

**ADDIS ABABA UNIVERSITY
COLLEGE OF SOCIAL SCIENCES AND HUMANITIES
SCHOOL OF JOURNALISM AND COMMUNICATION**

**Corporate Social Responsibility Practice of Multinational Companies in Ethiopia: The case
of Heineken Brewery S.C**

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**Thesis Submitted to the Graduate School of Journalism and Communication in Partial
fulfillment of Master's Degree in Public Relations and Strategic Communication**

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May 2019, Addis Ababa

Declaration

I hereby declare that this project is done by me under the supervision of Yohannes Shiferaw (Ph.D.) in Partial fulfillment of Master's Degree in Public Relations and Strategic Communication in Addis Ababa University. I declare that this is my original work and has never been submitted somewhere else for an award of any degree.

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This is to certify that the thesis prepared by Berihu Gereziher entitled Corporate Social Responsibility Practice of Multinational companies in Ethiopia with reference to Heineken brewery S.C and submitted in Partial fulfillment of Master's Degree in Public Relations and Strategic Communication to Addis Ababa University is in compliance with the University regulations and meets the required standards regarding quality and originality.

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List of Acronyms and Abbreviations

CREATE - Community Revenue Enhancement through Agricultural Technology Extension in Ethiopia

CSR - Corporate Social Responsibility

EPA- Environmental Protection Authority

FDRE - Federal Democratic Republic of Ethiopia

ISO - International Organization for Standardization

MDG - Millennium Development Goals

MNC Multinational Companies

NGO- Non-Government Organization

OECD - Organization for Economic Cooperation and Development

PR - Public Relations

TBL - Triple Bottom Line

UN - United Nations

UNCTAD- United Nations Conference on Trade and Development

UNDP- United Nations Development Program

UNGC - United Nations Global Compact

UNIDO United Nations Industrial Development Organization

ABSTRACT

Multinational profit making organizations carry out their corporate social responsibilities to show the human face of their business by protecting the environment and the safety of people living in the surrounding of their plants. The main aim of this study was to explore the CSR practices of a multinational Brewery Company in Ethiopia, Heineken Brewery, with specific reference to the brewery plant in Kilinto. The researcher explored the CSR practices with respect to Elikington's corporate social responsibility triple bottom line and a specific focus on the people and planet perspectives. Relevant literature was reviewed to describe multinational companies CSR practices in developed and developing countries perspectives. Qualitative research method was used in the study with Case study approach since this research is about specific case in a specific company. Semi structured interview, observation and document analysis were used to collect data. Qualitative content analysis method was used to analyze the qualitative data and describe the meaning. The researcher examined the data in a systematic way in relation to the research questions reducing the data by coding and categorizing to draw meaning. The findings indicate that Heineken lacked proportionate CSR practice in its environmental and social CSR practices. Though the company took part in some philanthropic CSR activities, its CSR approach was short term and reactive instead of being proactive. Heineken CSR strategy needs modification to customize its global CSR strategies in to local contexts to solve local problems. Based on the findings, the researcher recommended that Heineken needs to make improvement in its CSR to contribute and empower the community to address their environmental and social needs. It is also recommended that Heineken needs to effectively communicate its CSR to the community.

CHAPTER ONE

I. INTRODUCTION

1.1. Background of the Study

There is no best definition of Corporate Social Responsibility (CSR). Different international organizations and renowned scholars defined CSR differently. For the sake of understanding the term CSR, the researcher discussed some of the definitions as follows. CSR can be defined as responsibilities to society beyond that of making profits for the shareholders (Quak, Heilborn & Van der Veen 2012). CSR is beyond a donor receiver relationship between the society and the company. Neither is it a mere compliance to the legal requirements of the host country.

According to Sharma & Mehta (2012), CSR refers to the firm's consideration of and response to issues beyond the narrow economic, technical and legal requirements of the firm. Archie B. Carroll, (1979) on his part defined CSR as the social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time. These responsibilities were later divided into four parts of responsibilities that multinational companies should shoulder. These are: economic, legal, ethical and philanthropic responsibilities. Besides, Carroll added that corporate social responsibility crossed borders and cultures as never before.

International organizations have also defined Corporate Social Responsibility as a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders (*UNIDO, 2019*).

Due to the positive impact of CSR on corporate bottom line, corporate social responsibility (CSR) is becoming increasingly a buzz word in today's business world. For companies to stay in operation, they should care not only about their shareholders' interests but also should place more

emphasis on areas like CSR apart from solely profit making. Most people used to think that businesses are taking advantages from consumers in developing countries (Times, 2014).

However, nowadays, stakeholders are not only concerned about profits; they are more interested in company's engagement regarding various economic, environmental, ethical, governance, and social aspects. The aforementioned issues significantly affect the fate of the company in the long term. There is a competitive advantage for companies with high reputation and these companies are more socially responsible in their CSR programs (Chan, 2014).

As part of their responsible and ethical business, multinational companies (here after referred to as MNCs) have a well-established CSR program. Heineken brewery also claims it has its own CSR program. This thesis, therefore, investigates the CSR practices of a multinational beverage company in Ethiopia, Heineken brewery, and its CSR practice in a country different from the home country of the company in terms of culture, tradition and economic status.

The first impression many people have towards multinational companies is that companies are more interested in making profit and care less about other environmental, ethical and human right issues. A number of Ethiopians working in MNCs in Ethiopia were heard complaining about lower wages and ill treatment by MNC employers (Times, 2014).

Despite this, businesses are now trying to incorporate CSR in to their Business operations. In this study, the researcher explored what Heineken, as a multinational company has done as part of its responsible business besides profit making.

Transnational corporations (TNCs) are incorporated or unincorporated enterprises comprising parent enterprises and their foreign affiliates. A parent enterprise is defined as an enterprise that controls assets of other entities in countries other than its home country, usually by owning a certain equity capital stake. UNCTAD (2007 p.245)

The multinational company in point, Heineken brewery, is based in the Netherlands and operates in 192 countries in the world.

This company, like many others, is expected to take part in CSR activities towards the society and environment within which it operates and on which its existence depends. Heineken like any other multinational companies also has duties such as protecting and promoting human rights as part of its CSR activity. The question is what did Heineken do as part of its CSR? These points are discussed in this thesis.

Heineken is operating in Ethiopia, a developing country where the stakeholders and the public's needs are different from its home country. This demands Heineken to take into account different contexts in developing countries while planning and executing CSR. Carroll A.B, (2015) as cited by Weleselassie, B (2018) states that companies wanted to achieve legitimacy in the eyes of other countries especially developing countries and this became a challenge in the 1990s and beyond. Being a socially responsible enterprise was the surest path to legitimacy in these countries. MNCs need for legitimately operating in the host country is one reason pushing them toward practicing Corporate Social Responsibility.

1.2. Statement of the Problem

As one of the fast developing countries in the continent, multinational companies from across the world have started to take part in various investments inspired by opportunities in Ethiopia such as manufacturing, construction and electricity (fortune. Africa, 2018).

There is lack of research in CSR in Ethiopia as it is a recent phenomenon as compared to the developed countries. There are, however, some studies conducted in local companies. Some of the researches conducted are: the practices of CSR in Ethiopian Banking Sector by Nigatu, M. (2016) and CSR practices of Mesfin Industrial Engineering by Weleselassie, B (2018) among others.

Regarding the prevalence of researches of MNCs Corporate Social Responsibility in home countries, a research on transnational Corporate Social Responsibility emphasized the need to study CSR in MNCs in the host countries as follows:

Majority of CSR studies were conducted at domestic level or home countries of multinationals, mostly western nations. A need existed to extend research on CSR in host (not only home) countries, particularly developing countries in order to develop a deeper understanding of the profound impact MNCs can have on a less developed country. (Arthaud-Day, 2005, p. 16)

Even though there is an increasing demand for ethical and responsible businesses in developing countries, research conducted on corporate social responsibility in MNCs maintaining the cross cultural ethical values are scanty. Leading MNCs consistently are positive forces for both economic development and environmental health and safety quality in the developing countries in which they operate (World Bank report 2009).

The few researches conducted in CSR in Ethiopia haven't taken MNCs in to consideration. In this study, the researcher explored what MNC, Heineken Brewery, is carrying out as its CSR in Ethiopia with the triple bottom line in focus in particular reference to the society and the environment.

Literature on CSR has predominantly focused on local companies and disregarded the role multinational companies in corporate social responsibility. Multinational companies might face challenges of implementing their CSR in emerging economies as it requires understanding the context and priorities of the area of their investment. Therefore, it has become of great interest for the researcher to explore the CSR practice of a MNC in Ethiopia.

1.3. Objectives of the Study:

1.3.1. General Objectives

The main objective of this study is to explore the corporate social responsibility (CSR) practices of multinational companies in Ethiopia with specific reference to Heineken Brewery Factory.

1.3.2. Specific Objectives

The specific objectives are therefore to

- Explore how Heineken practices its CSR to conserve the environment;
- Identify the activities Heineken does to promote and protect the wellbeing of the society;
- Compare the company's CSR performance to Elkington's people and planet bottom line.

1.4. Research Questions:

The study aims to answer the following research questions:

- How does Heineken work to conserve and improve the quality of the environment?
- Does the company take part in CSR activities to support the society?
- What is Heineken's CSR like as compared with Elkington people and planet bottom line?

1.5. Significance of the Study:

As mentioned before in the introduction part of this study, there are little or no study conducted in CSR of MNCs in Ethiopia. Hence, this may help upcoming researchers as a starting point for further studies. This study might also help MNCs who intend to invest in Ethiopia to get a brief understanding of some CSR activities worth taking part in when they operate in Ethiopia. Besides, it is hoped that the study contributes to the CSR policy making for the government of Ethiopia.

1.6. Scope of the Study

The thesis solely focuses on the CSR practices of MNC, Heineken Brewery Company in its Walia Brewery Factory in Ethiopia. This is only to look in to their CSR practices in a developing country from the social and environmental aspects of the triple bottom line. The thesis is limited to the people and environment in the vicinity of Heineken Brewery Plant around Kilinto. The brewery plant is located in Addis Ababa city administration Kality sub city Wereda 9.

The researcher only explores the people and the environmental aspect of the triple bottom line (doesn't include the profit). The study doesn't include wastage management in to its scope as it requires deep expertise knowledge of the matter.

1.7. Limitation of the Study

Limited data was used although more result could have been obtained if more subjects were involved in the study. Despite the attempts made to interview the corporate relations manager of Heineken, Ethiopia, the researcher couldn't get hold of her. The researcher feels that the study falls short of information from the management of the company and management's understanding of CSR is not included in the study. Even though the information accessed from the company's web site was sufficient enough for in-depth analysis of the study, the inclusion of Heineken's management point of view could have contributed to beef up the study.

1.8. Definition of Key terms

In this section, the researcher listed some of the words and phrases frequently used in this thesis and defined them for sake of simplicity for readers.

Corporate social responsibility: A management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders on a voluntary basis. (Comission of the European Communities , 2001 p.6)

Public: refers to the residents of Kilinto kebele where the Brewery factory under study is located

Planet: The physical environment in Kilinto where the Brewery factory under study is located

Stakeholders: Stake holders are different individuals, groups that have interest in the operations of a business and affect or are affected by the decisions of the firm. (Freeman 2001, p.144)

Multinational company: a large commercial organization with affiliates operating companies in a number of different countries. A typically one normally functions with headquarter that is based in one country while other facilities are based in locations in other countries (Trade D. o., 2019).

Triple bottom line: A concept that encourages the assessment of business performance based on three important areas called financial, social and environmental performance. (Elkington, 2004).

CHAPTER TWO

II. LITERATURE REVIEW

2.1 Definition of Corporate Social Responsibility (CSR)

CSR history dates back to 5000 years in Ancient Mesopotamia around 1700 BC. King Hammurabi introduced a code in which builders or farmers were put to death if their negligence caused the death of others or major inconvenience to local citizens (Essays UK, 2018).

It further stated that discussions about the social responsibilities of business had evolved into what we can recognize as the beginnings of the “modern” CSR movement. The phrase Corporate Social Responsibility was coined in 1953 with the publication of Bowen’s Social Responsibility of Businessmen.

Even though CSR is a very common term in a contemporary society these days, there is no agreed definition of it as it is a very broad concept consisting of multifaceted issues. Scholars define CSR in different ways and the practices vary from one company to another. The International Labor organization described the following definition by the European commission as the most widely accepted definition in the first decade of the 21st century. i.e.

A management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders on a voluntary basis. (Comission of the European Communities , 2001 p.6)

The commission further emphasized that CSR is beyond compliance to government legal requirements and it includes investing more on human capital and the environment.

Efiong, H. (2013) as mentioned in Hailu (2015), related the history of corporate social responsibility to some of the biblical verses. It reads;

The Holy Bible in Leviticus 19: 9-10, has this to say: When you reap the harvest of your land, you shall not wholly reap the corners of your field, nor shall you gather the gleanings of your harvest. And you shall not glean your vineyard, nor shall you gather every grape of your vineyard; you shall leave them for the poor and the stranger: I am the Lord your God. (P.4)

This is an indication that social responsibility is not solely left for the big multinational companies, as thought by many, but it should be practiced by everyone as part of a society.

Corporate engagement with society, also termed corporate social responsibility (CSR), has become a commonly used term in contemporary society and refers to one process by which an organization expresses and develops its 'corporate culture' and social consciousness (Rupp et al, 2006).

It has become customary for a great deal of companies to see their CSR initiatives and spread the news that they are carrying out their responsibility to the society thereby conveying the message that they are eligible and have the license to operate. Now a days, there is an increasing pressures from society regarding social and environmental issues and corporations consider CSR in response to the pressure (Miller and Guthrie 2007).

According to the definition of Investopedia (2018) CSR is a self-regulating business model that helps a company be socially accountable — to itself, its stakeholders, and the Public. What's more, CSR is beyond taking part in charitable activities or philanthropy. It is about sustainability and inclusive growth. It is a responsibility to develop the society by envisioning the future social, economic and environmental justice and welfare of the community. Therefore, companies have integrated CSR in their businesses and corporate executives encountered demands from multiple stake holder groups to allocate resources to CSR (Zu and Song 2008).

Reinhardt et al (2008) on their part defined CSR as sacrificing profits in the social interest. Therefore, for a company to sacrifice its profits, it has to go beyond its legal and contractual agreements or mere compliance to the law of the country. CSR embraces a wide range of behaviors, such as being employee and environment friendly, ethical, respectful for the community where it operates and also has to be investor friendly. Hence, MNCs need to assess their impact on the environment and social wellbeing of the community as they have to be accountable for their actions. Sometimes, the call for duty can be extended to go beyond the corporation's immediate realm to include supporting the arts or other good causes.

According to Hopkins (2004) and Abd Rahim, et al (2011), CSR can be defined as treating the stakeholders of the firm ethically or in a responsible manner. Ethics is only one aspect of business but by responsible, it includes other responsibilities like legal, economic and social or environmental ones.

2.2. Elements of Corporate Social Responsibility

CSR consists of two distinct elements: the explicit and the implicit. Explicit CSR refers to corporate policies which assume and articulate responsibility for some societal interests. They normally consist of voluntary programs and strategies by corporations which combine social and business value and address issues perceived as being part of their social responsibility by the company. A recent example was the response of Walmart, FedEx, Home Depot and other US companies to provide disaster relief to the victims of hurricane Katrina in 2005 (Roner, 2005).

Explicit CSR may be responsive to stakeholder pressure. It may involve partnerships with governmental and non-governmental organizations and it may even involve alliances with other corporations. The point remains that explicit CSR rests on corporate discretion rather than reflecting either governmental authority or broader formal or informal institutions (Matten and Moon, 2008).

According to Matten and Moon, "Implicit CSR" stands for corporations' role within the wider formal and informal institutions for society's interests and concerns. It involves values, norms and rules that impose requirements for corporations to deal with stakeholder issues and defines

obligations in collective. What we can understand from this is if norms and values can impose requirements for corporations, MNCs should understand what the norms and values of the host countries are so that they can carry out CSR accordingly. Nonetheless, Porter & Kramer, (2006) noted that implicit CSR is not a deliberate action of a company rather it is a reflection of the company's environment.

2.3. Theories of Corporate Social Responsibility

Traditionally, a company exists primarily to make profits. Nowadays, there are many issues to be dealt with apart from money making. Ethical responsibilities arise as the struggle for money proceeds. There are three different theoretical approaches to the responsibilities of CSR.

I) corporate social responsibility: CSR is a way corporations interact with the community. Carroll (1991) stated that CSR consists of four levels of basic responsibilities to society. i.e., economic, legal, ethical and Philanthropic Responsibilities

- a) Economic responsibility: This is businesses responsibility to make money. In the competitive economy if businesses do not make profit, they would perish. There is no business without profits and nor is business ethics. It focuses on practices that are meant for facilitating the long-term growth of the business, while also meeting the standards set for ethical, environmental and philanthropic practices.
- b) Ethical responsibility: the main focus here is the provision of fair labor practices for its employees and those of its suppliers. Fair business practices for employees includes but not limited to equal pay for equal work. Suppliers are also obliged to use products that have been certified as meeting trade standards.
- c) Legal responsibility: This is a responsibility to abide by the rules and regulations and its compliance to the laws. Consumers tend to buy products and utilize services from trusted companies. Paying the required taxes, adhering to labor laws and allowing inspections are among the examples of legal responsibility.

- d) Philanthropic responsibility corporate philanthropy is related to benevolence. Sometimes called discretionary social responsibility, philanthropy means using a company's time and resources to contribute to the community in whatever is meaningful for the company and its brand. This may include employees volunteering, donating money, services or products to charitable organizations related to company's mission and goals.

Corporate social responsibility shows that a company is about more than just its growth in profit rather it cares about its impact on the world and wants its customers to feel good about the products and services they buy. By making an effort to be socially responsible, they can ensure that their company leaves a lasting, positive impact on the community.

Generally, the main features of Carroll's CSR Pyramid are that: CSR is built on the foundation of profit. Profit comes first in his ranking. Then comes compliance with all laws & regulations. Before a business considers its philanthropic options, it also needs to be ethical.



Source: Carroll (1996)

Figure 1. Carroll's CSR pyramid

2.3.1. Visser Versus Carrol's CSR Pyramid

From the point of view that humanistic motives have become complementary to the economic motives of CSR, Carroll's CSR pyramid has started to be criticized. Visser (2008) criticized Carroll's pyramid and the Western models of CSR in general for being based on research in an American context. Visser went on to criticize that the influence of cultural contexts on CSR has been underestimated. Visser created another model and changed the order of the layers in Carroll's pyramid changing the emphasis assigned to each responsibility. It is, however, important to understand that Visser's model is a descriptive model of how CSR manifests itself in developing countries not how CSR should be practiced (Mathiesen, 2011).

The two scholars' perspective on the economic responsibility is also different even though they both placed it on the bottom of the pyramid. According to Visser (2008), economic responsibility is not about making profit but about the economic contributions from companies placing their investments on developing countries. However, Visser and Carrol both agree that profit is the basis for CSR practice. Multinational companies' CSR motives was stated as:

Would it not be naïve to think that multinational companies' strongest motive for CSR practicing in developing countries is not profit increase? A clear answer to this question seems hard to find as the development in CSR has prompted a demand from consumers of more 'political correctness'. This is why it is few multinational companies that will declare profit alone as their main motive of CSR practicing. (Mathieson 2011 p.58)

Carrol (1991) said that companies' social responsibilities are seen as the most important. This is because they have to exercise other responsibilities beyond profit making to survive. Philanthropy has more significance in developing countries than in developed countries. In developed countries, most MNCS exercise philanthropy as a voluntary activity for image building but in developing countries philanthropy is expected of MNCs as the governments fail to meet the socio economic needs of the society.

According to Carrol, legal responsibilities are society's expectations of company's compliance with laws and regulations Visser (2008) states his objection to this definition saying that this has high focus in developed countries as companies could face consumer boycott and fines. Where as in developing countries, because of the less developed legal infrastructure, pressures like the aforementioned are lower.

2.3.2. The stakeholder's theory

Stake holders are different individuals, groups that have interest in the operations of a business and affect or are affected by the decisions of the firm. The theory argues that even though shareholders are the prominent stakeholders of a business, the firm should create value not only for the shareholders but also for the stakeholders. The stakeholder's theory emphasizes the interconnectedness between a business and its stakeholders. The stake holder's theory was first described by Edward Freeman in 1984 in his book 'Strategic Management'. Freeman (2001) described the stakeholder theory as follows:

The 21st Century is one of "Managing for Stakeholders." The task of executives is to create as much value as possible for stakeholders without resorting to tradeoffs. Great companies endure because they manage to get stakeholder interests aligned in the same direction. (Freeman 2001, p.144)

Freeman suggests that shareholders are one of the stakeholders in a company and further states that the stakeholder ecosystem involves anyone affected by or involved in the company. According to him, a company's real success depends on the satisfaction of its stakeholders not just its shareholders. As quoted by Nigatu, M. (2016), stakeholder theory deviates from the shareholder capitalism orientations that see business as an instrument for profit maximization (Freeman 2001).

The long held shareholder theory economist Milton Friedman proposed was that in capitalism the only stakeholders a company should care about are its shareholders which it considered as its bottom line. Friedman's belief is that organizations are compelled to satisfy their stakeholders making profit and

registering positive growth. In contrast, Freeman states that stakeholders are groups without whose support a company would cease to exist.

Friedman on the contrary suggests that a company has no real social responsibility to the public as it is only concerned with increasing profits for shareholders. The shareholders can privately have their social responsibility.

Freeman noted that the stakeholder theory is even more important in the new global economy. He believed that an organization needs to be mindful not only of those who hold stock in the company but also those who work in its stores, those who work and live near its factories, those who do business with it and even the competitors, as the company may shape the landscape in its industry.

In line with CSR's social orientation of a business, stakeholder theory dictates that the essence of business primarily lies on building the relationship and creating value for all its stakeholders.

2.3.3. Shareholders theory

Contrary to Freeman's stakeholder's theory, Milton Friedman's shareholders theory argues that businesses do not have any obligation other than making profit and maximizing returns to their shareholders. He believes that there are no other goals a business needs to pursue other than making profit. Shareholders are individuals who own a business or part of a business. There is one thing that they want the managers they hire to achieve and that is profit. Friedman further argues that any employee who does anything other than maximizing profit for the employer is doing something wrong. Besides, if a government requires a business to seek something other than profit they are wrong. Friedman further went on to emphasize that

Any instance of an employee of some company seeking something other than profit (such as common goods for society) will require that employee to take away from that business's profit. In other words, in order to promote the common good in society, a business must spend some of its profit in order to give back to the public—but this is stealing. The profit rightfully belongs to those who own the company. Promoting the public good, therefore, requires stealing from the shareholders who own the company. (Friedman M. , n.d. para.3)

Friedman's point of view is that if businesses are selfish, they do something that is beneficial to their employees. They don't produce defective products or harm their customers and it ends up benefiting them and increase their profit. Critics, however, raise their objection in that benefiting the public by doing something out of selfishness is not truly virtuous if it is not motivated by selflessness. Our action is praiseworthy if we do it only because it is good for others.

2.3.4. The Triple Bottom Line

John Elkington introduced the term "triple bottom line (TBL) in 1994. Due to the frustration with traditional oriented measures of business performance which emphasize profit as their key measurement, the triple bottom line approach came into existence. Elkington's triple bottom line approach is the concept that encourages the assessment of business performance based on three important areas. Whereas traditionally, businesses were assumed to be profit-maximizers and profit was the measure of business success. Elkington argues for a more balanced approach in measuring business performance. Hence, profit, people and planet are aimed at measuring the financial, social and environmental performance of a business (Elkington, 2004).

Profit (the traditional bottom line) is related with the effect of the company's activities on its share value and is done by calculating whether the company is making profits or a loss.

People (the human capital bottom line) is about to what extent the company is socially responsible. It is concerned with the company's stake holders rather than shareholders which includes employees, suppliers and the wider public in which the business operates. It also includes whether the employees receive fair payments or have good working conditions.

Planet (the environment bottom line): measures the impact of the business activity on the environment. It is concerned with minimizing the company's impact on the environment by controlling energy consumptions, reducing waste and safe disposal of it (Elkington, 2004).

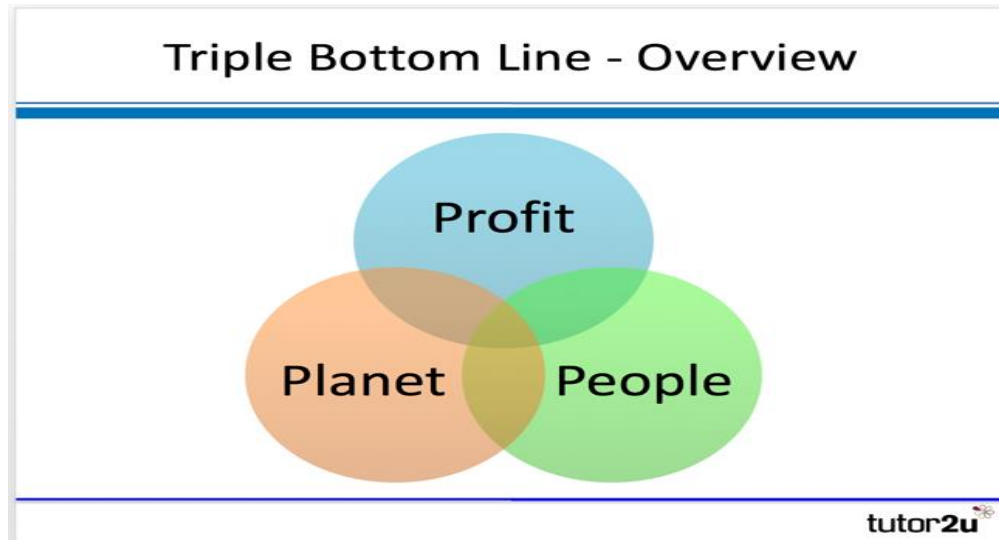


Figure 2. Elkington's Triple bottom line (TBL) of CSR /Source: Elkington, (2004)

Even though there has been the concept of the triple bottom line before, issues like the 2008 financial crisis BP oil spill cast an almost constant spotlight on corporate ethics and CSR practice. An investment in corporate social responsibility can pay off though it requires much time and money. Studies found that companies that treated corporate social responsibility seriously by setting concrete goals were the ones that profited from sustainable activities (University of Wisconsin, 2019).

2.4. Corporate Social Responsibility and Multinational Companies

A number of scholars have emphasized the need for MNCs to be involved in corporate social responsibility in the host countries. MNCs are more vulnerable to reputation loss, and in turn are more likely to be forced to engage in CSR initiatives because their reputation transcends national boundaries (Zyglidopoulos (2002). Stakeholders have also started to understand the responsibilities of MNCs and expect more from them. Consumer expectations related to CSR have increased over the past five to ten years as the number of companies with social responsibility programs has grown (Becker-Olsen & Hill, 2006).As stated by (Robertson, 2009), however, CSR might have different forms in many countries depending on the culture, politics and society and economy of the country.

The dictionary of international trade defines Multinational Corporation as a large commercial organization with affiliates operating companies in a number of different countries. A typically one normally functions with headquarter that is based in one country while other facilities are based in locations in other countries (Trade D. o., 2019).

MNCs have headquarters in their country of origin but operate in diverse global markets to gain new customers and hence new stakeholders. The diversity of stakeholders and their interests in the home country and the host country has become complex for Multinational company executives. MNCs are facing challenges on how to balance the need for global consistency in CSR approaches and ethical standards across the organization with the different expectations and demands of diverse stakeholders across the globe (Filatotchev, I. and Stahl, G.K. 2015).

Although there is yet argument whether MNCs and their leaders have social responsibility, there is an increasing pressure from different groups including government and NGOs that MNCs should contribute to the triple bottom line (profit, people, planet). Concern over the influence and power of MNCs has been growing, particularly due to the vast expansion of MNCs in developing countries (Kostova, et al 2016).

Research shows that MNCs use CSR to strategically manage the relationship with their stakeholders so as to gain legitimacy in the host countries. Due to the power and influence of MNCs in the host country's economy, it is expected that they participate in social responsibility to legitimize their presence. Coombs and Holladay (2011,) stated that the validation is done through CSR and their motivation is not important if their CSR initiatives have positive impact on the environment and society.

MNCs that conduct business across national boundaries will no longer be able to carry out unethical practices under protective radar or green-washing. With a dramatic proliferation of media attention and information sharing, there is a surging demand from civil society, consumers, governments and shareholders for corporations to conduct sustainable business practices (Anupama Mohan, 2006).

With the increasing awareness of the society, their expectation of MNCs grow accordingly and Lantos, (2001) described it as

The increasing political and economic power of MNCs has brought about public expectations in today's society. The voluntary responsibilities to the society refer to the discretionary nature of obligations rooted in the altruistic principles which are not required by law. The motivation for such sense of responsibilities arises from the reciprocal obligation of giving back to the society in exchange of profit and power that companies receive from society. (2001, p.623)

As it is unacceptable for MNCs to prosper in isolation from its stakeholders, CSR is a very significant factor for MNCs to take into account. Stakeholders pressure MNCs to increase their CSR actions because they are attentive to ethical values of companies and sustainable growth. MNCs, indeed, claim to invest in becoming more environmentally sustainable (Henderson 2015).

2.4.1. Corporate Social Responsibility in Developed Countries

According to Carol 1996, the concept of CSR originated from the developed countries and much of the literature and formal writings are evident in the United States and the concept of CSR right from the beginning has been influenced by the context and culture of the developed world.

It was in the US that the language and practice of CSR first emerged. American society is characterized by fairly unregulated markets for labor and capital, low level of welfare state provision and high appreciation of individual freedom and responsibility. Consequently, many social issues, such as education, healthcare, or community investment have traditionally been at the core of CSR (A.Crane.et.al, 2008)

CSR trends are similar in developed and developing countries in being emotion oriented CSR programs and use of media for corporate image building. The major difference lies on the role of governments in developed and developing countries in relation to CSR activities.

Organizations and managers have different understanding on CSR and the way they address pressing issues depending on the cultural contexts they operate in. Weak institutional environments, in developing countries, often harbor illicit financial outflow from poor countries to rich ones. This strips developing nations of critical resources and contributes to failed states, a point hardly ever discussed in the CSR literature. Obviously, legislation is a task of politicians, governments and international governmental bodies. However, if business enterprises can 'legally misuse' the system, then the matter should be seen as a CSR issue also. There is thus an urgency for concerted efforts by the private sector, public sector and non-governmental organizations to develop structures and institutions that contribute to social justice, environmental protection and poverty eradication. Dobers and Halme (2009).

Dobers and Halme (2009) believed that CSR studies should be more focused on emerging markets in developing countries than in developed markets. The researchers investigated CSR in developing countries and realized that the contexts and institutional environments are influential in creating different results in those countries.

Werther and Chandler (2011) cited by CI Ezigbo (2014) stated that we cannot look at CSR without considering the context and level of economic development of the country and operational environment of the organization.

CSR has been conventionally perceived as a phenomenon reserved for developed countries. In the other word, in developed countries with better resources and organizations will demand or have higher expectations from CSR. However, in developing countries, there is no significant focus on the CSR initiatives rather on economic growth, hence relegating CSR to be lower significance to the MNCs and the society at large.
(CI Ezigbo 2014, p.52)

A research on the effect of economic development on CSR implementation realized that there are differences in the implementation of CSR strategy based on the context of countries.

The finding showed that level of economic development defines the types of community needs which in turn shapes CSR implementation in an organizations

2.4.2. Corporate Social Responsibility in Developing Countries

Subsidiary companies operating in another country have different stakeholders with various expectations based on the culture and context of the country and this makes standardizing their expectations difficult. Ethical expectations, for example, may vary from one country to another. There are sociological insights to comprehend human behavior and shared cultural understanding about standard ways of acting in the context of CSR but organizations are influenced by national cultures and their surrounding (Johnson et al 2014).Therefore, ethical standards in particular and CSR practice in general varies based on the local market of the host countries and the stakeholders' expectations.

CSR has been perceived as western world based or developed country phenomenon. For this reason literature on social performance of firms has emerged in the context of developed countries. Literature on the theory and practice of CSR in developing countries therefore remains scant (Belal, 2001).

There are divergent views over the operations of MNCs in developing countries. Developing countries strive to maintain favorable and relaxed fiscal policies hoping to encourage attraction of investment by MNCs with the expectation that foreign direct investment will benefit the economy (Mayer K.E 2004).However, many developing countries lack a sufficiently robust legal framework to regulate MNCs and to protect social and environmental rights (Lauwo; Otusanya; Bakre, 2016).

Global models of CSR should not be replicated by developing countries without prior examination of country specific contexts. Five domains are recognized in the existing CSR models, namely economical, legal, ethical, philanthropic, and environmental. However most corporations in developing countries view philanthropy as their major social responsibility and largely ignore other domains. (A.Crane.et.al, 2008) As cited in.Crane.et.al, 2008 ,the world bank described developing countries as easily impacted by the globalization ,economic growth,investment can

have social and economic impact both negative and [positive impact. Developing countries face CSR challenges different from those faced by the developed countries .

The industry environment is not the same as in developed countries and major issues affecting CSR practices also vary widely according to the local environment. In developed capital markets, weak legal controls and political uncertainty often stand in the way of CSR engagement of corporations. Government in developing countries usually promotes FDI for economic development rather than promoting standard CSR practices among corporations (A.Crane.et al.2008).

2.4.3. Drivers of corporate social responsibility in developing countries

CSR is perceived and practiced differently in developed and developing countries.

Visser (2008) came up with ten drivers of CSR in developing countries to illustrate the difference. He stated that the drivers are not all unique for developing countries, but together they give a distinct perception of how CSR is conceived motivated and practiced in developing countries.

Visser distinguishes between internal drivers, which refer to pressure from within the country and external drivers, which tend to come from the outside world (Visser, 2008). I want to discuss the internal drivers as follows.

1. Cultural tradition: CSR in developing country draws strongly on deep rooted indigenous cultural traditions of philanthropy, business ethics and community embeddedness.
In an African context, Amaeshi et al. (2006) (as cited in Visser) found that CSR in Nigeria is framed by socio-cultural influences like communalism, ethnic religious beliefs, and charitable traditions.
2. Political reforms: developing countries that have started to develop or have developed democracy also change their view on business ethics and move towards becoming more environmentally and socially responsible just as social and economic changes in a developing country often gives more room for CSR.
3. Socio economic priorities: The practice of CSR in developing countries is shaped by the socio economic priorities in the environment businesses operate.

Amaeshi et al. (2006) as cited in Visser(2008), argues that CSR in Nigeria is specifically aimed at addressing the socio-economic development challenges of the country, including poverty alleviation, health-care provision, infrastructure development, and education. This stands in stark contrast to many Western CSR priorities such as consumer protection, fair trade and climate change concerns.

4. Governance Gaps: CSR in developing countries is often seen as a plug to the governance gaps left by weak and under resourced governments that fail to solve various social issues.
5. Crisis response: Different types of crises in developing countries such as economic, social and environmental crises often initiate CSR practices. The economic crisis in Argentina in 2001–2 marked a significant turning point in CSR, prompting debates about the role of business in poverty alleviation (Mathiesen, 2011).

2.5. Corporate Social Responsibility in Ethiopia

As cited in Kassaye (2016) Amaeshi et al (2006) stated that CSR in Nigeria is aimed at addressing the socioeconomic challenges of the country such as poverty mitigation, health care and education which is similar to the priorities of CSR in developed countries.

However CSR approaches in developing countries are expected to respond to many social and environmental problems such as deforestation, unemployment, income inequality, and crime (De Oliveira, 2006). He indicated that in Ethiopia, firms do not think in terms of CSR, instead, they are concerned with economic survival. The private sector is not taking the leadership in CSR and private-public partnership is very limited.

CSR is the least studied subject in terms of what it is expected to discharge in higher education. Corporate social responsibility in Ethiopia is not well developed and also the governance system takes the form of mere control in decision making instead of encouraging development and implementation of a well-developed ethical code of conduct (Elifneh, 2014).

2.5.1. Ethiopian Environmental Policy

Environment is one of the main aspects the CSR plan can focus on when planning its strategy. In Ethiopia, land degradation is a serious environmental problem affecting productivity. The main causes of land degradation are nutrient depletion from agricultural lands, overgrazing and deforestation.

Water and soil pollution by agrochemicals are becoming more dangerous in some areas. Besides, Pollution caused by industrial waste is also a seriously growing environmental problem in urban areas (The Federal Democratic Ethiopia Environmental Protection Authority, Dec 2011).

The report added that solid waste disposal and collection and disposal is poor in major cities in Ethiopia leading to the increment of urban dirt. However, due to the increased perception on environmental management, Ethiopian government prioritized ensuring environmental sustainability in its development plans. Ethiopia has ratified numerous regional and international agreements regarding environmental protection and the laws have become the integral part of the law of the country.

Ethiopia in its Environmental Pollution Control Proclamation No 300/2002 declared that

Any person engaged in any field of activity which is likely which is to cause pollution or any other environmental hazard shall, when the Authority or the relevant regional environmental agency so decides, install a sound technology that avoids or reduces, to the required minimum, the generation of waste and, when feasible, apply methods for the recycling of waste and Any person who causes any pollution shall be required to clean up or pay the cost of cleaning up the polluted environment in such a manner and within such a period as shall be determined by the Authority or by the relevant regional environmental agency. (FDRE House of Representatives, 2002, p. 1961)

The statement demands companies to abide by and comply with the proclamation and in turn fulfilling their corporate social responsibility by protecting the environment.

This is to ensure that essential ecological processes is sustained, biological diversity is preserved and natural resources are used in such a way their productive capabilities are maintained and the needs of future generation are not compromised.

2.6. The relationship between corporate social responsibility and public relations

CSR is company's responsible and transparent practice complying with the government laws and being ethical and concerned about the betterment of the society. The role of PR here is to effectively communicate the CSR and keep people informed about the organization's CSR initiatives so that the CSR of the company be misunderstood as a marketing strategy, rather as a genuine commitment to respond to concerns and make a positive difference in society (Komodromos, M. (2015).

Heath and Ni (2008) as in Komodromos, M. (2015) state that in this reputation world, generating employment opportunities and paying taxes is not what is only expected from companies, they should contribute to the improvement of the lives of the local and the international community as well as the environment they are operating in and where they generate their income from. CSR advocates balance their efforts between increasing profit for their organization and serving the community. Corporations view CSR as practicing good business and PR practitioners should view CSR for improving the corporation's relationship with stakeholders rather than just for publicity. The PR can, however, develop a campaign strategy to let the public know about the identity of the company and what they stand for. By doing so, CSR and PR can work together for the benefit of the company (Wilcox and Glen (2006).

Slogan positioning PR practice is often employed by companies to say that their products and services are unique. They use slogan positioning to communicate their CSR to their stakeholders to differentiate their activities from those carried out by other competitors. According to a research conducted in Indonesia, about 50% of government enterprises practiced one way communication of CSR i.e. only disseminating the information about their CSR activities. The two way symmetrical PR has a balanced effect with of the public and stakeholders to solve environmental and social issues (Koswara, 2005).

Bronn (2013) in his research states that Scandinavian consumers are skeptical about the communication of CSR directly from the companies and companies are left with a choice whether to communicate CSR or not. Messages from third party channels are more credible and trusted than those communicated directly by the company. CSR communication by the company can also be interpreted by the consumers and the public as the company has done something bad and is trying to cover it by taking away the attention to what the company is doing as part of its CSR. This has brought up a challenge as to what communication channel to choose. The issue of credibility to CSR communication can be improved by adding third party communication (Dawkins 2004).

Even though the relationship between corporate PR and CSR is not well developed, Clark (2000) describes the relationship in that both Public Relations and Corporate Social Responsibility work to improve the relationship between the society and stakeholders. Public relations professional explore the political social and economic environment to help the organization develop CSR program She added that CSR activities and PR tactics strengthen the relationship between the organization and its publics (Clark, 2000).

CSR is often placed within external affairs, or community affairs which indicates that CSR is not considered as an integral part of the organization incorporated in its horizontal or vertical structure. As companies began to understand the benefit of relating their business to a good cause, cause-related marketing came into existence and the purpose of PR was making sure that organization's get recognition for their involvements in the community.

Although this can help them build reputation, Frankental (2001) does not consider it as CSR. Corporate social responsibility is a company's view of its reputation in the context of social and environmental sustainability. Frankental (2001) concluded that CSR is an invention of PR by further explaining preconditions for CSR as follows.

CSR can only have real substance if it embraces all the stakeholders of a company, if it is reinforced by changes in company law relating to governance, if it is rewarded by financial markets, if its definition relates to the goals of social and ecological sustainability, if its implementation is benchmarked and audited, if it is open to public scrutiny, if the compliance mechanisms are in place, and if it is embedded across the organization horizontally and vertically. Frankental (2001. P.23)

There is an inevitable link between CSR and PR in similar function and communication needs. In almost all organizations with CSR programs, PR is used to communicate the CSR activities to the public. They both help an organization strengthen its relationship with the stakeholder, build reputation and mitigate risks (Reeves, 2016).

2.6.1. Corporate social responsibility as a PR tool to spread Reputation

Reputation is a repeated argument for companies engaging in CSR. However, the word reputation does not cover the many other positive effects of CSR on the company. Brown et al. (2006) developed a framework of key organizational viewpoints that are within stakeholder theory to organize the different aspects of stakeholder thinking around a company. They defined Identity, Intended Image, Construed Image and Reputation as the four main perspectives.

Identity is internal in the organization and describes what the employees themselves believe about the company, the members associations whereas the intended association is what the company wants others to believe about the company. The Construed image refers to what the employees actually believe that others think about the company. Lastly is what others actually believe about the company-the corporate associations. This is the Reputation of a company. All these

perspectives are important to consider within the scope of CSR initiatives as it affects all of them (Sen et al., 2006).

CSR performance strongly affects the Identity of a company through stronger employee-company relationship (Jones et al., 2014). Intended image is the background of all positioning and branding. For companies, it is crucial to decide which association stakeholders should have about the company. Intended image is therefore often criticized as the motive for CSR initiatives because it entails a conscious and strategic way of creating the right associations amongst stakeholders.

Construed image is mostly important because it influences the identity. If employees believe that others outside the company only have negative associations, then this could affect their pride in working for the company. On the other hand, if a company's employees believe others have very positive associations, this could elevate their own beliefs (Brown et al., 2006).

Advertisings with an embedded CSR message elicit more favorable consumer attitude toward the company when compared with a similar ads without a CSR message. This means that consumers attitude toward a company is positively affected by CSR communications. Jones et al. (2014) found a link between perceived ethicality of a company and brand affect and loyalty. This implies that effective CSR communication will increase consumers' general attitudes toward a brand through perceived ethicality as CSR is a way for a company to promote ethical values and agenda.

2.7. Corporate Social Responsibility in achieving Millennium Development Goals (MDGs)

Businesses can contribute to MDG achievement in many different ways CSR needs to be harmonized with governments programs to achieve MDGs. Businesses can benefit the poor by including them in their core business operations be it as producers and business partners in their supply and distribution chains or as employees (Cahyandito, 2011).

The UNDP report provided examples of how businesses can contribute to the MDGs. The report showed how it is possible both to be profitable and to improve the lives of poor people and communities. UNDP's initiative promotes business models where the pursuit of wealth creation, human progress and environmental sustainability are seen as entirely compatible.

Another way businesses use to promote MDG achievement is by giving back to the community through corporate social responsibility activities and philanthropy.

The scope and magnitude of these kinds of activities has multiplied in recent times and they need to be brought to scale more consistently to have wide impact. Businesses partnership with governments and the UN encourages and supports companies to adopt inclusive business models to spread the benefits of development (Clark, 2011).

Cahayndito (2011) has depicted the way of harmonizing the government MDGs and companies CSR in backing up the achievement of the goals as follows.

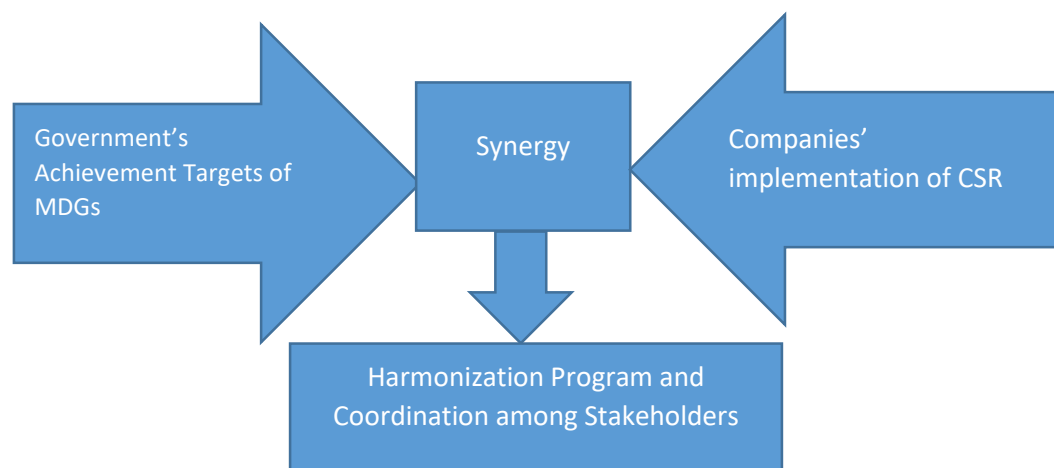


Figure 3. Harmonization of MDGs- CSR by Cahyandito (2011)

This harmonization process is initiated by governments MDGs short programs (example Ethiopias Growth and transformation plans) and should be synergized with private sectors CSR programs. This requires other parties like ministries and regions and administrations at different levels as well as the private sector to mutually cooperate. Even though the achievement of the MDGs can increase corporations access to CSR funds, it shouldn't be forgotten that CSR is voluntary. Governments should not force companies to do CSR and if they do it can be considered as double taxation. If companies do not take part in CSR, they can face social sanction.

2.7.1. MDGs and the private sector

The Millennium Development Goals (MDGs) have, since 2000, set the global benchmarks for development progress. MDGs are important for the private sector to fulfill their responsibility as global citizens to resolve problems that may arise in the future (Overseas development institute, 2012). Furthermore, the United Nations in its UN-private sector cooperation mentions the private sector's engagement in CSR at different levels can help achieve MDGs.

Table 1. Note: UN-public private sector cooperation from UNDP (2003)

CSR activities	Forms of cooperation
Participation in Global compact	Support of Global Compact projects in developing countries
Awareness promotion & publicity to achieve MDGs	Gaining free publicity space from various mass media to place advertisements and commercials as part of a "Poverty Eradication Campaign
Engage in social contribution activities such as volunteer work and contributions in kind in order to achieve MDGs	scholarships for children from low income families in cooperation with UNDP to provide higher education, job training, etc.
Support of existing projects of UN organizations by contributing funds or other resources (such as manpower, knowledge, expertise & goods	Private sectors joint efforts with UN to supply safe water ,education,etc
Products and services provided to the poor and deprived at low prices	Microfinance project in Kazakhstan to support development of small businesses in cooperation with Citigroup

2.8. The UN Global Compact and Corporate Social Responsibility

The Global Compact is a voluntary initiative supporting global framework for sustainable development through corporations as members of a society. The UN global compact established ten general principles for companies CSR activities that are founded on internationally recognized conventions related to human rights, environment and anti-corruption. The principles are believed to serve as important starting points for companies CSR and sustainability activities (UN Global Compact, n.d.).

Companies who make a pledge to commit themselves to the global compact incorporate the ten principles in to their business and report their performance to the global compact. When companies incorporate the ten principles of the Global Compact in to their policies and strategies, they uphold their basic responsibilities to the society. The Global Compact principles lie under four main categories namely Human right, Labor, environment and anti-corruption. What can companies do in line with the principles? I have tried to relate company CSR activities to the following ten principles of Global Compact in short.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

This is the UN's overarching expectation of businesses. According to this principle, companies should avoid infringement of human rights and address issues with adverse impacts on human rights. Besides, companies should not only refrain from infringement but take action to support the protection of human rights with special attention given to vulnerable groups.

Principle 2: Businesses should make sure that businesses are not complicit in human rights abuses
Even though the risk of complicity occurs in many sectors and countries, it is worse in areas where there is weak governance and human rights abuses are widespread. Companies should condemn human rights abuses or raise awareness within the company about human rights issues in order to avoid complicity

Labor

Principle 3: uphold the freedom of association and the effective recognition of the right to collective bargaining

Employees have the right to form any association or join any group to defend their occupational interest. Companies should respect all workers' rights to form trade unions of their choice without any intimidation.

Principle 4: elimination of all forms of compulsory labor

Companies should refrain from holding back human development and engage in compulsory labor as it reduces productivity and economic growth. Exploitative practices such as forced overtime work are considered as compulsory labor.

Principle 5: Businesses should uphold effective abolition of child labor

Children have the same human beings like adults but they have some distinct rights like protection from economic exploitation and work that may cause harm to their health. Businesses in less developed countries where child labor practices are highly likely should be alert and respond to such actions.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

Individuals should not be discriminated by any characteristics that are not related to the requirements of the job.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 15 of the 1992 Rio Declaration states that where there are threats of serious or irreversible damage lack of scientific certainty shall not be used as a reason for postponing cost effective measures to prevent environmental degradation (UN Global Compact, n.d.). Companies should, therefore, show commitment to take care of the environment and conduct two way communication with stakeholders to avoid potential risks to the environment.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Companies are expected to design environmentally responsible strategy and make an assessment to benefit more from the environment they operate in.

Principle 9: businesses should encourage the development and diffusion of environmentally friendly technologies

Companies should use resources sustainably, use less polluting and environmentally friendly technology and handle wastage in a responsible manner.

Anti-corruption

Principle 10: Businesses should work against corruption in all forms

Companies should enact policies to prevent corruption both internally and externally throughout their supply chains

2.9. ISO 26000:2010-Guidance on Social Responsibility

International Organization for Standardization (ISO) is the world's largest developer of international standards. There is a key linkage between the UN Global Compact's ten principles and the ISO seven core subjects of social responsibility. Since it was founded in 1947, ISO established more than 21000 standards almost in all aspects of business. ISO comprises national standard bodies from 160 countries including developed and developing countries. (ISO) and (OECD), 2011). ISO 26000 is recognized by the European Commission as being part of the "core set of internationally recognized principles and guidelines regarding CSR. Ethiopia has a national standard body called Ethiopian standards Agency established in 2010 aimed at making manufacturers and service providers to comply with internationally accepted standards.

ISO 26000 doesn't specifically discuss corporate social responsibility, rather, social responsibility in general as it is applicable to all kinds businesses. ISO defines CSR as "responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behavior".

According to ISO 26000, a company should avoid contributing to any negative impact in its relationship. ISO 26000 has four building blocks that are; Why CSR (the ethical umbrella for every organization, Who should be involved, what SR is and How to implement SR. ISO also defines seven social responsibility principles to be taken into account when it adopts Social responsibility i.e. Accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior and respect of human rights (ISO Social Responsibility 2019).

CHAPTER THREE

III. RESEARCH METHODS

3.1. Research Design

The main objective of this study is to explore the corporate social responsibility (CSR) practices of a multinational companies in Ethiopia with specific reference to Heineken Brewery factory. In this research, the researcher used qualitative research method and explored the CSR practice of a multinational company in Ethiopia. Qualitative methods can be used for:

The intent of qualitative research method is to describe a process or experience and to this end, the goal is to make meaning of experiences or phenomena by following data as they emerge. With the overall purpose of understanding a situation or how something is experienced in a deep and meaningful way, qualitative research methods are not a variation of an experiment, but are based on a very different philosophical perspective that gives credence to different ways of knowing.

(RF Cruz, 2016 P.82)

There are goals for which qualitative research method is especially useful one being the goal of understanding a particular context in which participants act and the influence this has on their actions. It is used to study a small number of individuals and situations (cases). Qualitative study is useful for studying not only the physical events taking place but also how participants of the study make sense of these and how they influence their behavior (Maxwell, 2012). This study is aimed at describing the CSR practice being studied and help improve the existing practice of the CSR of the company.

The design of the research is case study as it focuses only on a single company's CSR performance. Case study has its origins in qualitative approaches to research in the disciplines of anthropology, history, psychology, and sociology and it has become essential methodology in understanding complex issues. It is a versatile form of qualitative research most suitable for a comprehensive,

holistic, and in-depth investigation of a complex issue. Helena Harrison, M. B. (2017, p.6) defined case study as

a qualitative approach in which the investigator explores a bounded system (a case) or multiple bounded systems (cases) over time through detailed, in-depth data collection involving multiple sources of information (e.g., observations, interviews, audiovisual material, and documents and reports) and reports a case description and case-based themes.

Creswell (2009) as cited by the Journal of Economic Development, Environment and People (2018) states that in case study, a researcher explores in-depth a program, an event, activity, a process or a group. Therefore, the researcher used case study method to explore the CSR activity (the case) of the Multinational brewery company (single company) in Ethiopia.

Mohajan (2018) explained the methods recommended for qualitative research as logic, ethnography, discourse analysis, case study, open-ended interview, participant observation, counseling, focus group, literary criticism, meditation practice, historical research, etc. Bearing this in mind, the researcher chose case study method to study the CSR case in terms of what the company does on the people and the environment aspects of the triple bottom line.

3.2. Methods of Data Collection

As clearly put in the Journal of Economic Development, Environment and People (2018), interview, observation and document analysis are the ideal methods for collecting qualitative data. According to the journal, qualitative research data are descriptive, in the form of interview notes, observation records, and documents and data are analyzed inductively. As a result, the researcher collected data for this study using in depth interviews, observation and document analysis methods for triangulation helps to assure the validity of the thesis. Different sources of information were approached using various methods to make the finding valid.

In depth interview is used when the data needed is not available in any other form and there is a need to talk to people, listen to their ideas to get the necessary data (Mason, 2002). The Sage Encyclopedia of Qualitative Research Methods (2008) further reiterated that qualitative researchers ask people directly about what they think, feel and do in order to get the data they want. The researcher conducted face to face interview using semi structured open ended questions that helped produce opinions from participants.

In addition, the researcher carried out field observation to observe what was happening to the people and the environment. The researcher took observation notes to describe the field setting and what he saw in the space. This helped the researcher learn and discover what was going on by watching and listening. Finally, documents such as annual reports and press releases of the company were collected and analyzed.

3.3. Population and Sample Size

The population of the study were the nearby kebele residents of Kilinto Heineken brewery plant and the communications head of the Akakai kality wereda 9. The researcher selected samples from the kebele for in-depth interview based on availability (convenience sampling). The researcher also interviewed the communications head of Akaki kality sub city wereda 9, who was chosen purposively. Patton M. (1990) explained purposive sampling as a strong method in selecting information rich cases for an in-depth study.

Regarding sample size in qualitative research, Gentles, S. J., Charles, C., Ploeg, J., & McKibbin, K. (2015) said that unlike quantitative research where sufficient large sample sizes are required, qualitative research requires smaller samples. The authors further discussed that the aim of sampling in qualitative research is to garner information that enables the researcher to understand the depth, complexity and context of a phenomenon rather than to represent the population. Hence, the researcher selected a total of 11 participants and carried out in-depth interview

This sample size is sufficient enough because the goal of qualitative researcher is not to generalize from a sample to a population but to describe and interpret the phenomenon (Guetterman, Timothy C. 2015).

Since there are no rules for sample size in qualitative research, it depends on what you want to know, what is useful, what will bring credibility and what can be done with the time and resource available (Patton M. (1990).He noted that “the validity, meaningfulness, and insights generated from qualitative inquiry have more to do with the information-richness of the cases selected and the observational/analytical capabilities of the researcher than with sample size (Patton M. 1990 P.185).

3.4. Data Analysis Techniques

Qualitative data analysis is the classification and interpretation of linguistic or visual materials to make statements, to discover and describe issues and practices (Flick, 2013).The purpose is comparing different cases, materials or texts that help describe a phenomenon in detail. The researcher used qualitative content analysis method to analyze the data collected. As stated in an article in Qualitative Health Research:

Content analysis is a widely used qualitative research technique .Rather than being a single method, current applications of content analysis show three distinct approaches: conventional, directed, or summative. All three approaches are used to interpret meaning from the content of text data and, hence, adhere to the naturalistic paradigm. (Hsiu-Fang Hsieh, 2005 p.1281)

According to Hsiu-Fang Hsieh, (2005), qualitative research is considered as a flexible method of analysing text data with attention to the content and contextual meaning of the text. As a result,the researcher used this method to analyse the text data collected by interviews ,observastion and documents.

The researcher of this study applied cross sectional and categorical indexing of the raw text data and interpretative analysis was given. Themes and theories were derived from the categories and then interpretations and descriptive analysis was provided in relation to the research questions and related literature.

CHAPTER FOUR

IV. PRESENTATION AND DISCUSSION

This study aims at exploring the Corporate Social responsibility practices of Heineken brewery in its Walia brewery plant located in Kilinto. In-depth interview was conducted with 11 participants from Akaki Kality Sub city wereda 9. The interview questions were semi structured and the interview carried out with the respondents was interactive with some follow up questions. The data collected using face to face oral communication situation is more trustworthy as further questions can be raised to clarify issues that require clarification. Documents of CSR plan, reports and press releases from Heineken Brewery S.C were collected and analyzed. The researcher also made field observations to see for himself what actually was happening to the society and the environment around the Brewery factory. The researcher analyzed the data obtained by the previously mentioned three methods. An attempt to contact the corporate relations manager of Heineken was unsuccessful but the researcher believed that the CSR initiatives and reports on their website could suffice to carry out the analysis.

4.1. Heineken's CSR-The Environment

Multinational companies' increasing social awareness has led to the development of a corporate social responsibility policy whose implementation impacts their overall marketing communication, both at their strategic and operational levels. However, a gap is felt in the integration of the policy and the operational levels.

Companies have the duty to cover the environmental implications of their operations, products and eliminate waste and emissions, maximize the efficiency and productivity of its resources; and minimize practices that might adversely affect the enjoyment of the country's resources by future generations. CSR is no longer a luxury; it is a requirement to remain competitive in the business world.

“Brewing a better world” is what Heineken uses as its motto when it comes to sustainability throughout the world. In its sustainability goals, Heineken put the following idea whose focus is on reducing the impacts of its business on the environment and the society they operate in.

The idea of sustainability as a business priority means that we act now to mitigate the impact of environmental and social risks and that we look at ways to create genuine economic opportunities for both our business and our stakeholders. (Heineken breweries Ethiopia; Sustainability, 2015)

The company stated its areas of priority in sustainability as protecting water resources, reducing Co2 emissions, sourcing sustainably, advocating responsible consumption, growing with the community and promoting health and safety.

Even though a company’s CSR policy and strategy is required to be dependent on the context of social and environmental problems, Heineken’s CSR plan in Ethiopia is similar to that of the global company’s plan.

Among Heinekens focus areas, sourcing sustainably seems the point they have worked and reported more than the others. Heineken partnered with Agricultural transformation Agency and devised a four year program named community revenue enhancement through technology extension in Ethiopia (CREATE).The company clearly stated the reason for investing a hefty amount of money on this. It is to reduce import of malt and at same time supporting the community. The project devised to support about 20,000 small holder farmers engaged in barley production. In fact, Multinational companies as their sound CSR initiative, should give preference to local areas and where the company operates.

A public private partnership was also signed with Harari regional state to provide Harar with sustainable Water resource. Heineken has also made a stride to make a positive impact on health care and planned to invest in improving the health care services of Bedele as soon as it bought Bedele and Harar breweries. It provided Bedele health center with an ambulance, healthcare facilities and training as it is indicated in the company’s report.

The big commendable step can be the inclusion of CSR as an integral part of its business. Many companies make their reports look attractive to auditing and regulatory bodies without taking action. It needs to be further proven by checking the environment and the society. CSR initiatives vary for each companies of the MNC operating in different countries with different social and environmental demands based on factors like size, culture and level of development.

Manufacturing companies have numerous environmental challenges and are expected to integrate environment in to every part of their operation. The similar steps in every company's way of addressing environmental issues such as statements showing the respect for the environment in the production and distribution of their products is not country or sector specific and neither is it beyond compliance to the legal requirements to operate. This should, however, not be underestimated. They should show readiness to go beyond such generic statements.

The researcher made field observation to the facility where the factory is located. Based on the researcher's observation, there was a terrible smell in the direction where the water waste goes to the Akaki River. The view was not good either. It flows in a waste water tunnel a little distance until it moves a bit far from the factory and then released on open surface to the river. No disturbing noise was heard though. There is a primary school adjacent to the brewery plant and one key informant on this issue said"

We are in trouble because of the bad smell of the company's waste water. They release it directly to the Akaki River nearby. It is so sad; Teachers left because of health concerns. Parents brought their children without knowing the bad smell that might impact the health of their children but withdrew their children from the school at mid semester and took them to other schools. The school is meant for teaching children of the lower income families. 5-6 students left school for the reason that they couldn't stand the smell. Today, the weather is relatively good, you may not feel the intensity of the bad smell and our suffering.

(Interviewee 2)

Another respondent explained that they lodged a complaint against this case up until the Sub city level and the company responded it would fix the problem. Later on, the company said it introduced a state of the art waste water disposal machine. However, the residents do not see any improvement beyond the news. This year again the wereda made a move to ask the factory manager and the reply was not any different from the previous one. They said they tried their best to reduce the impact on the school community and the society at large. The wereda reiterates that the company once denied entry of reporters to give coverage of the factory. This is irresponsible business practice in way that they are not transparent about their business practice. This has offended both the wereda officials and the community concluding that it is not responsible for its practices. The respondent explained the procedures followed to combat the problem bore no fruit. Many respondents believe that the Kilinto branch of Heineken brewery is not exercising at least the minimum expectation of the society.

A resident also raised similar concern and said that

Walia has become known for its bad smell of what it disposes; we only remember it for its bad smell. Nothing more. Our brothers died here when it came to build its factory for they were not willing to leave their land. They were not compensated enough. It only brought inconvenience to us. We expected the coming of Heineken here would come with lots of job opportunities for us, the youth but it did not. (Interviewee 3)

The issue is not about how the waste should have been disposed rather communicating to the public about the benefits of the company's presence in the area to the residents and to the country. Heineken could have done something greater than mitigating the effect of the waste water and be remembered in association with other good action. This means the society is not happy about the way the company deals with their complaints. They think, Heineken doesn't care for the people but for its profit.

The public's complaint is indeed substantiated by the statement in Heineken in that Heineken stated;

After building our Kilinto Brewery, Phase I & II, we became aware that community members and media don't have the full picture of our investments, process, and discharge related to Waste Water Treatment Plant. We put together with the relevant stakeholders to see with their own eyes our state of the art Waste Water Treatment Plant and more importantly, we had the Ethiopian Environmental Protection Agency present to verify that our process and effluent meet the legal standards of the Ethiopian EPA law. (Heineken brewery Ethiopia website.)

The report is of the company's compliance to the legal requirements instead of the solution to what the residents raise as a problem. If it the waste water was treated well as the company believes, it could have been better to convince the society, let them see for themselves if possible, and deliberate on what the waste water could have been used for. CSR can be seen as insincere by the community unless effective thorough community dialogue is held to engage with the public.

This indicates their strategy lacks strategic communication with the society and are not communicating the public what they are doing and the company really cares for them and they are not neglected. Whether Heineken is doing CSR genuinely or not is up to the public's understanding of Heineken and depends highly on Heinekens communication with them.

Ethiopian Environmental Protection Authority made a visit to what they called the state of the art waste water treatment plant they introduced. Regarding compliance to the regulation of the country, this can indicate that Heineken follows the environmental rules and regulations of the country. Even after Heineken bought the waste water treatment plant, which they said is the first of its kind in Ethiopia, there was still a grievance. Some respondents believed that the smell has been reduced to a very little extent while there are people who complained that the brewery factory has a negative impact.

It is still a concern whether Heineken are taking CSR action because of the need to act proactively, because of image, or imposed by the law. What can be concluded at the moment is at least they haven't made the public aware of what the company was doing no matter what its motives are.

What the researcher observed in the vicinity of the factory was space for tree plantation around the pedestrian area which could have been utilized by the company's CSR. Tree planting is one of the CSR programs of a company to preserve the environment and promote environment sustainability.

There is muddy road around the compound of the factory. It was rainy day when the researcher made a visit the second time. Some places were inaccessible due to the mud. The finding from the observation of the researcher and Heineken's CSR website shows that the company has not planned and carried out any climate change initiative in this specific site. Making the vicinity of the factory attractive and green would show the company also cares for the environment. Employee's engagement in tree planting campaigns and environment cleaning independently or in collaboration of the society is one of the ways of employee engagement in company's CSR especially where there are large numbers of workers like Heineken. From the point of view that Heineken has planned and carried out related activities in its two other factories in Bedele and Harar, there were no initiatives by Heineken to conserve energy and address environmental issues in Kilinto.

On the other hand, Heineken claims it was practicing CSR to protect the environment from its own side and the PR head of the Akaki sub city wereda 9 confirmed it. The company decided to fully sponsor and cover the total expense of the drainage construction of wereda 9 which was beyond wereda's capacity to combat the problem caused by the flooding in the area. The same respondent mentioned that Heineken cooperates with the wereda administration if the wereda requested any help. The problem with Heineken, according to the respondent, was they failed to solve the problem regarding the bad smell of the waste water. Heineken's support is always based on our request; it doesn't initiate.

Residents' main complaint in relation to this issue is that "Heineken always has someone to please, it doesn't look at the real problem that needs to be solved. They act to please the officials they want."

Their 2018 CSR report is available with emission, water use, and other focus areas covered. On Heinekens website, there is a separate report about their water use in Ethiopia. Practically, Heineken exercised CSR in its two brewery plants, Bedele, and Harar, to increase water availability and sustainable use. There are no indications in its report so far about what has been done or what is planned to be done in its Kilinto Branch. Heineken stated that “in Harar, we signed a Public Private Partnership with the Harar Regional State and other stakeholders, to ensure long term water availability in the area”. Kilinto residents, however, said they have lost their water source which they blame it on Walia brewery plant.

A respondent mentioned the negative impact of the company on their water supply and said,

We had a meeting recently and teachers complained about the hygiene of our children but we can't help. It is difficult to get water. Walia took our water. There was a pipeline which is now diverted to the company. They should have cared for our children and the society as a whole. We got water from a different line with the help of plan international but still it is not enough. (Interviewee 7)

Heineken revealed its sustainability report in 2018 report and it indicates that water consumption decreased 32% and co2 emission decreased 47 % since 2008. 37 % of raw materials used in Africa and Middle East were sourced from within the continent. This is a general report including the breweries in developed countries. The researcher believes a separate CSR report should have been carried out for Ethiopia so that it is possible to evaluate its CSR.

An example could be one of its own reports on Bedele Brewery plant under the title “Bedele brewery-on track to reduce water consumption” which describes Heinekens responsibility to promote responsible use of water. It mentioned its reduction in water consumption from 10.9 HI in 2011 to 4.56 in 2016. Close to four years in operation, Heineken didn't reveal any water consumption report or plan for its Walia plant. CSR should be strategically carried out and has to be different in different contexts and countries. Scholars like Visser (2008) raised the reason for such flaws in CSR report in developed countries emanates from weak legal bodies in developing countries. Though Environmental Protection Authority requires companies to do so, the implantation is not strong enough.

4.2. Heineken's CSR - The Society

Community engagement is key to company CSR practice as it enables them get contextualized understanding of expectation of the community. PR professionals should take part in facilitating the dialogue and communicate CSR campaigns.

Companies should listen to expectations of the society, and collect opinions of the business operations so that solutions could be given to problems in the society.

Heineken doesn't seem to understand that its business depends on the trust and credibility by the public. The disturbing smell is a concern for the health of the residents. An interviewee explained 'We use air freshener every day to get rid of the bad smell when we get to our office.it is really terrible'. Little has been done regarding safeguarding the wellbeing of the society in a long term. Walia has been operating there close to four years now but the project to support Kilinto Health Center has not yet started. There is, however, according to Heinekens report, a plan to renovate, equip and furnish the health center and run community awareness programs. This is where lack of implementation of the beautiful CSR plans comes in point.

When a respondent expressed his dissatisfaction about what Heineken did to Kilinto health center, he said

Just one Ambulance; it is a joke. This is so little when we see it in relation to this giant profitable company. It has to do more than this to the society. We are getting sick and this needs solution. This company is selfish. St George is taking part in different social responsibilities better than Walia. It is saddening that Walia uses our precious endemic animal's name and it did nothing to save the animal when there was wild fire in the Semien mountains national park. (Interviewee 11)

This shows that Heinekn lacks the harmonious relationship and effective PR strategies to create the bond by communicating their CSR professionally. One ambulance could have earned Heineken much respect had they built the relationship with the community through dialogue. Heineken Africa foundation invested in Bedele for hospital expansion and buying other materials. In Kilinto, no such investments were made by the initiation of the company other than what is in the pipeline.

However, based on the request of the wereda administration, it has practiced lots of CSR activities including building offices as expansion in the wereda 9 of Akakii Kality sub city. As part of its job creation and supporting small businesses in the community, Heineken built 8 shower rooms for the youth to rent and get income out it. The wereda report indicated that the company invested close to 8 million birr.

Education faces many challenges related to quality education and budget constraints. This gives rise to opportunities for businesses to take part in CSR in education sector. Businesses participate in education for different reasons including positive companies get involved in education for a number of reasons including positive image. In this case, Kilinto primary school's location closest to the factory made the public expect more and Heinekens negligence was seen clearly.

According a respondent from the school community, the school submitted the proposal requesting help to build them a fence for the school compound, and looking for other financial and technical support. He said,

We along with the parent representatives of the school wrote a proposal in 2018 seeking support from Walia for the school fence, football field and other material supports but it declined.it is so hard to approach them. The security is tight that no one can talk to an official in the factory. Though we finally managed to talk to them they were not willing to provide us any help. They gave teachers 3 cases of beer for recreation a bit farther from their school. We consider this advertising, not genuine. We repeatedly asked for help from Heineken but it is not willing and now we lost hope and stopped. They should have collected opinions from the public and identify the needs and expectations of the society.

What are they going to support if not education? (Interviewee 9)

When one thinks about CSR, beyond mitigating the negative impact a company can have on the environment and the society, financial or technical support to schools and health centers is at the forefront. No respondents had a different view regarding their contribution to health and education. Some even went on to laugh at what Heineken did in donating one Ambulance to the health center in the wereda.

According to one Key informant interview, in sports and small businesses for the youth, Heineken did well both in terms of sustainability and problem solving. It signed an agreement to build covering the construction expense of new designed stadium whose design is done by a foreign company. It also donated 8 containers for the community cooperatives for use as shops to sell their goods at a relatively lower price which both benefits the cooperatives and the beneficiary customers. In addition, it helped build offices for the wereda 9 administrations.

Heineken in its report also revealed that it was working with the community in Kilinto. The report reads “In order to strengthen our local connection in Kilinto, we supported 12 Idirs nearby to our Kilinto Brewery. This was done through the purchase of tents, chairs, cooking utensils, and loud speakers with its accessories which costs over 750,000 birr”.

An interviewee replied in an interview undermining Heineken’s donation and said

This is something we could have done, we can afford to buy our idir materials. We need more from Heineken, but it is not helping us with what we can’t afford like water and supporting the school and creating job opportunities to the youth of the community. It promised to do more when it first came here but we are not seeing it now. (Interviewee 4)

Responses indicate that the community asked in an organized way about their low compensation given to them to construct the brewery plant and seeking job opportunities in the factory. The company replied it could not give priority in employment as it has to follow its own law of employment and employees are brought via agencies. Heineken doesn’t have to necessarily go against its laws to employ the residents but create job opportunities outside its business and support the youth like what it tried to do by providing them containers and shower rooms.

The characteristics of their CSR is somewhat reactive aimed at changing the negative image by the community. The increasing pressure from the youth in the community demanding job opportunities and soaring complaint about the waste water thrust the Company to build few shower rooms that create some youth a job and the idir community buying them tents. Working on sustainable development of the society needs way more than helping them meet their tentative needs.

Heineken sees CSR initiatives as more of a strategy in the pursuit of having a good image of the company instead of moral obligation to give back to the society. The company's doing its CSR thinking that it is doing well while the society's demands are very different which usually happens when they companies practice CSR without studying the needs and problems of the society and the country in general. Such CSR practices of firms will not promote public interest.

Stakeholders should discuss on what should be done in addition to the company goals and strategies of CSR. Heineken adopted its own CSR with its key focus areas clearly put. What is required is to look into the community, localize their strategy and check if is possible to implement it in the society to help promote their well-being. Sometimes, MNCs CSR plans might go against the local people on which it is implemented. Heinekens CSR priority areas are not realistically on the ground and felt by the public in Kilinto. Continuous discussion with the community should be carried out to deal with their concerns and accordingly devise their CSR.

Commenting on the engagement of Heineken in supporting the society through donation, a respondent explained

What I remember is, this year, the company bought 45 sheep and 45 Cases of beer and supported the less fortunate and elderlies for their Holiday celebration. Besides, it donated two million birr to build 8 shower rooms for the youth to do business with it. It handed over tents and other materials for idir. That is it. (Interviewee 10)

The aforementioned statement shows that Heineken exercises CSR practices in the society that go in line with eradicating extreme hunger and poverty and reducing child and maternal mortality. However, this is occasional and it is not practiced sustainably to bring about lasting solution to the families in need. What Heineken did for the youth as job creation and to idir members is commendable though a planned continuous activities of this kind should be carried out. Heineken also sponsored to fully cover the total expense of the drainage construction of wereda 9 which was beyond wereda's capacity to combat the problem caused by the flooding in the area. This CSR practice is beneficial to both the environment and the society.

Safety of products and their impact on society's health is part of the responsibility of the business as a social actor. The necessary requirements for product and service information and labelling was available on the bottle and no safety related issues have been raised so far. The company has been advocating responsible consumption on various platforms the beginning of which is their labelling on Walia as "Be agbab, Belik, Behalafinet".

4.3. Heineken's CSR in relation to the Triple Bottom Line

Elkington's triple bottom line argues for businesses to measure their CSR success based on three perspectives namely people, planet and profits (Elkington 1998). Organizations performance in each category represents their commitment to their stakeholders, the natural environment and their economic profits. Environmental management strategies are adopted as company's CSR activities for growing a company's image and cumulative effects on their environment as well as their profits. The researcher tried to look into the two of the triple bottom line i.e. people and planet categories.

Social and environmental issues cannot be quantitatively described like profit because they are qualitative by nature and it would be impossible to find standard indicators to get the exact performance report audited.

The response by some of the respondents shows that the residents are concerned about their health and well-being as they are affected by their inconvenience in the surrounding physical environment. They demanded for corporations to be held accountable for their impact on this environment. Sustainable community development activities such as promotion of education, promoting gender equality and empowering women are left almost uncovered in the company's CSR practice in Kilinto

Another respondent commenting on this added that

There was no single support given to the school and the children locate closer than any institution which the company can see it before anything else. Despite the effort made by the school community in collaboration with the parent representatives, Heineken couldn't give any donation. Whom else can it provide support to if it is not for the children and education? It should have considered it before we requested. (Interviewee 8)

Heineken has been engaged in both the environment and the community though it didn't prevent the people from expressing their dissatisfaction. Some believed that Heineken only communicates with the authorities and practices its CSR there. Several of the participants also said that the company's practices were not helping the community to solve their problem. For example, Heineken didn't make any contribution to the education sector which came in to attention as failure to take part in CSR.

The donation to the people in need and the health center as well as the idir community are the positive CSR engagement of the company in the society. Relatively, Heinekens CSR engagement in the society is better than what it did to the environment. CSR in environment can be done in many ways that are invisible to the respondents in the interview conducted like reduction of Co2 emission. But, problems related to water resource consumption, pollution and tree planting could have been solved and recognized by the society.

Environmental CSR initiatives like climate change, water use and energy consumption play a major role in corporations in today's business and Heineken is no different. Resource management and energy consumption are key aspects when talking about environmental CSR of corporations like Heineken as a brewery company. Separate report for its Ethiopian Kilinto brewery plant were not done and this can mean both lack of transparency and lack of effective environmental CSR. Heineken doesn't recognize the importance of transparency to earn trust of the society CSR information is not communicated to the stakeholders.

The Kilinto society does not believe that Heineken cares for their wellbeing and underestimate for what Heineken does as CSR such as donation. Community service was not provided by the company. Responsibility to the society as a social actor and creating smooth relationship with the

society is weak. The purpose of the engagement of the public in CSR is to align the business activities of the company to achieve societal goals. Heineken has well defined CSR goals but it lacks integration of the strategic and operational levels of the responsibilities. Heineken is doing little in its people and planet bottom-line when it comes to a responsibility to promote the wellbeing of the society taking in to account future economic, social and environmental justice.

Environment, health, education topics were not well covered by Heineken. Local community engagement in discussing their expectation of the company and its CSR focus was weak in that the respondents indicated they were not considered in the operation of the business.

CHAPTER FIVE

V. CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

The study explored CSR activities of a Multinational company Heineken in terms of the two elements of Triple bottom line- the people and the environment. From the interviews conducted, the observation made, annual report and press release of the company, the researcher came up with the following conclusion.

- The first research objective is related to exploring Heineken's CSR activities on the environment. Even though incorporating CSR in to its corporate business strategy is given due recognition as a good beginning, it lacks further clarity on feasibility and validity in Ethiopian context, especially in sub urban areas like Kilinto.
- Very little progress was made to conserve the environment in Kilinto. Heineken didn't do any CSR practice to mitigate the company's impact on the natural environment in Kilinto
- Regarding the second research objective in relation to CSR activities on the society, Heineken didn't arrange stakeholder's dialogue to understand the society and plan its CSR accordingly.
- The company carried out much of its CSR in cooperation with the wereda administration as one institutional stakeholder based on request. Heineken's donation to Idir was made after mounting pressure from the residents. Heineken's contribution to the society is responsive instead of investing on sustainable social development issues.
- Heineken's lack of investment on CSR in the education and insignificant contribution to health sectors indicates the social contribution is very low.
- Finally, Heineken's performance in terms of the people and planet perspectives of Elkington's bottom lines is not strong enough. It doesn't have separately outlined policy regarding mitigating environmental and social impact of the brewery plant in Kilinto.
- Heineken Corporate social responsibility needs strategic vision in the context of and relevance to the stake holders in their different brewery sites

5.2. Recommendations

Based on the findings, the researcher forwards the following recommendations.

- Heineken should adapt its CSR practices to the local social and environmental context with a vision to bring sustainable solutions to the environmental and social problems with the next generation in mind
- The company has to exercise CSR through employee's engagement in giving their time in addressing environmental and social challenges
- Heineken's CSR should consider sustainable community development through education and awareness raising instead of philanthropy. Heineken should prioritize supporting schools and health institutions since the challenges in developing countries are enormous.
- Heineken should develop environmental initiatives to enhance the quality of the environment and mitigate the company's impact on the natural environment
- The company needs to have a separate CSR action plan the sub urban society and environment in Kilinto.
- Heineken should communicate its CSR goals and practices to the society. This can be done by the PR professional's awareness creation about the company's CSR approaches and the social and environmental problems they attempt to solve;

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Appendices

Appendix I

INTERVIEW QUESTIONS FOR KALITY SUBCITY WEREDA 9 PARTICIPANTS AND WEREDA 9 PR HEAD

1. How is Heineken contributing to the protection of the environment?
2. What is your view with respect to Heinekens ethics and respecting the law in its business operations?
3. How do you describe Heinekens partnership with local businesses and schools, health centers?
4. What does Heineken contribute to health centers and schools, local sports and cultural activities or environmental activities?
5. What environmental or social issues have got sponsorship from Heineken?
6. What does Heineken contribute to environmental protection campaigns and sustainable use of resources?
7. What are the environmental and community development initiatives undertaken by Heineken?
8. What do you think about Heinekens contribution to the society?

Appendix 2

OBSERVATION CHECKLIST

1. Cleanliness of the vicinity of the brewery plant
2. Noise pollution
3. Air pollution
4. Water pollution

Appendix 3

Documents from Heineken

Taking Care of our Environment

After building our Kilinto Brewery, Phase I & II, we became aware that community members and media don't have the full picture of our investments, process, and discharge related to Waste Water Treatment Plant. We put together with the relevant stakeholders to see with their own eyes our state of the art Waste Water Treatment Plant and more importantly, we had the Ethiopian Environmental Protection Agency present to verify that our process and effluent meet the legal standards of the Ethiopian EPA laws.

We have invested over 176 million birr in the WWTP and this kind of investment and technology is the first of its kind in Ethiopia. We invited over 30 media members from TV/Radio/Newspaper to attend and cover the event and optimized the event to strengthen media relations as well. Community members and Government officials were also invited to speak as our partners since they have been working with us from the start of Kilinto Phase I and verify our effluent compliance. We also took the opportunity not only to talk about the WWTP but to highlight Brew a Better World achievements, our 'Growing with Ethiopia' story and our close ties with communities in other parts of the country.

At the end we got extensive media coverage on TV, Radio and Newspaper; positive feedback from external stakeholders; for both media and community residents, it was an opportunity to raise awareness of how much we have invested and that we "walk the talk" when it comes to our values and Brew a Better World and also valued the opportunity of the tour and seeing was believing.

Partnership with Communities

We are partners for growth in Ethiopia. We want to ensure that our success as a business helps the communities and societies in which we operate. Bedele Brewery and the Heineken Africa Foundation (HAF) invested 5.6 million birr (€240K) to expand Bedele

District Hospital in order to add a new maternal wing for mothers and infants. This new wing includes 12 rooms, medical and laboratory equipment with extensive training of medical staff. re strengthening the Bedele District Hospital by providing medical and laboratory equipment, as well as conducting staff trainings to improve health services.

In Harar, we have also provided an ambulance and medical equipment to Finkele Health Clinic (close to Harar Brewery), to improve obstetric care.

We have also started a project with Kilinto Health Center. The project consists of renovating, equipping, furnishing the health center along with training staff and running community awareness programs.

Protecting Water Resources

Water is vital for life and critical for the well-being of the communities and ecosystems in which we operate. Today, less than 1% of the world's water is both accessible and drinkable, which means we have a huge responsibility to protect this vital resource.

Globally, fresh water resources are under pressure and water scarcity already affects 4 out of every 10 people. Demand for water has doubled during the past 50 years and is expected to increase further 40% by 2030.

We describe our approach for addressing water-related issues around the world as 'Water Stewardship'. We aim to reduce water consumption in our breweries by 25% by 2020. Further, beer is 95% water so balancing the needs of the community with our own needs is at the heart of our approach to water within HEINEKEN.

HEINEKEN Ethiopia is committed to identifying sustainable solutions to restore the watershed and improve water availability. In Harar, we signed a Public Private Partnership with the Harar Regional State and other stakeholders, to ensure long term water availability in the area.

The brewery recognizes and is focused on its responsibility to promote responsible water use. If you look at the water consumption rate since the acquisition of Bedele brewery by HEINEKEN it has significantly reduced from 10.9 HL/HL in 2011 to 4.56 hl/hl in April 2016. This means we are well on the right track towards reaching our water consumption target of 3.8 hl/hl (or below) by 2020. Some of the activities (but not limited to) that were designed to reduce water consumption were