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Task 1/3:

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| Business ethics | Refers to the study of business practices and policies that morally guide businesses where the law is not. |
| Teleological approach | The teleological approach suggests that if the consequences of the actions bring more benefits than harm to society and consumers, then the action is justifiable. This is true as long as the one committing the act itself is not the one or only ones benefiting. In this case, lying to achieve a greater good would be ethical. |
| Deontological approach | This approach judges the action itself rather than the consequence. This is considered to be similar to religious practices of right and wrong. In this case, lying to achieve a greater good is unethical. |
| Virtue ethics  approach | Virtue ethics judges the person taking action. If the person has proven to be kind, honest, temperate, generous, wise, and fair, their judgment on what to do will be justified. This makes the viewpoints on the matter more subjective than other approaches. |
| Moral rights and fairness approach | This approach protects fundamental human rights and calls for fair and equal treatment among all. This allows people the right to reject directives that go against their moral and religious beliefs. ( Nwanji and Howell , 2007 pg. 355 ) |

A few ethical issues that might arise and affect operations are as follows:

* Discrimination and harassment
* Workplace health and safety
* Malpractice in accounting
* Malpractice in products and services
* Nepotism and Favouritism
* Environmental issues
* Malpractice with the data collected

Absolute ethics suggest that the true moral rules are applied to all people at all times, in all places. Whereas relative ethics claims that each situation is unique; therefore, 'right and wrong' can be judged based on the people, time, place, culture, and other factors. Absolute ethics will state that all child labour is wrong, whereas relative ethics will consider that some families need it for survival. In the football world business, absolute ethics say that men and women should be paid the same by the clubs for the same work. Relative ethics argues that unequal pay is justified under the circumstances of higher levels of viewership and attendance. ( Wakin , 1976 )

Shareholders, Investors and owners

Can expect an ethical creation a strategy, and a financial performance with no malpractice. Anti-corruption and ethical business conduct, Transparent communication of ESG (Environmental, Social and Governance) performance, e.g. disclosure of the financial impact of climate-related risks.

Conflict could arise if products created were found unsatisfactory the customers.

2.

Employees

Require fair working conditions, safety and health prioritized, diversity, human rights requirements met, open dialogue, recognition and fair assessments.

Employees can conflict with owners over low pay and poor working conditions.

Stakeholders

Suppliers and contractors

Can be anticipated to have and be from local procurement, Secure long-term contracts, Fair and transparent tender process, Sustainability, human rights and deforestation-free along the supply chain.

Possible conflict over owners wanting to pay later while suppliers want their payments now.

Customers

Expect to receive quality products and services. Product safety, Sustainable packaging of products. Solutions to problems, Product innovation, Sustainable and low-carbon based production.

Customers could want lower prices but profits for owners and investors will therefore have to be cut.

( Karmel, 1992 ) ( Yang, Ho, 2009 )

3)

CSR is short for Corporate Social Responsibility. It refers to a managerial concept that pushes the business to commit to continuously behaving ethically and contributing to economic development. It is viewed as a 'soft law' expected to be followed due to consumer expectations and societal norms. Nonetheless, laws in place require companies to act in the best interest of consumers, employees, the environment, suppliers, and the community. ( Lin, 2020 ) CSR is necessary for companies to take on more responsible policies and ensures that those companies are systematically awarded when enforcing those policies. Conversely, when companies practice irresponsible policies, they are also systematically penalized.

Governments and NGOs play a vital role in ensuring consumers associate with companies respecting CSR, creating an incentive for companies to improve their performances. Furthermore, when companies develop partnerships with NGOs or other specialist certifiers, consumers become convinced of the ethical code of those businesses. Certification schemes in place also empower consumers to make more effective and ethical choices. Governments also subsidize the expensive cost of monitoring the companies in question. ( Mazurkiewicz, 2004 ) When the companies are not self monitoring, it also helps lend more to the company's credibility.

Task 2/3

1)

Nestle has for a long time been one of the giant companies in the world. The company pledges to practice sustainability by practicing a business approach that is beneficial to not only the shareholders but also to our society and planet. Their goal is to reach net zero by the year 2050. Due to ongoing issues with environmental threats, deforestation, and degrading impacts on soil and water, Nestle has started their regeneration process. Paul Hawken, the founder of the project regeneration, states that " Regenerative food systems are not aspirational; they are pragmatic. They benefit the entire supply chain, the whole of the company, and all of global society". ( Our approach, 2022 ) Nestle works closely with commercial teams to develop demand forecasts and suppliers to ensure responsibly sourced materials.

2)

The four main pillars of regenerative agriculture passing through the supply chain are biodiversity, soil, water, and dairy. Each of these plays a critical role in creating healthy food for customers and a healthy environment to live in. For example, Nestle plans to restore essential ecosystems from the biodiversity perspective by planting 200 million trees in the farms and landscapes they source from. This improves the soil nutrients cycle and farmers' livelihoods. Other soil-improving programs are also in place by working closely with the farmers. The water produced by Nestle has room for improvement by reducing chemical farm inputs and optimizing organic fertilization and irrigation techniques.

Last but not least, the dairy industry plans to integrate livestock grazing by using silvopasture where trees are introduced. These actions will cost money to create and will also cost a lot of time as it will surely slow down the supply chain process. The customers and earth will appreciate the extra costs of the creation and supply chain process. Nestle has no intention of only stopping there, as there are 4100 Researchers and developers working to improve technologies and approaches and tackle any problems. This includes reusable packaging for plastic bottles. ( Regenerative agriculture, 2022 )

3)

When Nestle employs all these people year-round, only for the research aspect and not for the production, shareholders can expect fewer profits in the short term. Although their earnings will see a cut and be re-invested in greener solutions, companies with great CSR reports build a reputation and a name for themselves that will eventually drive in more customers. According to KPMG, 80% of companies publish annual CSR reports, although they are not mandatory. Research also found that 77% of consumers are more motivated to purchase from organizations with better CSR reports and are making the world a better place. ( Alaya, 2021)

This means that the extra costs of making the world better can be reflected in future profits while also making the brand stand out with an excellent reputation. This reputation will create customer loyalty and retention around the brand name and attract more investors. Employee morale in the workplace is also boosted due to working for a caring company.

Task 3/3

1)

Despite pledging to bring in all these positive changes to benefit the environment, the farmers, and the customers, Nestle remains a very controversial ethical topic. Nestle has neglected to address and act on these issues for years, and this is only the tip of the iceberg. Nestle is being accused of ethical misconduct in the form of political activities, finance malpractice, animal rights abuse, and child labor violations. Child labor violations stem from the cocoa farms in Côte d'Ivoire, which Nestle promised to tackle many years ago, but remains an ongoing issue for them. On February 29, 2012, Nestle proudly became the first company in the food industry to collaborate with the Fair Labor Association ( FLA ). ( Fair Labor Association , 2012 ) However, the FLA later reported that not a lot was done in the effort to tackle the problem and offered recommendations of ways to improve other labor rights issues, such as safety and educational topics. ( Fairlabor.org. 2016 ) Due to these many controversies, Nestle always attempts to enhance its brand image by promising better futures for everyone, but it has not always delivered on its promises.

2)

The main reason companies such as Nestle have a difficult time overcoming these ethical issues is that it will slow down their business, negatively affecting the shareholders' profits. In the case of Nestle and child labour, for example, disallowing children from working in the cocoa farms of Côte d'Ivoire will surely decrease the rate of cocoa production, decreasing the rate of cocoa sales. However, that is not the only problem. Therefore hindering their plans to reach their business objectives, of which shareholders are a big priority in. If Nestle is operating fairly, fair wages must be paid to the farmers and improved technology and working conditions. These are investments into the business that do not directly profit the company, but they do so indirectly by promoting the brand name, thus attracting more customers. Companies as big as Nestle might have calculated that the return on these investments will not yield more profit than neglecting them, despite the increased customer traffic. Outside employees' wages, paying fair prices on time for the products could also be an ethical problem if not done.

Ethical behaviour must also be considered when dealing with customers. For example, it is essential to allow customers to make informed decisions about their purchases and not make them or trick them into buying something they don't need and at an unfair price. This is done by mislabelling products and price fixing; both accusations have been thrown Nestle's way and settled in court.  ( Djarum, Kee, Azmin, Isdianto, Elghoul, and Pandit, 2019 )

The battle between ethics and profits is not as simple as it may seem. For example, businesses that purchase supplies ethically tend to pay higher prices, resulting in lower profit margins and a disadvantaged competitive position. ( Witek, and Kuźniar, 2020 ) However, many companies have found the opposite because ethical conduct outweighs the extra costs incurred. The ways ethical conduct can benefit a company are:

* Investors will be drawn to businesses that conduct themselves ethically.
* Workers will be more motivated, efficient, and happy.
* The ethical procedure will attract more customers to the company.

All reasons also help build up the company's reputation. ( Kish and Fairbairn 2018 )

Business objectives of ethical companies tend to include business goals and environmental goals. So, for example, companies with a high carbon footprint can make it a point to have a decreased or no carbon footprint goal within their objectives. A few ethical considerations that Nestle has included are: ( Nestlé. n.d. Strategy )

* People
* Culture
* Values and attitude
* Innovation
* Renovation
* Operational efficiency

The company has a history of not always living up to its promises and expectations but has nonetheless made it a point to draw business objectives based on sound moral ethics. The company website wrote no precise specifications on how they will work on these topics but promised that they are working on it. Considering the company's negative moral reputation, its business objectives were still affected by ethical considerations. This shows the vital role that ethics can play in business objectives.

3)

Considering all the good that Nestle is planning to do, there is still room for many improvements on their behalf. Some problems are as fundamental as proofreading the ingredients and labels to warn people with allergies and other unwanted situations. For example, the latest product DiGiorno is a pizza product by Nestle that did not mention soy as an ingredient. The pizza was recalled, but only after the damage was done, for both the customers and the company. The intentions of the mislabelling are, of course, unclear. Still, a long history of similar scenarios can be found. ( Perkins , 2021 )

Given that Nestle's research and development capabilities are one of the largest for food companies, hiring a specialist to review product ingredients and labelling is not unreasonable. Another issue that can be improved is the deforestation problem. Over ten years ago, Nestle gave itself a generous deadline to become a deforestation-free company by 2020. And then extended the deadline to 2022, but it is projected to reach the goal in 2025. ( Chandrasekhar, 2021 ) As admirable as the act is, simply stopping deforestation does not make up for decades of abusing the environment. Compensation to victims and the plan to replant the trees taken down can allow the company to start making up for the decades of damage. It is also important to note that if Nestle truly wants to improve their ethics of operation, then the alternative of using depleting natural raw materials should be environmentally friendly. Avoid repeating past mistakes and let the years go by before re-taking the initiative to find better resources.

Nestle has more atrocious crimes against humanity as bad as deforestation is. Child labour on Cocoa Farms has for long been a problem, especially for the food industry Giants. Nestle has promised and signed collaborations with NGOs and made public statements about their plan to tackle this problem, yet not enough has been done. ( Fair Labor Association , 2012 ) Nestle, owners of many popular chocolate snacks such as Kit Kat, should prioritize the termination of underage work found in the supply chain. This will lead to hiring adults at a higher price. Fair pay to adults will cost them more time and money, but it is the ethical choice to make. ( BBC Bitesize )

More ways that Nestle can improve their ethical conduct is by paying fair prices for its water extractions. For example, in 2018, they siphoned 45 million gallons of pristine spring water from a national forest near Los Angeles. Unfortunately, "they paid practically nothing and left the spring bone dry," according to an article by The Guardian. Nevertheless, the water sales from that water exceeded 7.8 billion dollars. ( Perkins , 2019 ) Nestle is still doing this today and has been doing this far before 2018 and in other locations. The siphoning is not just the problem, but a 2017 investigation found Nestle has been taking more gallons than they are entitled to. This is not only a crime against humanity but also the wildlife animals dependent on these springs for survival and nutrients. ( Singh , 2021 ) This is a very despicable way to run a company. All these acts by Nestle can be improved on or stopped to improve the ethics of their operations.

4)

Applying CSR policy can be costly, but it does not always have to affect profits negatively. Investors and owners will usually worry the most about the profits. More profits do not always come from sales, they can also be derived from brand equity. When firms go out of their way to apply CSR policies such as those stated previously, they can make up for the extra costs using this concept. ( Thi and Hien 2020 ) For example, Suppose Nestle was an ethical CSR policy applying company. In that case, it could use its brand name to charge more money for the same products and be worth more when collaborating with other companies solely based on the name. At the same time, the company's performance can be increased due to the improved morale of employees. Applying CSR policies ends up benefiting both the stakeholders at a minimum. More stakeholders benefitting are the customers, who will be more satisfied knowing the products came from an ethical company, with some customers only purchasing products and services from such companies. One assessment showed that more than 90% of customers answered yes to preferring CSR companies. ( Mayorova and Lapitskaya 2016 ) The same concept is applied to suppliers and contractors; knowing that they are working with a reputable company that, under CSR policies, is paying fair prices will boost their relationships together. These are a few ways of many that CSR policies can simultaneously positively impact different stakeholders.

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