strategic Management
short Cases

Tony's Chocolonely – Slave-Free Chocolate Mission

Overview:
Tony's Chocolonely, a Dutch chocolate brand, was founded after a journalist discovered widespread child slavery and exploitation in cocoa farms, especially in West Africa. Tony's mission is to make **100% slave-free chocolate** the industry norm. It sources cocoa beans from traceable supply chains and pays higher prices to farmers to ensure fair incomes.

Tony's bar design, with uneven chunks, symbolizes the unfair division of wealth in the chocolate industry. The brand openly shares audit results and collaborates with NGOs and governments to push for industry-wide reforms.

Ethical Focus:

- Fair trade and traceability
- Anti-slavery activism
- Consumer awareness through design

Discussion Questions:

1. Should ethical chocolate be the industry standard?
2. How does Tony's use its brand to educate consumers?
3. What systemic challenges does Tony's face in fighting exploitation?
4. How can design communicate ethical values?

Unilever: Driving Growth Through Sustainability and Social Impact

Unilever, one of the world's largest consumer goods companies, is widely recognized for integrating sustainability into its core business strategy. Launched in 2010, the **Unilever Sustainable Living Plan (USLP)** aims to decouple the company's growth from its environmental footprint while increasing its positive social impact.

Key Pillars of the Sustainable Living Plan

1. **Improving Health and Well-being**
   Unilever focuses on promoting hygiene, nutrition, and health awareness through its brands (e.g., Lifebuoy, Knorr, and Dove). The plan includes initiatives like handwashing campaigns and salt reduction in food products to address global health issues.
2. **Reducing Environmental Impact**
   The USLP sets ambitious targets for reducing greenhouse gas emissions, water usage, and waste across the value chain—from sourcing raw materials to consumer use and disposal. Unilever aims for **net-zero emissions** by 2039 and prioritizes **sustainable packaging**, including reusable and recyclable materials.
3. **Enhancing Livelihoods**
   The company promotes **inclusive growth** by supporting smallholder farmers, empowering women, and ensuring fair wages and working conditions in its supply chain. Unilever also pushes for **responsible sourcing** of raw materials like palm oil, tea, and cocoa.

Impact and Recognition

Unilever reports steady progress across key sustainability metrics. Its purpose-driven brands (like Ben & Jerry's and Seventh Generation) often outperform others in growth and customer loyalty. The USLP has become a **benchmark in corporate sustainability**, influencing industry peers and attracting ethically conscious consumers and investors.

Conclusion:

Unilever demonstrates how a global corporation can create **shared value**—benefiting business, society, and the environment. Its Sustainable Living Plan offers a compelling model for ethically responsible and economically viable corporate behavior.

Discussion Questions:

1. What are the three main focus areas of Unilever's Sustainable Living Plan?
2. How does Unilever connect its business success to social and environmental goals?
3. Is it possible for large corporations like Unilever to fully align profit with sustainability? Why or why not?

Everlane and Radical Transparency: Ethics in Modern Fashion

Everlane, a U.S.-based clothing brand founded in 2010, has built its business model around a bold concept—**"radical transparency."** In contrast to traditional fast-fashion brands that often keep supply chain practices hidden, Everlane aims to build trust with consumers by openly sharing detailed information about its factories, production costs, and labor conditions.

Factory Transparency:
Everlane discloses the exact factories where its garments are produced, along with photos, descriptions, and audit results. It partners only with facilities that score high on criteria such as fair wages, safe working environments, reasonable hours, and environmental responsibility.

Cost Transparency:
Each product listed on Everlane's website includes a **transparent pricing breakdown**—materials, labor, transportation, duties, and mark-up. Customers can see how much it costs to make the item and what the brand charges, offering insight into fair pricing and ethical profit margins.

Commitment to Ethical Labor:
The company insists on **ethical treatment of workers**, ensuring no child labor, fair compensation, and good working conditions. Everlane conducts regular audits and only continues partnerships with factories that meet or exceed its ethical standards.

Environmental Efforts:
In recent years, Everlane has expanded its focus to include sustainability. It has launched initiatives like **ReNew** (using recycled plastics) and **Clean Silk** (sustainably produced silk), with goals to eliminate virgin plastic from its supply chain and reduce carbon emissions.

Conclusion:

Everlane's radical transparency challenges the fashion industry's norms, showing how ethical business practices can also be a compelling branding and trust-building strategy. While it is not without criticism, Everlane sets a benchmark for how honesty and accountability can serve as a foundation for ethical leadership.

Discussion questions:

1.What does "radical transparency" mean in the context of Everlane's business model?

2.. Is Everlane's transparency enough to ensure full ethical compliance across its supply chain? Why or why not?

H&M: Transparency and Commitment to Sustainable Fashion

H&M (Hennes & Mauritz), one of the largest fast-fashion retailers globally, has made notable progress in improving transparency and promoting ethical and sustainable practices in its supply chain. Recognizing growing consumer awareness and criticism over the environmental and labor impacts of fast fashion, H&M has taken steps to reform its operations and commit to long-term sustainability goals.

Transparency in the Supply Chain
H&M was one of the first global fashion brands to publish a **comprehensive list of its supplier factories**, including information about their locations and production units. This move, initiated in 2013, aims to promote accountability and enable independent verification of labor practices. H&M's supply chain transparency enables stakeholders—including NGOs, journalists, and consumers—to monitor and assess factory conditions and ethical sourcing.

Sustainability Goals
A key aspect of H&M's ethical commitment is its **goal to use 100% recycled or sustainably sourced materials by 2030**. As of recent reports, over 80% of H&M's materials are already recycled or sustainably sourced. The company also operates the **Garment Collecting Program**, encouraging customers to return used clothes for recycling, which supports a circular fashion model.

To further its impact, H&M has partnered with global initiatives such as the **Sustainable Apparel Coalition** and the **UN's Fashion Industry Charter for Climate Action**. The brand has also pledged to become **climate positive by 2040**, focusing on reducing greenhouse gas emissions across its value chain.

Ethical Labor Practices
In addition to environmental goals, H&M works toward fair labor conditions by collaborating with organizations like the **Fair Labor Association**. The company emphasizes the need for **living wages**, safe working environments, and freedom of association in its production countries.

While H&M still faces challenges inherent in the fast-fashion industry, its efforts toward **supply chain transparency**, **sustainable sourcing**, and **worker welfare** mark a significant shift in corporate responsibility. This case presents a valuable example of how businesses can evolve ethically in response to stakeholder demands.

Discussion questions:

Do you think H&M's transparency efforts are enough to ensure ethical labor practices? Why or why not?

Is fast fashion inherently unethical, even with sustainability efforts? Discuss.

Can a company be both highly profitable and highly ethical? Use H&M as an example.

Case Study Discussion- Nike's Transparency and Fair Labour Practices

Objective: To analyze how a multinational company addresses ethical challenges.

Nike, one of the world's leading sportswear brands, has faced intense scrutiny over labor practices in its global supply chain, particularly during the 1990s. In response, the company has made significant efforts to improve transparency and adopt fair labor practices, positioning itself as a leader in ethical sourcing in recent years.

Transparency Initiatives:
Nike was one of the first major companies to publicly disclose its factory list in 2005. This move aimed to enhance accountability and allowed independent organizations to verify the working conditions in its supply chain. Nike continues to release an annual **Impact Report** (formerly the Sustainable Business Report), which outlines the company's efforts and progress related to labor rights, environmental sustainability, and ethical governance. These reports provide detailed data on audits, remediation efforts, and supplier ratings.

Fair Labour Practices:
Nike's Code of Conduct outlines minimum standards for all suppliers, focusing on fair wages, safe working conditions, no child or forced labor, and the right to freedom of association. The company conducts regular audits through its internal team and independent third parties to assess compliance. Suppliers are rated under Nike's Manufacturing Index, which influences future business decisions.

Nike has also partnered with organizations like the **Fair Labor Association (FLA)** and the **Better Work Program** (a collaboration between the ILO and IFC), signaling a commitment to continuous improvement. Training programs on worker rights, grievance redressal mechanisms, and capacity building for factory management are actively promoted.

While challenges remain, Nike's shift toward greater transparency and improved labor standards shows the brand's evolving responsibility toward ethical manufacturing. Continued stakeholder engagement and supply chain accountability remain central to Nike's mission of creating a more equitable and sustainable future.

- Identify the ethical issues Nike faced (e.g., sweatshops, child labor).
- Discuss how Nike responded (e.g., transparency, third-party audits).
- Evaluate whether Nike's response aligns with ethical theories like **utilitarianism**, **deontology**, or **virtue ethics**.

Patagonia – Don't Buy This Jacket

Overview:
Patagonia, a U.S.-based outdoor clothing brand, is renowned for its strong environmental values and ethical practices. In 2011, it gained international attention with its provocative ad: "Don't Buy This Jacket." This message wasn't a marketing gimmick—it was a sincere appeal to customers to reduce unnecessary consumption. The ad highlighted the environmental cost of producing one jacket, including water use, carbon emissions, and waste.

Patagonia promotes responsible consumption by encouraging customers to buy only what they need. Through its **Worn Wear** program, the company repairs and resells used gear. Patagonia donates 1% of sales to environmental causes and uses recycled materials in most of its products. In 2022, its founder transferred company ownership to a trust that uses all profits to fight climate change.

Ethical Focus:

- Anti-consumption marketing
- Environmental responsibility
- Corporate ownership for environmental activism

Discussion Questions:

1. How does Patagonia align marketing with ethics?
2. Can companies truly grow while discouraging consumption?
3. Is Patagonia's ownership model a future model for ethical businesses?
4. Which ethical theory best supports Patagonia's actions?

Allbirds – Carbon Footprint on Every Shoe

Overview:
Allbirds, a New Zealand-American shoe company, focuses on sustainable materials and radical transparency. Its shoes are made from **merino wool, eucalyptus fiber, and sugarcane foam**. Each product is labeled with its **carbon footprint**, and Allbirds has committed to halving its carbon emissions by 2025 and achieving near-zero emissions by 2030.

The company is a Certified B Corp and publishes all its sustainability practices. It has shared its carbon-neutral shoe innovations with competitors to push industry-wide progress. Allbirds also uses ethical labor practices and tracks all suppliers for compliance.

Ethical Focus:

- Carbon labeling and accountability
- Open-source sustainability innovation
- Fair labor and material sourcing

Discussion Questions:

1. How does carbon labeling influence ethical consumer behavior?
2. Should companies share their sustainability innovations?
3. Can environmental transparency drive industry change?
4. What motivates Allbirds to put purpose before competition?

Wipro and Tata Steel: Champions of Ethical Business in India

Wipro and **Tata Steel**, two iconic Indian companies, have consistently been recognized by the **Ethisphere Institute's list of the World's Most Ethical Companies**. This global recognition reflects their deep-rooted commitment to ethical governance, stakeholder responsibility, sustainability, and transparency in business practices.

Wipro: Ethics in IT and Beyond

Wipro, a global leader in IT services and consulting, integrates ethics into every layer of its business operations. The company has a **strong Code of Business Conduct**, an independent **Ethics Office**, and mandatory ethics training for employees. Wipro emphasizes anti-corruption, data privacy, non-discrimination, and responsible use of technology.

Wipro's ethical approach also extends to **social responsibility**. Through the **Wipro Foundation**, it supports education, ecology, and disaster response. Its sustainability reports are detailed and publicly available, enhancing its reputation as a transparent and accountable corporate citizen.

Tata Steel: A Legacy of Integrity

Tata Steel, one of the oldest companies in the Tata Group, has been a pioneer of ethical industrial practices in India for over a century. Its **core values**—integrity, excellence, and responsibility—are embedded in its operations. The company follows a **zero-tolerance policy toward corruption**, maintains **high standards of employee welfare**, and upholds strong **community engagement** through education, health care, and livelihood programs.

Tata Steel's leadership in **sustainability** is also notable. The company regularly publishes its environmental and CSR reports and is known for engaging in honest stakeholder communication and fair labor practices, even during economic downturns.

Conclusion:

Wipro and Tata Steel prove that ethical business is not only possible but also profitable and globally recognized. Their practices offer valuable lessons in aligning corporate strategy with values, integrity, and long-term stakeholder trust.

Discussion Questions:

1. What ethical principles are emphasized by Wipro and Tata Steel in their operations?
2. Why do you think Ethisphere recognized these companies as "World's Most Ethical"?
3. How do ethics contribute to the long-term success of companies like Wipro and Tata Steel?

Starbucks and the C.A.F.E. Practices Program: Ethical Sourcing in the Coffee Industry

Starbucks, the global coffeehouse chain, has long positioned itself as a socially responsible company. One of its core ethical initiatives is the **C.A.F.E. Practices** program (Coffee and Farmer Equity Practices), launched in 2004 in collaboration with Conservation International. This program evaluates coffee suppliers against a set of **economic, social, and environmental criteria**, ensuring Starbucks sources coffee ethically and sustainably.

Key Features of C.A.F.E. Practices:

1. **Economic Accountability:**
   Suppliers are required to provide transparency in their pricing, including how much is paid to farmers. This ensures fair wages and equitable trade relationships.
2. **Social Responsibility:**
   The program prohibits child labor and forced labor and promotes safe, fair, and humane working conditions. It encourages farms to support education, health care, and workers' rights.
3. **Environmental Leadership:**
   C.A.F.E. Practices reward suppliers who reduce agrochemical use, conserve water and biodiversity, and protect ecosystems. Many participating farms engage in reforestation and organic methods.
4. **Continuous Improvement:**
   The program uses independent verifiers and provides feedback to farmers. Starbucks supports training and development to help farmers meet higher ethical and quality standards over time.

Impact:
As of recent years, **over 98%** of Starbucks coffee has been verified as ethically sourced through C.A.F.E. Practices or similar programs. This effort enhances supply chain sustainability while supporting smallholder farmers and reducing environmental harm.

Conclusion:

Starbucks' C.A.F.E. Practices demonstrates how corporations can integrate ethics into supply chain management, aligning business goals with sustainability and human rights.

Questions to discuss:

Do you believe Starbucks' ethical sourcing initiatives are sufficient to make a meaningful impact? Why or why not?

What are the main objectives of Starbucks' C.A.F.E. Practices program?

Pela: Innovating with Purpose – The World's First Compostable Phone Case

Pela, a Canadian startup, has made a name for itself in the global sustainability movement by creating the **world's first compostable phone case**. Founded with the mission to reduce plastic waste and promote sustainable living, Pela offers a unique business model where **environmental ethics** are at the heart of product design and operations.

Sustainable Innovation

Pela's phone cases are made from **Flaxstic®**, a biodegradable and compostable material derived from flax straw waste. Unlike traditional phone cases made of petroleum-based plastic, Pela's products break down naturally in compost conditions—contributing to waste reduction and a circular economy. Their packaging is also 100% recycled and recyclable.

The company estimates that its customers have already helped prevent **over 1 million pounds of plastic** from entering the waste stream. In addition to phone cases, Pela has expanded into eco-friendly sunglasses, screen protectors, and accessories—all designed with sustainability in mind.

Purpose-Driven Business

Pela is a **Certified B Corporation**, meaning it meets high standards for social and environmental impact, transparency, and accountability. The company commits to **carbon-neutral shipping**, donates a portion of profits to environmental causes, and involves its customers in conscious consumerism through initiatives like the **Pela 360 program**—a take-back system that recycles used products into new ones.

Conclusion:

Pela sets an example of how startups can combine **innovation, environmental ethics, and profit**. By integrating sustainability into the very DNA of the product, Pela inspires other businesses and consumers to rethink the impact of everyday choices.

Discussion Questions:

1. What makes Pela's phone cases ethically and environmentally different from traditional phone cases?
2. As a consumer, would you choose Pela over a cheaper plastic case? Why or why not?