Greener freezers in the case of promotion of environmental problems, because importance of these problems is emerging more and more. Then as a contribution to the society and economy was designed proposal about new flavour creation that would connect Míša and "responsible bakery" and give job opportunities to many handicapped people. As a youth personal development was designed proposal about creation of the programme that would give the opportunity to unfortunate adolescents to be trained well regardless to their background and that they could consequently incorporate themselves into normal life and find job without unnecessary complications. As a children safety promotion was designed campaign that would promote safe ways how to ride bicycles and hopefully would be prevent injuries on the roads when people are bicycling. Also there was proposed to Míša that the company should present themselves as a more transparent in the case of more materials and information available on the internet because this change should evoke in the society that the company is not hiding anything

from them and would be perceived as more trustworthy. It means that all the proposed and designed activities should cover different areas of contribution to: society, environment and economy.

If the proposed CSR activities would be applied properly, there can be expected lots of benefits for the company Míša therefore as well for the Unilever, and also for the Czech society. In concern of the company can be surely talked about huge competitive advantage because all of these CSR activities are unique on the Czech market and also it should serve as means of the better way how people look at brand Míša. Benefits for the society would be undeniably – creation of the jobs, employment training to young people, increased safety for the children and increased awareness about the greenhouse gas emissions.

However there also raises the question- would be all of these activities beneficial and effective to the company as brand innovation, if the company will not innovate - or better say- modernize the overall look and its marketing strategy? Because it is obvious that all of these new CSR practices have to be supported by the good conducted campaigns and by some kind of the innovative approach in the marketing and brand management. Therefore should be thought in more details about the overall strategy not only about CSR as the main solution to higher sales because the brand itself has good potential to broaden their spectrum of consumers but also to affect lots of people through the good conducted CSR campaigns, activities and serve to the greater good of the society.

## 6 Conclusion

The aim of the thesis was to analyse the CSR situation in the Ben & Jerry's ice cream company and use it as an inspiration for the other companies within the same sector. For reaching the goals were used economical, management and analytical tools.

In the part that deals with literature can be found definitions of CSR and related terms and from the various sources is visible that the CSR is evolving and that companies are nowadays really trying to serve more to the society and be beneficial to it.

After analysing CSR situation in the company was found the unique style of how Ben & Jerry's deals with the CSR and was this used as a comparison for CSR situation in Míša. The recommendation part for Míša was proposed based on the benchmarking.

Results show that CSR in the ice cream industry has huge potential that is not fully used yet and that the Ben & Jerry's company's concept of dealing with CSR should be considered by other companies within the same sector as well as in other industries and especially by Míša that is under the same parent company as Ben & Jerry's.

Data used in the bachelor thesis comes from the internal company information presented in the SEAR Reports, press releases, documents provided on the official web page as well as other related web pages and cited literature. In some cases, author's assumptions were necessary. The bachelor thesis is transparent document.



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