Undertaking Corporate Social Responsibility through Creating Shared Value Approach: A Case of Nestle India Limited in Punjab

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Abstract:

In the year 2015, the Government of India introduced several amendments in Companies Act, 2013 thus making Corporate Social Responsibility (CSR) expenditure mandatory for certain companies. In the light of these regulatory changes, this study aims to explore and document the corporate social responsibility activities undertaken by Nestle India Limited in Punjab region of India. It also analyzes the implications of these activities on the general public in Punjab while exploring the perception of various stakeholders of the company. Both primary as well secondary data were collected. Primary data was collected by conducting field visits to the area around its manufacturing facilities. Also, unstructured interviews were conducted to gain insights from company employees, government officials, local farmers and the general public. Secondary data was collected from annual reports of Nestle India, company websites, newspaper articles, and other internet sources. This case study improves understanding of social responsibility initiatives being undertaken by Nestle in Punjab while identifying the gap areas which further needs to be addressed by the company in the region.

Keywords: Creating Shared Value, Corporate Social Responsibility, Nestle, Punjab, water, sanitation

1. INTRODUCTION

India one of the fastest growing economies in the world has a number of social problems and developmental needs to be addressed. The corporate houses in India with various resources at their disposal are capable of carrying out public welfare activities more efficiently and effectively. With an aim to tame several developmental pitfalls the Government of India made it compulsory for business houses to contribute towards societal development. By introducing various amendments in Companies Act, 2013, India became the first country in the world to make Corporate Social Responsibility (CSR) mandatory. As per changes introduced in the Act in 2015, every company either private limited or public limited, which either has a net worth of INR 500 crore or more or a turnover of INR 1,000 crore or more or a net profit of INR 5 crore or more, needs to spend at least 2 percent of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The activities on which the companies shall spend money in order to count their expenditure as a part of CSR expenditure were also mentioned by the Government.

Fast Moving Consumer Goods (FMCG) sector is the fourth largest sector of the Indian economy which provides employment to approximately three million people in the country thus constituting nearly five percent of the total factory employment in India. Within this sector household and personal care products, segment constitutes almost 50 percent of total market share followed by healthcare

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Companies Act 2013 is an Act of the Indian Parliament on Indian company law which regulates incorporation, responsibilities, directors and dissolution of companies in India.
INR stands for Indian Rupee which is the official currency of Republic of India.

products with 31 percent and food and beverages segment comprising 19 percent of the total share. This sector is expected to grow by more than double from the present level of USD 49 billion in 2016 to USD 104 billion in 2020. With strong multinational presence the sector characterizes of intense competition between the organized and unorganized segments along with low operational costs and a well established distribution network. The major players within this sector in India are Hindustan Unilever Limited, ITC, Nestle India Limited, Dabur India Limited etc.

Nestle India Limited is a leading player in the FMCG industry in India has well established its market position in various product categories. Being a pioneer in the culinary segment it offers a variety of products under the Maggi brand and has regained almost 59.5 percent market share in the first half of 2017 after facing the ban on noodles in 2015. It also has a 96.5 percent share in infant cereals segment and 65.2 percent market share in instant pasta segment. The major brands of the company in India are Nescafe, Maggi, Milkybar, Kitkat, milkmaid, Nestea, Natural Dahi etc.

Since establishment with the aim to curb high mortality rate by introducing and selling 'Farine Lactee' for the consumption of infants who could not be breastfed, Nestle has made a mark as a company with values and vision to serve society while fulfilling its own business goals. In the wake of new regulatory changes introduced by the Government of India this case study was developed to study the CSR activities undertaken by world renowned Nestle in the Punjab region of India. This case study will also explore the implications of CSR activities by Nestle on the General public in Punjab while discussing the perception of various company stakeholders in context to its social responsibility behavior.

2. NESTLE GROUP

Nestle the world's largest food and beverage company was founded in the year 1905 as a result of the merger of Anglo-Swiss Condensed Milk Company formed in 1866 and Farine Lactee Henri Nestle established in 1877. The company is headquartered in Vevey, Vaud, Switzerland. With operations in 189 countries, it provides employment to around 323000 employees all around the world. It has 413 manufacturing facilities in 85 countries of the world. The company has more than 2000 brands ranging from global icons to local favorites. Its products include baby food, healthcare nutrition, bottled water, breakfast cereals, coffee and tea, confectionery, dairy products, ice cream, frozen food, pet foods and snacks. The company reported sales of CHF 89.8 billion in the year 2017.

Over 150 years of existence of Nestle Group its Corporate Business Principles have formed the basis of the company's culture. The company's Corporate Business Principles have been in existence since its inception but as an integrated document they were first published in 1998. These principles focus on consumer welfare, employee welfare, human rights, suppliers and environment. So compliance with these principles serve as the foundation for the Company's commitment towards environmental sustain ability and creating shared value. As asserted by Paul Bulcke (CEO) and Peter Brabeck-Letmathe (Chairman):

'Since Henri Nestlé first developed his successful infant cereal “Farine Lactée”, we have built our business on the fundamental principle that to have long-term success for our shareholders, we not only have to comply with all applicable legal requirements and ensure that all our activities are sustainable, but additionally we have to create significant value for society.'

The company's purpose statement clearly describes the values behind the company operations:

'Nestlé's purpose is enhancing the quality of life and contributing to a healthier future. We want to help shape a better and healthier world. We also want to inspire people to live healthier lives. This is how we contribute to society while ensuring the long-term success of our company.'

2.1 Nestle India Limited

Nestle first came to India in the year 1912 as The Nestle Anglo Swiss Condensed Milk Company (Export) Limited for importing and selling finished products in the Indian market. With India getting Independence in the year 1947, the Government started emphasizing local production. In response to India's aspirations of developing the milk economy, Nestle India Limited was formed in the year 1961 by setting up its first factory at Moga, Punjab. It has its Head Office in Gurgaon, Haryana and has total eight manufacturing facilities located at Moga (Punjab), Pantnagar (Uttarakhand), Samalkha (Haryana), Nanjangud (Karnataka), Choladi (Tamil Nadu), Bicholim (Goa), Ponda (Goa) and Tahliwal (Himachal Pradesh). Its four Branch offices are located at Delhi, Mumbai, Chennai and Kolkata.

Under the leadership of Suresh Narayanan, the Chairman and Managing Director of Nestle India, net sales of INR 101,351.1 million were reported during the year ending on December 2017, displaying an increase of 7.7 percent over 2016. The net profit was INR 12,251.9 million in the 2017 fiscal year, an increase of 22.35 percent over 2016. The company employed approximately 7527 employees as reported in the year 2017. Nestle India Limited manufactures various products with internationally famous brand names such as Nescafe, Maggi, Milkybar, KitKat, BarOne, Milkmaid etc. However, in recent years, the Company has introduced many local and new products for daily consumption such as Nestle Milk, Nestle Slim Milk, Nestle Dahi and Nestle Jeera Raita. It launched a total 30 new products and variants in the year 2016.

In 2016 the company changed the name of its Corporate Governance and Social Responsibility Committee to the Corporate Social Responsibility Committee and appointed Dr. (Mrs.) Swati A. Piramal who is an Independent Non-Executive Director as Chairperson of the Committee. The current members of this Corporate Social Responsibility Committee are Dr. (Mrs.) Swati A. Piramal (Chairperson), Mr. Suresh Narayanan (Chairman and Managing Director of the Company) and Ms. Rama Bijapurkar (Independent Non-Executive Director).

3. NESTLE INDIA LIMITED– CREATING SHARED VALUE IN PUNJAB

'As a Company, we maintain high standards and values. Stakeholders have seen that we are ethical and responsible with strong business principles. In fact, the way we do business is to Create Shared Value.' Etienne Benet (Managing Director)

The inception of Nestle India Limited was carried out in the year 1961 by setting up its first factory in Moga, Punjab. The company following its inherent philosophy of creating shared value started educating, advising and helping local farmers in various aspects like increasing the milk yield of their cows through improved dairy farming methods, in irrigation, in scientific crop management practices and in helping them with the procurement of bank loans. As a result, Moga has been transformed not only into a prosperous and vibrant milk district, but also as a thriving hub of industrial activity. By establishing milk collection points throughout Punjab, Nestle Moga collects more than 1.3 million kgs of milk per day from over 110,000 farmers. The products manufactured at Moga plant are mainly Lactogen, Cerelac, Milkmaid, Maggi Noodle, Maggi tomato ketchup and Everyday Dairy whitener.

The concept of Creating Shared Value which means generating economic value in a way that also produces value for society by addressing its challenges; was first introduced by Porter and Kramer in their article 'Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility' in the December,2006 issue of Harvard Business Review. Though this concept gained recognition much later but it was prevalent and part of Nestlé's philosophy way before. The way company ensured its success in India since 1961 while improving and developing the economic status of local communities brings attention to the fact that this approach of Creating Shared Value was deeply ingrained in its value system and culture since incorporation. It has helped the company in fostering a relationship of trust and mutual respect with the communities in which it operates and contributed towards its growth as a global company. This approach is described as 'Saanjhapan' in India.

The main focus areas of the Creating Shared Value agenda of Nestle are nutrition, water, and rural development. In order to ensure happier and healthier lives of individuals and families, the company has introduced several programmes like Nestle Healthy Kids Programme, Nutrition Awareness Support Programmes, Swasth Janani Swasth Shishu Programme and Fortification programmes. From communities' perspective programmes like village women dairy development programme, sanitation projects in schools, global youth initiatives like Nestle needs Youth has been launched. Also, supplier engagement programmes to improve the livelihood of dairy farmers and coffee farmers are carried out. Company is also making efforts to reduce water usage across all its operations.

3.1 Assimilating Sustainable Development Goals With Creating Shared Value Approach

With a vision to end poverty, inequality and tackle climate change by the year 2030, 17 Sustainable Development Goals framed by United Nations Organization were adopted by 194 countries in September 2015. Nestle had an opportunity to participate in the development of these goals so as a part of the company's commitment to delivering on these goals the company has integrated these goals in its Shared Value framework.

Nestle In line with its purpose to enhance the quality of life focuses its social responsibility work on three main areas – individuals and families, communities, planet.

- *Individuals and Families perspective:* Nestle believes that it can play a crucial role in enabling a healthier life for individuals by supporting and providing them with healthier food choices and by inspiring them to lead healthier lives through building, sharing and applying nutritional knowledge.
- *Communities' perspective:* Nestle can support local communities in the areas of its operation by enhancing rural livelihoods, by respecting and promoting human rights and by promoting decent employment and diversity.
- *Planet perspective:* Nestle focuses on caring for water, acting on climate change and safeguarding the environment to steward resources for future generations.

By harmonizing Sustainable Development Goals with its Creating Shared Value Approach, the company has developed three comprehensive ambitions to achieve its goals along with supporting the achievement of SDGs by the year 2030. These targets are:

- *Enable healthier and happier lives:* this will include helping 50 million children lead healthier lives;
- *Help develop thriving, resilient communities:* this will include helping to improve 30 million livelihoods in communities directly connected to its business activities; and
- *Steward resources for future generations:* this will include striving for zero environmental impact in its operations.

4. NESTLE INDIA LIMITED IN ROUGH WEATHER

Maggi Noodles the Nestle India's largest revenue earning product faced a nationwide ban for six months on 5 June 2015 by the Food Safety and Standards Authority of India due to the allegations that it contained monosodium glutamate(a flavour enhancer) and lead in excess of prescribed limits. So between 5 June and 1 September 2015, Nestle had to recall 38,000 tons of Maggi noodles from millions of retail shelves and destroy them. It was ironic that a company that brands itself as the 'world's leading nutrition, health, and wellness company' fell short on quality control especially with a harmful substance like lead.

On 11 June 2015 Nestle filed a suit against Food Safety and Standards Authority of India in Bombay High Court. On 30 June 2015, Bombay High Court allowed Nestle India to resume importing Maggi. Although Maggi was still banned in India it was declared safe by regulators in Singapore, U.K., Canada and Australia. On 13 August 2015, the Court allowed Nestle to resume its sales on the condition that 90 additional samples of Maggi were cleared by properly accredited laboratories. On 16 October 2015, Bombay High Court cleared Nestle to resume manufacturing Maggi and on 9 November 2015 Maggi was relaunched in the Indian market.

The company suffered a loss of almost half a billion dollars as a result of the Maggi controversy in India. In a statement announcing the financial results of Nestle India Limited, Chairman Suresh Narayanan said that 'the impact of the Maggi crisis extended to not just factories and employees but also partners, suppliers, farmers, retailers, and customers'. During the controversial period, the stocks of Nestle India Limited performed very poorly in the market. Nestle India reported a decline of 17.2% in its net sales for the year ended December 2015 as a result of the Maggi setback, also a Net profit for the year fell to INR 5632.7 million, from INR 1,1846.9 million in the previous year.

However, the company very gracefully bounced back and Maggi managed to regain 60 percent of market share by 2016 in a very short period of time and reported a Net profit of INR 9265.4 million.

5. CSR ACTIVITIES CARRIED BY NESTLE INDIA PAN INDIA

Though the company has been actively involved in CSR initiatives since its inception, it started incorporating CSR expenditure as a part of its profit and loss account in the year 2014 in response to regulatory requirements. In the year 2017 as reported in its annual report the company spent INR 269.1 million on Corporate Social Responsibility activities along with giving an account of the activities or programs on which this amount was spent.

Table 1: Year wise CSR Expenditure by Nestle India Limited

Year	CSR Expenditure (INR in Millions)
2017	269.1
2016	313.6
2015	206.1
2014	85.1

On the basis of its Creating Shared Value agenda, the company has narrowed down three areas of focus namely nutrition, water and rural development to carry out its social responsibility initiatives along with persistent efforts towards maintaining the environmental sustainability. Since these three areas serve as a point of intersection with respect to the needs of the company and society so the company has rolled out several responsibility programmes to mark development by addressing issues and loopholes in these areas.

Nutrition: Being a food and beverage company nutrition is the core area in which company deals, so by ensuring and striving towards the provision of nutritious food it serves the interests of society while fulfilling its own aims. In order to create a positive impact on society through its area of expertise, Nestle is persistently making efforts to make its products more nutritious and affordable to society. For instance, the entire range of Cerelac which is food for an infant was renovated by fortifying with Iron to ensure the provision of essential nutrients to infants.

The company launched '*Start Healthy Stay Healthy Programme*' in 2010 in order to create awareness among mothers about nutrition from pregnancy to toddlerhood. Under this programme more than 980 Breastfeeding Rooms were installed in clinics across 150 cities of the country and for assistance, a breastfeeding room locator app was developed to locate the facilities. Also in 2013 '*Super Baby*' campaign was initiated which generated half a million pledges later which was converted into an action oriented social campaign to reinforce the importance of breastfeeding with the message 'When breastfed it shows' to encourage breastfeeding of infants.

In order to create awareness about health and nutrition among school age children in rural areas, the company launched the '*Nestle Healthy Kids Programme'* in the year 2009 in partnership with six leading Universities of the country. By the year 2017 the programme has reached out to over 200000 adolescents and to further promote its effectiveness, '*Magic Bus model'* was adopted in 2014 with a view of engaging children through sports and activities as a medium to bring change. This Magic Bus model has reached out to 200000 children across 21 states till date. It engages kids in interactive sessions to receive nutrition and health knowledge and encourages them to play regularly.

The project '*Jagriti*' was launched in collaboration with Mamta Health Institute for Mother and Child to educate and encourage support on good nutrition and breastfeeding practices among the community. In 2017, the project was extended across 15 districts in 7 states and 1 union territory and aims to reach out to 3 million beneficiaries by 2018. This project is a successor to project '*Swasth Jananee Swasth Shishu'* conducted by the company in 2015 and which engaged more than 100,000 people living in slum conditions in Delhi.

'*Project Serve Safe Food'* carried out in association with Government of India to train street vendors on health, hygiene, food handling, food safety, garbage disposal, and entrepreneurship was organized in New Delhi in 2016-17 engaging 500 street food vendors. This programme was rolled out in a phased manner since 2016 in Goa followed by Rajasthan, Uttar Pradesh and Kerala thus conducting training programmes for over 4800 street food vendors till date. At the end of the training, all the participants are also awarded with training kits and certificates. Nestle Nutrition Institute organizes conferences and seminars from time to time to contribute knowledge regarding nutrition among various healthcare professionals.

Water: Water is essential both for society and the operations of the company; hence making efforts in the context of water conservation is a mutually beneficial and major area of concern these days. Owing to the scarcity of clean and drinkable water in society, the company proactively started addressing this concern by constructing clean drinking water facilities in schools around all its factories in 1999. By the year 2017, the company has built around 257 water tanks benefitting over 140,000 students in the six states of the country. These water tanks source water from deep below ground level and store it in hygienic tanks enclosed in a specially designed facility to preserve its qualities. To ensure the maintenance of tanks and availability of safe drinking water periodic water quality checks are carried out involving the school and surrounding community through joint ownership of the water tanks. Since 2015 the company in partnership with the NGO Enable Health Society, provides drinking water treatment plants in the locations where groundwater does not meet quality standards.

It conducts several *'Water Awareness Programmes'* reaching out to over 92,500 students with the goal to ensure hygienic and sustainable water use by showcasing water saving and purifying demos, such as the drip method, solar water disinfection process, and rain water harvesting models to increase their understanding. Also in 2017 company in association with Government of Rajasthan identified 10 Public Health Sample Units to provide clean drinking water through its NGO partner Piramal Sarvajal. Under this single phase, bore-wells and water tanks with efficient water filtration and the delivery mechanism will be constructed.

It rolled out a programme to create water awareness in collaboration with Government of Punjab to guide farmers on direct seeding of paddy thus ensuring optimum water usage, thus engaging 25000 farmers across 16 districts in Punjab. Also, a water stewardship initiative was launched in 2015 along with AgSRI at the Kabini river Basin in Karnataka to promote the System of Rice Intensification and the Sustainable Sugarcane Initiative. The project aimed to reduce the agricultural water withdrawal from the Kabini catchment area, while improving agricultural productivity by setting up demonstration farms and training farmers on ecologically sustainable practices. Through the NESCAFÉ Plan, Nestle is also raising awareness and providing technical assistance to coffee farmers on water conservation in irrigation, soil management, waste water recycling, and water use optimization.

In the year 2015, the company implemented '***Project Zer'Eau***' in Moga factory to enable recovery of 50 percent of water from cow milk collected everyday and recycling it to reduce ground water withdrawal by 25 percent. Over the last 15 years, the company has reduced the water usage across all its factories by 51 percent and a reduction in waste water by 57 percent. A number of water initiatives illustratively installation of Reverse Osmosis Plant at one of its factories, recycling of effluent treatment plant water at more than one site, redesigning of CIP (Cleaning In Place) circuits for optimal water consumption, reduction of usage of bore well water and replacing it with recycled water are being carried out by the company at its manufacturing facilities in to achieve these goals.

Rural Development: The company has always focused on well being of farmers and rural communities who are also the major suppliers of raw material to the company, and whose prosperity will ensure the growth and opulence of business as well. In order to support the development of milk farmers with small holdings, the company provides them with technical assistance; veterinary services and subsidized medicines to increase their milk production and quality. Till date, the company trained almost 100000 milk farmers and 2200 coffee farmers on sustainable agricultural practices.

Nestlé Group became a member of the Roundtable on Sustainable Palm Oil (RSPO) in 2009, which has developed Principles and Criteria for sustainable palm oil production. The Company is fully committed to the responsible sourcing of palm oil in its supply chain. Under its '*Village Women Dairy Development Programme'* it has educated women on good breeding and feeding practices for cattle along with animal care and treatment to increase milk production and quality by following sustainable agricultural practices. Till date, this programme has empowered 68400 women, dairy farmers.

In order to raise awareness about girl child education company changed the packaging of its most iconic brands Maggi, Nescafe and Kitkat in support to *'Educate the Girl Child Programme'*. This programme being one of the largest community programmes to educate underprivileged girl children across India is being carried out in association with Nanhi Kali. Also, the company sponsored the construction of 430 sanitation facilities at various schools around its manufacturing facilities thus benefiting around 150000 girl students across 11 states in India.

The company also supported the Indian Cancer Society in conducting specialized checks and routine health checks for men and women in the suburban localities of Mumbai, Maharashtra. As part of the efforts in response to natural disasters, the company supplied packaged food and beverages, including milk, coffee and instant noodles to the affected people in Assam and Bihar during 2016 and to Chennai and Nepal during 2015.

Environmental Sustainability: With its commitment towards environmental sustainability, Nestle has always strived towards maximizing production while minimizing the consumption of natural resources and reducing wastage and emissions at all its production sites. Over last 15 years company has made continuous efforts to reduce its energy usage by 43 percent by undertaking several initiatives which include introducing LED lighting and energy efficient fans and pumps in factories, installation of heat and energy recovery equipment, optimization of steam consumption and steam auditing of its factories.

Nestle also reduced the emission of green house gases by 51 percent by introducing several energy reduction projects over years across all its manufacturing facilities like sourcing of Green Power at one of its factories and installation of the solar power plant at another of its factories. It also undertook an initiative of reusing spent coffee grounds as fuel for internal combustion at its Nanjangud plant thus reducing CO^2 emissions.

Also with a goal to reduce the environmental footprint of its packaging materials, the company incorporated labeling as per the Nestlé Policy on Environmental which includes identifying the material type to determine its recyclability, anti-litter and recycle logos on products with a motive to remind its consumers to dispose of in an environment friendly way. In the previous year, almost 35 percent of recycled material was used in the packaging while reducing around 800 tonnes of packaging material through packaging optimization.

Stakeholders Viewpoints

In order to understand the opinion of several stakeholders regarding CSR initiatives undertaken by the company at various locations, unstructured interviews and field visits were conducted within the premises of the company's manufacturing plant at Moga as well as in the surrounding villages. The interviews were informal and open-ended which followed no specific set of questions. As Nestle Moga collects milk throughout Punjab so keeping in view its Creating Shared Value Agenda it conducts its CSR activities all around Punjab. Major initiatives carried out in Punjab area are:′

- *Nestle Healthy Kids Programme'* which is carried out in partnership with College of Home Science of Punjab Agricultural University, Ludhiana in several government schools of Punjab′
- *Sanitation facilities'* are constructed in government schools for girl students throughout Punjab
- Educating and training women towards entrepreneurship by conducting seminars throughout rural Punjab under *'Village Women Dairy Development Programme'*
- Installing *'Clean Drinking Water facilities'* in government schools throughout Punjab in partnership with Piramal Sarvajal

The employees interviewed appreciated the company for creating a culture of work life balance for its employees. They also talked about the job satisfaction they achieve as they know that under the creating shared value agenda of the company they are working towards the common good of the society while performing their duty towards the organization.

Nestle has, as part of their CSR initiative, contributed effectively in the development of basic health and hygiene facilities for various schools throughout Punjab. A field visit was conducted in the government schools of villages Ajitwal and Boparai Kalan. The need for clean drinking water is desperately felt, especially during the summer months and the rainy season, when a shortage of water and water contamination becomes a major issue faced by the schools in our country. Initially, only the drinking water tanks were constructed in Ajitwal Primary School and Boparai Kalan High School, but later on, a Water Purification System, which included an RO plant, was also installed, under the expert guidance of officials of Nestle. As per information gained from school staff, Nestle conducts regular visits to the facilities to ensure proper maintenance and upkeep of the RO system and the water tank. Any fault or irregularity is dealt with on a priority basis by the proactive team of the company's CSR unit. This step of responsibility for post installation maintenance and repair is even more crucial. As the schools do not have to worry about the expenses for the repairs and maintenance, a fully functioning unit throughout the year is in a true sense, adding and contributing towards the social responsibility that Nestle is undertaking to give back to the society from where it is benefitting. Installation of this RO unit has directly benefitted the health and lives of all the staff and students who come to these schools. Upon interaction with the school staff and students, it was found that with the installation of the RO system, the water based health issues and sicknesses amongst the staff and students had considerably reduced. This facility is highly appreciated by the respective school managements as earlier there were no proper facilities and no access to clean drinking water. Both the schools acknowledged and appreciated the high valued positive impact of this project.

Another great project and initiative towards the betterment of schools by Nestle is the construction of separate toilet facilities for girl students. Lack of proper sanitation facilities is one of the major issues being faced in government schools throughout India. This was especially felt by the girl students as they either had to use the same toilets meant for boys or in certain schools, defecate in the open. Apart from the humiliation, there was a serious concern regarding the health and hygiene where boys and girls used the same toilets, especially where schools had a very large number of students and hardly one or two toilets for all. Another major concern is regarding schools where there are no toilet facilities at all. Here, there is a serious threat to the safety and security of the girl students. The Ajitwal School is the first in this region where Nestle has installed the pre-constructed toilets. The project took only a couple of days to install as the toilet chambers are prefabricated units which have to be placed and installed in the school premises with the coordination of the concerned school administration. This project has been highly appreciated by the school and has become a benchmark and face of all the CSR activities that Nestle is doing in the region. They are now being approached by various other schools and villages regarding the same.

In an interview, it was stressed by a government official as to how the Nestle project for clean water and sanitation in schools has brought a positive change and fruitful impact on the lives of the school children and the villagers alike. Apart from the above mentioned CSR activities, Nestle has also been involved in other activities like providing training on sustainable farming, health and nutrition, cattle care, women entrepreneurship, and dairy production. Workshops are being regularly conducted in village community centers, schools, milk collection points, as well as in the main premises of the Nestle Moga Plant. Under the Nestle Healthy Kids Programme, training is given to the school children regarding food, nutrition and hygiene, by providing them books to help understand the importance of a healthy lifestyle. This programme is carried out in partnership with the Department of Home Science of the Punjab Agricultural University, Ludhiana. Also, competitions are organized in village schools, by giving certificates and prizes distributions to successful students. This helps in inculcating in them the habit of healthy eating. Apart from this, these lectures also focus on topics like avoidance of junk food, saving water and electricity etc.

Training is also given to farmers and milk collection agents regarding the production, care and proper storage of milk. A dedicated team of doctors and agriculturists also undertake regular visits to all villages and milk collection points. They keep organizing various seminars and training workshops for the farmers in which they educate them about different kinds of crops/fodder for the cattle and the nutritional value of the same for them. Also, as the milk quality control is given prime importance, through these seminars and training workshops, farmers are educated:

1) To refrain from the use of certain kinds of medicines/drugs for the cattle

2) About the health concerns of the cattle and ways to tackle them

3) About the type of fodder to be used for different types and ages of cattle.

Not only this, premier quality fodder and medicines are supplied at subsidized rates to its milk supplying partners. It follows a collaborative approach while working with its suppliers which means treating farmers as partners rather than as contractors and make investments in the long-term sustainability of the supply chain instead of focusing on short term profits.

Association with Nestle has ensured fair prices and regular income for the dairy farmers. Apart from educating the local farmers, the CSR team also educates the local veterinary doctors against certain medicines, as their use might affect the quality of milk and thus make it harmful for human consumption. Farmers are educated and encouraged to organize their available resources and maximize their output and income. There have been a number of instances where farmers have grown exponentially from ownership of just one cow to one fifty cows, simply because of the training, guidance and support of the Nestle Group.

The general public appreciates the social development work done by Nestle Limited. The factory has generated employment both directly and indirectly thus contributing positively towards the economic development of the local community. With its dairy development heritage in Punjab, the company has changed and uplifted the financial status of thousands of farmers. It has educated rural farmers on commercial dairy farming, sustainable agricultural practices, better calf management, shed expansion practices etc. By the provision of regular training and technical assistance to local farmers, the quality and productivity of milk have increased over years thus ensuring better income and standard of living for people in rural areas. Also by educating the rural women on dairy development practices it has empowered rural women by making them financially independent, confident and increased their total household income.

By construction of sanitation facilities and provision of clean drinking water at local government schools which lack in such facilities, the company has fostered a feeling of trust and compassion for itself in the local community thus motivating them to associate with the company. By conducting programmes and seminars on nutritional needs it has inculcated a sense of hygiene and consciousness about nutritional needs thus contributing towards the growth of healthy individuals and future generations. By making such efforts the company has built its reputation and marked its presence throughout Punjab thus engaging dairy farmers throughout Punjab in its milk collecting operations.

6. CONCLUSION AND IMPLICATIONS

Hence with years of social involvement and partnership with local farmers, Nestle has established a special bond of trust with the local community. By carrying out several initiatives in health, sanitation and women empowerment domain Nestle has been serving the local community since long. But with Government intervention of making CSR expenditure mandatory for companies, the participation of other companies is also increasing in these social responsibility areas. Thus along with implementing its currently running programmes on health, women empowerment and sanitation, Nestle should explore new issues in CSR domain as per local requirements. Also with the entry of new industry players like Verka in Punjab which is offering comparatively higher prices to the local dairy partners for their supplies, the company may face intense competition in the coming times thus it will have to make more efforts towards differentiating itself in every aspect.

Working on shared value approach the CSR initiatives by Nestle in Punjab are creating value for both the local community and strategically benefitting the company as well. In accordance with a study published in Havard Business Review (Meier and Cassar, 2018) more visibility and respect is commanded by companies contributing selflessly towards society than by the ones using CSR instrumentally or strategically. So accordingly Nestle can undertake CSR initiatives not only for the communities that are working with it and living around its manufacturing plants but also for other needy communities living all across India. Taking inspiration from another industry player Dabur India Limited, Nestle should also consider collaborating with its packaging suppliers and third party service providers towards creating recycling stations for consumer waste. This initiative would further help the company in reducing the environmental footprints of its packaging materials.

The farming community is one of the major partners of Nestle as main suppliers of raw material for most of its products. In Punjab due to high debt burdens and low income, the rate of farmer's suicides has been continuously increasing. Nestle in partnership other companies can work towards addressing this major social issue in Punjab by establishing a Farmer Suicide Relief Fund. The partner companies can mutually agree to divert a certain percentage of their total prescribed CSR expenditure for the year towards this Farmer Suicide Relief Fund.

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