

Corporate Social Responsibility, Distribution Efficiency, and Environmental Sustainability by the World's Largest Bakery Business Group: Grupo Bimbo's Green Energy Development

Eduardo Jarque

Japan Center for Latin American Studies, Japan

EXECUTIVE SUMMARY

This chapter describes the innovations in green energy generation and electric vehicles development in order to fulfill distribution and production sustainability needs by Grupo Bimbo, the largest bakery products company in the world. Grupo Bimbo, originated in Mexico, has one of the most extensive distribution systems in the entire globe. Although it has presence in 32 countries in the Americas, Europe, Asia, and Africa, most of its revenues come from sales in Mexico and the United States. This chapter studies Grupo Bimbo's corporate social responsibility (CSR) initiatives and strategies to increase its distribution efficiency in Mexico, while contributing to alleviate global warming and carbon-reduction constraints by producing its own electric vehicles and power them with in-house wind-generated energy. As a result of these initiatives, carbon footprint reductions of 104,400 tons of CO₂e (equivalent to reducing the daily usage of 25,000 cars for one year) were achieved in 2016 alone.

INTRODUCTION

In recent years, the relationship between business and the societies in which they are embedded has been strengthened, demanding the active involvement of companies (both, big and smaller ones) in helping alleviate social, economic and environmental issues. To this regard, in 2015, building on the Millennium Development Goals, the general assembly of the United Nations emitted a resolution concerning the enhancement of people, the planet resources and general prosperity, establishing what was called the United Nations general agenda for sustainable development 2030, asking for cooperation and coordination of efforts between governments, big multinationals and civil societies alike (UN, 2015). This responsibility of businesses in alleviating social, economic and environmental concerns is known in the business literature as corporate social responsibility (CSR). From the business perspective, companies engage in CSR seeking either a way to increase profits, gaining power by increasing their responsibility in the political arena, integrating social demands into their strategy in an aim to assure continuity and growth, or merely considering an ethical consideration engaging in social responsibilities (Garriga & Mele, 2004). The truth is that whatever the motivation for companies to engage is, their positive involvement in, and commitment to society in particular and to the planet in general is more needed than ever before. This chapter provides a description of the most relevant and impactful environmental initiatives pursued within the food industry, by the world's largest bakery firm. Grupo Bimbo, originated in Mexico in 1945, is now the largest bakery business group, with operations in 32 countries around the globe in the Americas (USA, Canada, Latin America), Europe, Asia and Africa, having 3.2 percent of the world's bakeries market share, which is continuously growing. These initiatives are: 1) the development and production of its own electric vehicles for the distribution of its products and 2) the development of a wind farm -the world's largest developed and used in the food industry. This is even more significative if we take into consideration that Grupo Bimbo has one of the largest distribution networks worldwide. The wind farm is big enough to power not only its electric vehicles, but also most of its operations in Mexico, which include 55 production facilities, 131 sales centers, 57 bread shops, 2 distribution centers and the headquarters buildings. At the global level, it is estimated that Grupo Bimbo will provide renewable energy to power 75 percent of its facilities worldwide by the end of 2019 (CanadaBread, 2018).

The rest of the chapter is organized as follows. In the next section, a literature review consisting on the UN 2030 agenda for sustainable development goals and a brief review on the evolution of CSR definitions and its classifications is offered. Then, an overview of Grupo Bimbo, with a focus on the pillars of its CSR strategies, namely People (providing a great workplace for employees -or associates), wellbeing (by offering nutritious products and promoting healthy lifestyles), Community (supporting the areas where they operate) and Planet (contributing to sustainability) is presented (BimboBakeriesUSA, 2018). The forth section details Grupo Bimbo's environmental initiatives, followed by some concluding remarks.

LITERATURE REVIEW

The United Nations 2030 Agenda for Sustainable Development

The resolution adopted by the United Nations general assembly in 2015 regarding economic, social and environmental sustainable development established 17 specific goals (United Nations Sustainable Development Goals, UNSDG) in order to enhance the general good of people (alleviating poverty, respect

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