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TÍTULO:
CORPORATE SOCIAL RESPONSIBILITY IN MAHOU – SAN MIGUEL

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Abstract

Over the years, there have been different views on the roles and responsibilities of companies in society. Some have argued that companies should focus on carrying out their main activities in order to maximize profits (Levitt, 1958), while some others believe the broader responsibilities of businesses towards society (Carroll, 1979; Epstein, 1987; McGuire, 1963).

In the last few decades, globalization, along with several technological advances that have accelerated the speed of the information flow, has brought awareness of how companies run their business activities. Consumers have significantly risen their demands, forcing corporations to assume bigger responsibilities while making a correct use of their power in order to become active leaders of change.

Key words

Key words: Corporate Social Responsibility, Mahou – San Miguel, analysis, sustainability.
# TABLE OF CONTENTS

Abstract ................................................................................................................. 2  
Key words .............................................................................................................. 2  

1. INTRODUCTION .................................................................................................. 5  
1.1. Motivations ....................................................................................................... 5  
1.2. Goals .................................................................................................................. 5  

2. CORPORATE SOCIAL RESPONSIBILITY .......................................................... 7  
2.1. An introduction to Corporate Social Responsibility ........................................... 7  
2.2. The evolution of the concept of CSR ................................................................. 7  

   2.2.1. CSR before the 1950’s ................................................................................ 7  
   2.2.2. CSR during the 1950’s and 1960’s ............................................................... 8  
   2.2.3. CSR in the 1970’s ....................................................................................... 9  
   2.2.4. CSR during the 1980’s and 1990’s ............................................................. 12  
   2.2.5. CSR in the 2000’s ..................................................................................... 12  
2.3. Defining Corporate Social Responsibility ....................................................... 13  
2.4. The importance of CSR today ......................................................................... 15  

3. MAHOU – SAN MIGUEL GROUP ...................................................................... 17  
3.1. Introduction to Mahou – San Miguel ................................................................. 17  
3.2. Mahou – San Miguel’s corporate structure ..................................................... 18  
3.3. Brand and product portfolio ......................................................................... 19  

   3.3.1. Beers ....................................................................................................... 19  
   3.3.2. Craft beers ............................................................................................... 20  
   3.3.3. International beers ................................................................................... 20  
   3.3.4. Mineral waters .......................................................................................... 21  
3.4. Purpose, mission, vision and values ............................................................... 21  

   3.4.1. Purpose ................................................................................................... 21  
   3.4.2. Corporate mission .................................................................................... 22  
   3.4.3. Corporate vision ..................................................................................... 22  
   3.4.4. Values .................................................................................................... 23  

4. CSR IN MAHOU – SAN MIGUEL ................................................................. 24  
4.1. History of Corporate Social Responsibility in Mahou – San Miguel ............ 24  
4.2. Corporate Social Responsibility in Mahou – San Miguel at current times .. 24  
4.3. Strategic Framework for Sustainability “Somos 2020” .................................. 25
4.3.1. Sustainable innovation ................................................................. 27
4.3.2. Sustainable commitment ............................................................. 29
  4.3.2.1. Commitment to the environment ............................................. 30
  4.3.2.2. Commitment to the community ........................................... 31
  4.3.3. Sustainable talent ................................................................. 33
4.4. Analysis of Mahou – San Miguel’s CSR policy ................................ 34
5. SUMMARY AND CONCLUSIONS ..................................................... 37
6. REFERENCES .................................................................................. 39

TABLE OF FIGURES

Figure 1: The Concentric Circles Model of CSR ...................................... 10
Figure 2: The Pyramid Model of CSR .................................................. 11
Figure 3: Corporate Structure of Mahou S.A. and its subsidiary companies .... 18
Figure 4: The 20 Commitments of Mahou – San Miguel’s “Somos 2020” Strategic
  Framework for Sustainability ............................................................... 26
1. INTRODUCTION

1.1. Motivations

The growing concern for the environment, the fast speed of information flow and the continuous rises of consumers demands has put companies in the center of attention. Society has started to pay close attention not only to what companies do, but also to how they do it, why they do it, and the consequences that carry out the development of their business activities. The high standards of consumers, especially young ones, regarding products and production methods is forcing corporations to face bigger challenges, and therefore, to assume bigger corporate responsibilities.

Companies, that were initially responsible for the generation of income and wealth through the placement of their produced goods and services into the market, have realized that Corporate Social Responsibility policies that were used as strategic marketing tools have now turned into a “must”, and so, they are coming up with new challenges that make them, just as much as anyone else, responsible for the social and environmental issues of our planet.

Obama (2014), 44th President of the United States, mentioned at the UN Climate Summit in New York that we are “the first generation to feel the effects of the climate change and and the last generation who can do something about it”. This entails that only by recognizing our responsibilities as individuals and as enterprises, we will be able to cooperate together in order to tackle the biggest current issues of the world and make this planet a better place to live.

1.2. Goals

The aim of this end-degree project is to get a deeper understanding of the concept of Corporate Social Responsibility and to analyze how Mahou – San Miguel implements CSR policies throughout the firm.

Mahou – San Miguel, company in which I did my internships, is currently the leader of the brewing sector in Spain, with a production share of 34%. It has received numerous mentions and awards, and counts with a strong corporate reputation, especially in the field of Corporate Social Responsibility.
It keeps growing in size year after year, expanding to new geographic markets such as India, the United States, and Chile, or entering new segments such as the craft brewing, all while maintaining its strong competitive position in its core market, Spain.

The main goals of this end-degree project are:

- To get broader knowledge of the concept of Corporate Social Responsibility, understanding its evolution since it began to take its modern shape in the 1950’s until now.
- To understand the current meaning of Corporate Social Responsibility, as well as the relevant role that companies have today in order to contribute with the alleviation of the world’s biggest current issues.
- To study Mahou – San Miguel’s Corporate Social Responsibility policies, as well as its practical implementation in the daily operations of the firm.
- To analyze the different CSR policies of Mahou – San Miguel in relation to its contribution to the United Nation’s (2015) 17 Sustainable Development Goals.
2. CORPORATE SOCIAL RESPONSIBILITY

2.1. An introduction to Corporate Social Responsibility

Although the term Corporate Social Responsibility (CSR) has numerous mentions across academic literature throughout the world (Lafuente, Viñuales, Pueyo and Llaria, 2003; Nieto and Fernández, 2004; Maignan and Ferrell, 2004), it is important to understand that experts have not yet reached any clear definition of the topic. There have been many attempts to define CSR (McGuire, 1963; Davis, 1973; Wood, 1991; Warhurst, 2001), as well as a big amount of studies and publications about it, such as Carroll’s (2008), in which different interpretations of such term across time have been discussed in relation to the world’s political and economic situation at each period of time.

In fact, Dahlsrud’s (2006) study identified thirty-seven different definitions of the term. This, however, is an underestimation of the true number of definitions that may exist, because many of them were not included due to the methodology applied for identifying them (Carroll and Shabana, 2010).

Therefore, CSR may be understood as a constantly evolving concept, and in order to get a deeper sense of its meaning, it is necessary to comprehend its conceptual progression and the different interpretations it has had over time.

2.2. The evolution of the concept of CSR

If only we have in mind religious institutions, for instance, we may realize that Corporate Social Responsibility (CSR) has been discussed and practiced throughout our whole history. However, it was not until the 1950’s that it started to take its modern shape into what we consider today as CSR.

2.2.1. CSR before the 1950’s

Murphy (1978) defined the period up to the 1950’s as the “philanthropic era”, in which companies and institutions’ CSR was based on donations to charities more than anything else. There were, though, some examples of actions that nowadays would be considered as socially responsible. Heald (1970), for instance, cited the case of the R. H. Macy Company, which has in its records numerous cases of donations to the community.
In 1875, Macy’s made a donation of funds to an orphanage, which gives us a sense of the strong relationship they had with the community.

However, although there is some evidence of socially responsible actions before the 1950’s, this was not the general phenomenon. According to Muirhead (1999), corporate contributions prior to the 1900’s were seen as an irresponsible procedure, as it implied giving away stockholders assets without their permission. Thus, corporate donations were legally restricted only to those cases in which the company gathered a direct benefit from them.

During this period of time, there was not abundant talk about Corporate Social Responsibility. Nonetheless, we may point out Abrams’ (1951) article. Abrams declared that as management was getting more professional and the world more complex, companies had to start thinking not only about profit making and value creation, but also about the wellbeing of their employees, their customers and society at large. Abrams’ contribution was one of the few at the time that linked in some way Corporate Social Responsibility with the benefits of the companies themselves.

2.2.2. CSR during the 1950's and 1960's

The next time period was marked by an awareness of businesses’ responsibilities regarding their link with social issues. According to Carroll (2008), the best indicator of the beginnings of the modern period of literature in CSR would be Bowen’s (1953) publication of his book *Social Responsibilities of the Businessman*. Bowen believed that several large companies at the time were at the cusp of power and decision making, and that their actions could help improve the lives of citizens in many ways. He brought up many questions, such as until what extent of society responsibilities were businessmen expected to assume. He was one of the first to formulate a definition of Corporate Social Responsibility (“social responsibility” at the time): “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. This has resulted in a large number of academics over time referring to him as the “Father of Corporate Social Responsibility” (Bowen, 1953:6).

During the 1960’s the topic of Corporate Social Responsibility grew, raising more debate and stimulating more thinkers and writers to make attempts to formulate complete and exact definitions of what CSR meant at the time. Davis (1960), for instance, defined
it as “businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest”, pointing out that socially responsible actions, if gone through a deep thinking process, may serve as a way to bring economic prosperity for a firm in the long-run. However, according to Lee (2008), during the 1960’s social responsibilities were seen as something completely external to the financial performance of a firm, and companies that carried out such actions were not looking for anything specific in return.

However, not all were advocates of the idea of Corporate Social Responsibility. Levitt (1958) warned about the dangers that would bring with themselves these sort of actions. He believed that if companies paid attention to social issues, they would separate themselves from their primary goal, that is, profit creation. Friedman (1962) was also opposed to linking social issues with the business world, arguing that if those issues could not be solved by the free-market system, they should be a responsibility of the government or the legislation existent. Friedman maintained that management should have one only responsibility: to maximize the profits of its owners or shareholders. He contended that “few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible” (Friedman, 1962). Hayek (1969), on the other hand, based his criticisms on the lack of expertise. He held that if businesses adopted corporate social responsibility, they would find themselves in a field in which they have no knowledge, and which is unrelated to their “proper aim”.

Environmental protection, consumer’s rights and women’s rights, among other social movements, started rising in the 1960’s, making the concept of Corporate Social Responsibility gain weight, as many thinkers started to see the responsibilities of businesses not only as fulfilling their obligations, but as the correct use of their resources in order to help pursue society’s interests beyond their own interests and legal obligations. However, socially responsible actions during this time were not easily seen yet.

2.2.3. CSR in the 1970’s

During the 1970’s, companies started to respond to a number of specific issues, such as their concern about the urban decay, correction of racial discrimination, involvement in community affairs, or the alleviation of pollution. The concept of CSR started to spread, and more diverse and detailed academic contributions to the field were
written. However, as the previous decade, it was still a time in which corporate social responsibility was more discussed than practiced.

Johnson (1971) was one of the first to link the company’s benefits with those of the people or groups of people related to the firm in any way. He stated that “a socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation”.

The Committee for Economic Development (CED) (1971) reviewed the “changing social contract with business”, explaining how society was starting to demand more responsibilities from businesses than ever before, as they were expecting a broader contribution to their quality of life along with more human values. The CED attempted to explain CSR by dividing it into three concentric circles (as shown in Figure 1 below). Company’s efficient execution of their economic functions was put in the inner circle as the basic responsibilities, which included the creation of job opportunities, financial stability, the creation of products and/or services, and the contribution to economic growth. The middle circle represented the responsibility of businesses to be aware of the changing social values and priorities when exercising their economic function, including actions such as fair treatment of employees, respect towards the environment and giving customers more valuable information, among others. The outer circle showed the new emerging responsibilities that companies should assume in order to help improve the social environment, such as poverty and urban light.

**Figure 1: The Concentric Circles Model of CSR**

![Figure 1: The Concentric Circles Model of CSR](source: Committee for Economic Development (CED) (1971))
Another interesting contribution during the 1970’s was made by Carroll (1979), who defined Corporate Social Responsibility as the sum of expectations that society has of organizations at a given point in time, being these expectations the economic, legal, ethical and discretionary or philanthropic. Carroll’s definition of CSR, by including the economic expectations, pointed out that by pursuing economic interests related with profit-making, a company is not only doing something good for them, but is also carrying out socially responsible actions, as they are helping the society prosper.

Carroll’s (1979) definition of CSR has been referred to over time as “The pyramid of CSR”, and is still used nowadays by numerous academics and experts in the field. The pyramid (as shown in Figure 2 below), divides CSR into four different types of responsibilities. On the base of the pyramid, we may find the economic responsibilities, upon which all other responsibilities rest. These refer to the responsibility of enterprises of being profitable in terms of maximizing their incomes. Above, there are the companies’ responsibilities of obeying the law, which ensure that enterprises “play by the rules of the game”, and fall in line with society’s values of what is right and wrong. On top, the ethical responsibilities lie. According to Carroll (1979), to be ethical means the obligation of doing what is right, just, and fair, as well as trying to avoid harm. Finally, on the cusp of the pyramid, Carroll placed the discretionary or philanthropic responsibilities, or as he stated, the responsibilities of being good corporate citizens. He interpreted this as helping the community through the contribution of different resources, as well as improving its quality of life.

**Figure 2: The Pyramid Model of CSR**

![Diagram of the Pyramid Model of CSR](source: Carroll (1979))
2.2.5. CSR during the 1980’s and 1990’s

The decade of the 1980’s shifted the concept of CSR from a merely ethical field to one with a business orientation. According to Aupperle et al. (1985), the relationship between Corporate Social Responsibility and firm profitability became a very important topic of research at that time. Issues related with business ethics such as the abusive practices of multinational corporations, environmental pollution or the quality of the lives of employees also became one of the top concerns, as tremendous ethical scandals blew up: for instance, Nestlé’s baby-milk controversy, or the gas leak in the Union Carbide industrial plant in India that killed thousands of people in 1984.

Thanks to Freeman’s (1984) publication, the Stakeholder Theory became a popular topic at the time. Freeman (1984) defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Such theory suggested that the success or failure of a company would depend on its ability to manage their stakeholders, for which Corporate Social Responsibility started to be seen as a business practice in order to improve companies’ competitive advantages rather than as a mere ethical concept.

BSR’s (Business for Social Responsibility) foundation in 1992 is a good illustration of the previous statement. It emerged as a global non-profit organization for helping companies become more competitive in the market by guiding them through the practice of socially responsible business policies and actions. They soon counted with the membership of over 50 companies (Callenbach et al., 1993), including Ben and Jerry’s, Aveda, Patagonia, McDonald’s, The Body Shop, Coca-Cola… Many of these companies managed to grow in size thanks to their CSR practices during the 1990’s.

2.2.6. CSR in the 2000’s

The 2000’s saw important contributions to the concept of Corporate Social Responsibility mainly through academic literature. The tendency of trying to link corporate responsible practices with financial performance is still present up to this day, influencing the CSR research. There was a rise of the analysis of CSR from a strategic point of view, which focused on how firms could incorporate CSR practices into their own benefits.
Smith (2001) contributed to the field by discussing the need of “making CSR part of a company’s strategic perspective in order to fulfill its long-term obligations towards society” (Latapi Agudelo et al., 2019). He (Smith, 2001) also defined Corporate Social Responsibility as “the obligations of the firm to its stakeholders – people affected by corporate policies and practices”, being these obligations “beyond legal requirements and the firm’s duties to its shareholders”, and “intended to minimize any harm and maximize the long-run beneficial impact of the firm on society”.

Lantos (2001), kept linking the term strategic to CSR, by explaining that Corporate Social Responsibility may be used as a strategic tool if included under the company’s plans for improving their financial results. Porter and Kramer (2006) also saw the relation between competitive advantage and CSR, explaining that companies may deal with their competitive environment through a strategic approach that creates shared value both for society as well as for the firm. Moreover, they insisted on the benefits of using Corporate Social Responsibility as a holistic business framework instead of a goal-oriented tool, which would limit companies’ potential to create social benefits while pursuing their own goals (Latapi Agudelo et al., 2019).

Heslin and Ochoa (2008) also believed that it is possible that companies improve their competitive advantages at the same time as they benefit the society. By analyzing 21 outstanding CSR practices, they came to the conclusion that even when CSR practices are tailor made, they still have seven general principles in common which have guided these initiatives: cultivation of the needed talent, development of new markets, protection of labor welfare, greening of the supply chain, involvement of customers, reduction of the environmental footprint and getting profit from by-products (Heslin and Ochoa, 2008).

2.3. Defining Corporate Social Responsibility

Many authors argue that the exact meaning of CSR is not clear (Crane, 2008). According to Lantos (2001), the high number of theories, perspectives and terminologies in the academic literature that study CSR have caused a lot of confusion when it comes to addressing its study. CSR is a concept that remains vague (Michael, 2003), and the problem with it is that it means different things to different people (Kuznetsov and Kuznetsova, 2010; Sethi, 1975). Votaw’s (1973) statement clearly shows this concern: “the term (social responsibility) is a brilliant one; it means something, but not always the
same thing to everybody”. In fact, Freeman and Hasnaoui (2011) attempted to define CSR from the vision of four different nations (United Kingdom, France, Canada and the United States), but failed because of the researcher’s different ethnicities and culture.

According to Navas-López and Guerras-Martín (2013), the concept of Corporate Social Responsibility refers to “a firm’s approach to the demand of a social nature made by society at large in response to its operations, to the evaluation and compensation of the social costs it generates and to the extension of the scope of its objectives through the definition of the social role it should play”. It has three main aspects (Nieto, 2005):

- It transforms the classical governance formula based on the relationship between shareholders and management into a multilateral one, which involves all stakeholders. It is therefore assumed that companies not only have to fulfill their economic, legal, social and ethical obligations in respect to their shareholders, but also towards their employees, customers and the community (Sen and Bhattacharya, 2001).

- It modifies the firm’s decision-making process, due to the inclusion of its environmental and social impacts into their main priorities, along with the company’s economic prosperity. Generally speaking, there are four main factors that influence firm’s decision-making regarding social responsibility: the legal factors, or the compliance with society’s laws and procedures; the political factors, or the influence of the firm’s stakeholders; the strategic and competitive factors, or the improvement of the firm’s competitive positioning through the creation of value; and the ethical factors, which are linked to a company’s mission, values and culture (Certo and Peter, 1993; Guerras-Martín and López-Hermoso, 2002; Nieto, 2005).

- It is of voluntary application. However, according to a report prepared by the Organization for Economic Co-operation and Development (OECD, 2001), this tends to vary when it is currently put into practice, as “some initiatives are more voluntary than others” due to the big legal and regulatory pressures companies are put under in order to adopt them.

According to Certo and Peter (1993), corporate responsibility may be assigned into three areas: the economic-functional area, or the contribution of a firm’s economic activity to society through the production of goods and services; the quality of life area, or the extent until which a company helps improve the quality of life of society as well
as mitigates the negative consequences of their activities (environmental management and business sustainability fall under this area); and the social action or social investment area, that is, the use of a company’s financial and human resources in order to solve issues in the community.

Apart from academic attempts to define CSR, different organizations have also contributed with their own definitions of the concept. The World Business Council for Sustainable Development (WBCSD, 1998), for instance, defined Corporate Social Responsibility as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large”. In turn, the European Commission’s Green Paper on CSR (2001) states that being socially responsible entails “not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and the relations with stakeholders”.

According to ISO 26000, the world’s largest developer of international standards, social responsibility is “the responsibility of organizations for their impact on society and the environment as evidenced through transparent and ethical behavior, that: contributes to sustainable development, including the health and welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in all its relationships”.

2.4. The importance of CSR today

Over the last few years, there has been an explosion of interest in Corporate Social Responsibility in the European Union and around the world (Carroll and Shabana, 2010), and the topic has spread from leading countries to almost all developed countries around the globe. So is such that Vogel (2005), studying the potential and limits of CSR fourteen years ago, argued the relevance of the topic by finding over four million references in the Google search engine under “Corporate Social Responsibility”; and over thirty-three million may be found today.

The concerns about the social and ethical performance of corporations as well as the rising demands of society have placed Corporate Social Responsibility within the global agenda. It has started to gain more and more connotation and implication,
becoming the center of numerous debates not only among academics, but also among specialists worldwide. According to Carroll and Shabana (2010), currently one cannot pick up a newspaper, magazine or journal without any discussion about the topic.

Such is the importance of social responsibility of corporations, that the United Nations General Assembly (2015) has included private corporations, along with governments and society, as a main agent for pursuing the Sustainable Development Goals set for 2030. These include a set of seventeen different global goals to guide the planet within the following years in order to eradicate the biggest current issues of the world: no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reducing inequality, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace, justice and strong institutions and partnerships for the goals.
3. MAHOU – SAN MIGUEL GROUP

3.1. Introduction to Mahou – San Miguel

Mahou – San Miguel (MSM) is a fully Spanish-owned family company, leader of the brewing sector in Spain with a production share of 34%. It counts with eleven brewing centers, eight in Spain and three abroad (one in India and two in the United States), as well as four water springs with their bottling plants. It is formed by a team of more than 3,100 professionals spread not only across their production centers, but also within fifteen sales offices in Spain, three international offices (Portugal, United Kingdom and Italy), their offices in Barcelona, and their main headquarters in Madrid (Mahou – San Miguel, 2019).

The company, which first started as a producer of beer and ice cubes, dates its birth back to 1890 in Madrid. It was not until 1957 that it changed its original name Hijos de Casimiro Mahou into Mahou S.A. Since then, it has been constantly growing, acquiring the brewer firms San Miguel in 2000, Reina in 2004 and Alhambra in 2007, as well as reinforcing its presence in the mineral water sector with the acquisition of Solán de Cabras in 2011 or with its majority stake in the Canary Islands company Aguas del Valle de la Orotava in 2018 (Mahou – San Miguel, 2018).

Within the last year, Mahou – San Miguel’s sales volume of beer and mineral water has rise over 10% as compared with 2017, reaching the 18.3 million hectoliters sold and acquiring sales turnovers of 1,298.6 million euros.

Consolidated as the most international Spanish brewer (it produces up to 70% of the Spanish beer consumed worldwide), Mahou – San Miguel is currently present in 70 countries around the world, as well as in more than 204,000 points of sale throughout Spain. It now counts with two international subsidiaries: Mahou India and Mahou Chile. Furthermore, Mahou – San Miguel has become a Spanish pioneer of the promotion of the craft segment, thanks to their stake in the domestic company Nómada Brewing as well as in the American craft brewers Founders in 2014 and Avery in 2017, which helps reinforce one of their main pillars for business development: their international presence. (Mahou – San Miguel, 2019).
3.2. Mahou – San Miguel’s corporate structure

For a better understanding of Mahou – San Miguel’s large and complex corporate structure, a detailed picture of the structure of Mahou S.A. and its subsidiary companies is annexed below. In it, we may see the different companies that depend on Mahou – San Miguel: brewers and mineral water firms are colored in blue at the right side, such as Cervezas Alhambra or Aguas de Solán de Cabras, distribution firms are colored in orange, such as Cermadis, international firms are green, and craft brewer firms are brown.

**Figure 3: Corporate Structure of Mahou S.A. and its subsidiary companies**

Source: Mahou San Miguel (2019)
3.3. Brand and product portfolio

Mahou – San Miguel’s product range is composed of over fifty top-quality national and international brands that may be classified into four categories: beers, craft beers, international beers and mineral waters. All these different products and brands allow the firm to have a varied and strong portfolio in order to cover the necessities of the largest possible number of consumers.

3.3.1. Beers

Within this category we may find iconic brands such as Mahou, San Miguel and Alhambra. These have become important players in the Spanish beer market, each having their own history, brand personality and marketing strategy.

Mahou, 129 years later, continues offering iconic top quality products to consumers without leaving behind the creation of new premium options, such as Mahou Maestra Dunkel or Mahou Cinco Estrellas Radler. In fact, in 2018 it has received several awards, such as the gold medals for Mahou Barrica Original, Mahou Barrica Bourbon and Mahou Maestra as well as the silver medal for Mahou Cinco Estrellas, all received in the World Beer Challenge.

San Miguel, on the other hand, is easily identified by its strong adventurous spirit. Born in Manila in 1890, it has become Mahou – San Miguel’s most international beer, due to its presence in more than forty countries. San Miguel’s last innovations include Manila, which has won the silver medal in the Pale Ale category in the World Beer Idol 2018, or San Miguel Radler, made with natural lemon juice.

Alhambra is considered one of the most cared for brands of the company. Originated in Granada with 94 years of history, Mahou – San Miguel has given it a deep personality, that invites consumers to awaken their senses in order to slowly enjoy their full experience with the brand. Their latest campaign, crear/sin/prisa, has received the JCDecaux award for Best Exterior Creativity in 2018. Among their last releases, we may find Numeradas, three varieties of beer aged in different sherry barrels: Amontillado, Palo Cortado and Pedro Ximénez.

In addition to these flagship brands, Mahou – San Miguel tries to adapt to consumer’s different tastes and necessities through the creation of a wide and strong portfolio that contains several brands and types of beers: blond beers, dark beers, alcohol-
free beers, or even ecological and gluten-free beers, aimed at more reduced sectors of the market. They complement their portfolio by adding smaller local brands, such as La Salve, a local brand from Bilbao with a focus on national growth, or Reina, aimed at the youth of the Canary Islands (Mahou – San Miguel, 2019).

3.3.2. Craft beers

The expansion of microbreweries across Spain is evident. According to the Brewers of Europe (2018), their number has grown in such extent that it has been multiplied by ten in the last nine years, which implies an actual presence of over five hundred microbreweries, as compared to the fifty that operated in Spain in 2010.

Instead of seeing this change in their competitive environment as a threat, Mahou – San Miguel has decided to use it as an opportunity, joining forces with microbrewers, and thus, becoming one of the pioneers of the promotion of the craft segment in Spain. The firm currently holds a 40% of the domestic microbrewery Nómada, and it has recently announced the acquisition of a majority stake in the American craft brewers Founders and Avery.

As a result, they have established a series of collaborative relationships based on the sharing of experience and knowledge in exchange for creativity and innovation insights. In fact, Benet Fitë, general director of the company’s New Businesses Unit, has mentioned that during the years working with Nómada, they have been able to elaborate more recipes (about thirty-five) than Mahou – San Miguel itself within the last forty years.

The inclusion of craft beers in Mahou – San Miguel’s portfolio has benefitted the company not only through product innovation and creativity, but also with the reinforcement of their international presence, one of the main pillars considered by the firm for future business development.

3.3.3. International beers

Through commercial collaborations with partners such as the Carlsberg Group or the Warsteiner Group, Mahou – San Miguel has incorporated into its portfolio a large number of prestigious international brands. Among these, we may find Carlsberg, Kronenbourg, Warsteiner, Grimbergen, König Ludwig, Tetley’s…
Moreover, the company has recently announced the beginning of a collaboration contract with the multinational brewer group AB InBev, which will allow them to produce, distribute, and include Corona, Budweiser, Stella Artois, and other brands of the Brazilian-Belgian group into their portfolio by 2020.

3.3.4. Mineral waters

In 2007, Mahou – San Miguel went under a diversification process, entering the market of the mineral waters with the acquisition of the small local brands Sierra Natura and Sierras de Jaén. However, it was not until 2011 that it made a strong bet for this sector, acquiring Solán de Cabras and placing the mineral water business into one of their main activities.

The firm has recently showed it desires to gain market share in this continuously growing sector with the acquisition of a majority stake in Agüas del Valle de la Orotava, which has enabled them to incorporate into their brand portfolio Fonteide, a reference brand in the Canary Islands with over 25 years of history.

3.4. Purpose, mission, vision and values

In an attempt to explain what guides the firm through its daily operations, Mahou – San Miguel’s Board of Directors has established the purpose, mission, vision and values of the company. Taking into consideration that they have been modified several times in order to find the best fit for the company, the definitions used below correspond to those shared in the last annual report available at the moment (Mahou – San Miguel, 2019).

3.4.1. Purpose

Mahou – San Miguel’s Board of Directors, in order to find a common reason of being for all the firms included within the group, has stated its corporate purpose as the following: “to enjoy doing things well and passing this ethos down from one generation to the next”.

One of the main values of Mahou – San Miguel is clearly seen within this statement: the enjoyment of doing things well. They define themselves as a great team with a strong sense of pride for their company, that passionately enjoys their work, which is carried out with a clear focus on quality instead of looking for quick shortcuts.
3.4.2. Corporate mission

Mahou - San Miguel’s mission is “to share excellence with others in all the things we do – brands, products, experiences and services – by participating in the best moments of their daily life”.

Their mission, although similar to the purpose, allows their stakeholders to have a more specific view of the company’s identity and personality, not only at the present time, but also regarding the future. It includes another main value of Mahou – San Miguel’s corporate culture: the aim for excellence. This refers to the company’s self-critical and nonconformist personality, which serves as a motor in the search of new ways of doing things, allowing Mahou – San Miguel to improve continuously while anticipating to market changes with speed and agility.

Mahou – San Miguel’s mission, however, does not include the scope of the firm, or the different businesses in which the group operates or may operate in the future. This allows them to transmit the identity and essence of the company while maintaining an open path in the firm’s future development. In addition, it serves as a common purpose for all the diversified activities of Mahou – San Miguel, erasing the need of having to establish a mission for each different business unit.

3.4.3. Corporate vision

A corporate vision is a realistic interpretation of what management would like the firm to be in the future. Without being addressed in terms of profit, it mentions a future targeted situation, mapping out the route or the different ways for making it possible.

Mahou – San Miguel’s vision, however, has been formulated in a present tense, highlighting that they have successfully reached their goals of achieving their status as a sustainable company and a leader in the Consumer Goods sector. However, they still use it as a guide of improvement when trying to choose from the best alternatives that may come up during their daily activities.

It is stated as the following: “we have achieved our status as a sustainable company and a leader in the Consumer Goods sector by: building innovative and top-quality brands, products, experiences and services; leading the categories of natural and authentic beverages in which we compete in the Spanish market; being an important player internationally in the premium and craft segments by leading the development of
Spanish brands; and generating shared value for our team, customers, partners, community and shareholders. And we make this possible by: placing the consumer and people at the center of our decisions; using technology and information as a competitive advantage; and working on continuous improvement and with efficiency”.

Three main values of Mahou – San Miguel’s corporate culture stand out in their vision statement.

Firstly, MSM promotes innovation. This does not only include the search and application of the best practices in the market, but also innovations in their operational processes as well as in all the ways of reaching the end consumers. The company is aware that “building innovative and top-quality brands, products, experiences and services” is one of their core competences in order to maintain their leadership within the Consumer Goods sector, and so it is seen as another main pillar for business development.

Secondly, the firm believes in people. Mahou – San Miguel mentions that one of the ways for making their vision possible is by placing the consumer and people at the center of their decisions. Through this claim, it is perceived that people are considered much more than a company’s resource. According to Mahou – San Miguel, its people (clients, providers and professionals) are the engine of the company, and decisions are taken based on them and their surroundings, instead of only their results.

Lastly, Mahou – San Miguel, while striving to generate shared value for their team, customers, partners, community and shareholders, supports the creation of sustainable businesses and environments. They try to make wise decisions that contemplate the long-term results, anticipating and satisfying the needs of consumers through the creation of more sustainable and differentiating products, services and experiences (Mahou – San Miguel, 2019).

3.4.4. Values

Mahou – San Miguel has defined a number of values that form part of their corporate culture and serve as a guide through their daily operations. These values, that have been explained in more depth while analyzing the purpose, mission and vision of the firm, are stated as the following: the promotion of innovation, the trust in people, the aim for excellence, the enjoyment of doing things well, and the creation of sustainable businesses and environments.
4. CSR IN MAHOU – SAN MIGUEL

4.1. History of Corporate Social Responsibility in Mahou – San Miguel

For Mahou – San Miguel, the concept of Corporate Social Responsibility is not new. Since its beginnings in the 19th century, both the family and the firm have always been engaged in such type of actions in some way or another, making evident their strong commitment to society.

Carolina Valentina Mahou, one of the founders of the company, collaborated with social organizations back in the 19th century in a proactive manner, not only through acts of philanthropy but also by becoming personally involved in the projects. She organized fundraising events, handcrafted clothes for orphans and read to blind people, among other actions that today would be defined as volunteering.

These actions carried out by Carolina Valentina Mahou set the basis of the company’s relationship with society, opening up a path of engagement in social actions, not only towards the society in general, but also towards their employees. This was put into action, for instance, through the creation of the Montepio Mahou Foundation in 1919, which granted professionals and their families with medical and pharmaceutical insurances, among other benefits.

Mahou – San Miguel’s commitment to culture and sports has also been evident since the very beginnings of the company. So was such, that Alfredo Mahou was elected president of the Spanish Basketball Federation in 1935 as a result of his strong promotion of sports and healthy lifestyles among youngsters. Furthermore, the company established the high-division football team Club Deportivo Mahou and created the amateur football tournament Campeonato Mahou, representing in such manner a style of continuous support and commitment to the development of the community.

4.2. Corporate Social Responsibility in Mahou – San Miguel at current times

If we take a look at the past, it was not even sixty years ago that Friedman (1962) was denying the existence of any other corporate responsibility than to maximize the profits of its owners and shareholders, something that today would seem unthinkable.

The growing concerns on environmental and social issues, the appearance of new channels of communication that have accelerated the speed of the information flow and
the empowerment and enlargement of companies due to globalization are only a few of the reasons why consumers have drastically changed their perspectives on corporate social responsibility issues within the last few decades.

Society has started to pay close attention not only to what companies do, but also to how they do it, why they do it, and the consequences that carry out the development of their business activities. The high standards of consumers regarding products and production methods is forcing corporations to face bigger challenges, and therefore, to assume bigger corporate responsibilities.

Mahou – San Miguel (2019) acknowledges their corporate responsibilities through their commitment to “add value to the communities in which they operate by contributing to their economic, social and cultural development, and by guaranteeing maximum respect for their surroundings”. Furthermore, they see Corporate Social Responsibility as one of their main differentiating values, and wish to become a referent in the Food and Beverages sector through an active and sustainable leadership that inspires other companies of the sector to perform in the same way.

This illustrates Mahou – San Miguel’s perceptions on Corporate Social Responsibility as something that should add value to the society, that should go beyond the requirements of law, and that should be consistent and planned over time in order to maintain its sustainability in the long-term.

In fact, since 2017, Mahou – San Miguel has stepped up with their corporate commitments, becoming a member of the Spanish Network for the United Nations Global Compact in order to help identify the areas within the Food and Beverage sector in which it is feasible to promote the application of the Sustainable Development Goals set for 2030.

4.3. Strategic Framework for Sustainability “Somos 2020”

Mahou – San Miguel’s goal is to become an active leader in sustainability in the Consumer Goods sector. In order to do so, the firm has launched in 2018 their Strategic Framework for Sustainability, “Somos 2020”.

This project, in which the company will invest 30 million euros, is a three-year plan that manifests the company’s commitment to sustainability, present throughout all areas and levels of the firm. Its goal is to improve the efficiency of the integration of
sustainable policies across the whole firm, which will contribute to the society by enabling them to get better results in environmental protection issues, to improve the well-being and quality of life of people, to add value to the local communities in which the firm operates, and in the promotion and development of talent.

It includes twenty concrete and measurable objectives, lined up with the Sustainable Development Goals set for 2030 by the United Nations General Assembly (2015) in order to guide the planet in the following years towards the eradication of the biggest current global issues.

These strategic objectives involve all members of Mahou – San Miguel, requiring responsibility not only from top managers, but from employees at all levels. As seen in Figure 4 below, they have been organized within three lines of action: “We are Innovation”, “We are Commitment” and “We are Talent”.

**Figure 4: The 20 Commitments of Mahou – San Miguel’s “Somos 2020” Strategic Framework for Sustainability**

![Figure 4: The 20 Commitments of Mahou – San Miguel’s “Somos 2020” Strategic Framework for Sustainability](source: Mahou – San Miguel (2019))
4.3.1. Sustainable innovation

Mahou – San Miguel sees innovation as a powerful tool for adding value to society both in the short and in the long run. In fact, through their “Somos 2020” Strategic Framework for Sustainability, they have made seven specific commitments in order to improve the integration of sustainable policies throughout all the innovation processes present across the firm.

These commitments, that will align innovation and sustainability in order to add more value to their stakeholders and to society as a whole, may be classified into three areas: the search and application of innovative practices for taking better care of the natural resources (reducing their carbon footprint by 10%, consuming 100% green energy, and reducing water consumption by 10% by 2025), the integration of sustainable policies in new product development (using 100% sustainable packaging and promotional materials, and promoting the reuse and recycling of those materials), and the use of innovative practices in order to contribute to the health and well-being of consumers and employees (launching new consumer-centered products, and promoting internal programs for employees based in health, happiness and emotional well-being).

Moreover, Mahou – San Miguel, as leaders of the Spanish brewing sector, firmly believe in their responsibility to contribute to its development through an active leadership based on sustainable innovation practices and the premiumization of the categories in which they are present. This does not only include the search and application of the best practices in the market, but also innovations in their operational processes as well as in all the ways of reaching the end consumers. Digitalization, for instance, plays a crucial role here, as it implies new ways of thinking, working, and communicating.

Their innovation investment continues rising year after year, reaching the 25.4 million euros in 2018, a 23% more than the former. In fact, in 2018, they have taken a further step in the promotion of the craft segment through the creation of the first Brewhub in Spain, located next to their production plant in Córdoba. This collaborative space, in which the company has invested 11 million euros, has been equipped with the latest brewing technology with the aim of becoming an important meeting point for the craft segment in Spain. In this space, domestic and international craft brewers will be allowed to brew their beers and share ideas, which will benefit the development of the
craft segment across the European market. Additionally, it will contribute to the firm’s development, as it will make them more aware of the new market trends.

Mahou – San Miguel puts big efforts in building innovative and top-quality brands, products, experiences and services that add value to society in the long-run. Only in 2018, the company has launched three new products to the market (Mahou Maestra Dunkel, San Miguel Radler and Mahou Cinco Estrellas Radler) and four new product ranges: Numeradas by Alhambra (beers aged in sherry barrels), the Solán de Cabras functional beverages, Cervezas de Invierno by Nómada, and Cervezas con Historia by La Salve. In addition, they have launched two high-profile products to its international markets: Mahou Maestra Wheat in the Indian market, and Trigo, their first craft beer launched in the United States, created in collaboration with Founders Brewing. Moreover, Mahou – San Miguel has added a new mineral water brand into their portfolio, Fonteide, which has helped reinforce their presence in the Canary Islands through the acquisition of the local company Aguas del Valle de la Orotava.

According to Mahou – San Miguel’s (2019) Annual Report, a total of 4.8% of their net sales of 2018 has come from innovations. In fact, new product development helps strengthen Mahou – San Miguel not only through the widening of its product and brand portfolio, but also by helping the company accomplish their mission. With these new brands and products, consumers will be able to satisfy their needs in multiple occasions, allowing Mahou – San Miguel to be present “in the best moments of their daily lives”.

However, Mahou – San Miguel sees innovation as something far away from the mere launch of new products into the market. Through the creation of an internal Innovation Committee, they are engaged in boosting the use of innovation transversally across all the areas, teams, daily activities and processes of the company. Many technological advances have already been incorporated in their production plants, such as 3D printers, reality goggles or DJI drones, that have resulted in an increase of efficiency, reduction of employee’s responses to incidents, and therefore, a shrink in supply times and costs of production.

They have also developed the Innova 2020 Plan, with the aim of increasing their competitiveness in the market and making innovation a key characteristic of their corporate culture. Additionally, they have developed the new 360º Innovation Model, a transversal project that promotes innovation 360º across the company: in processes,
products, people, policies and partners. With this model, they have prioritized sixteen innovation projects aimed at the consumers in order to study which will make a difference by 2020.

Through innovation, Mahou – San Miguel finds new ways of maintaining their active sustainable leadership in the Consumer Goods sector, and thus, to boost economic growth while caring for its people, respecting the environment, and adding value to their stakeholders and to society as a whole.

4.3.2. Sustainable commitment

Mahou – San Miguel acknowledges its corporate responsibilities of adding value to the communities in which it operates by supporting their economic, social and cultural development, and by assuring maximum respect for their surroundings. Only in 2018, Mahou – San Miguel has generated income and wealth by contributing 1,366.8 billion euros to the Spanish economy, creating over three thousand job opportunities in eleven autonomous communities and reaching tax contributions of 301.5 million euros to the State. Additionally, they have showed their support for the local economy, as 93% of their 3,358 suppliers are from Spain.

Mahou – San Miguel assures its partners and allies the creation of mutual value through a sustainable leadership of the sector, based on actions guided by sustainability, ethics and transparency. In order to do so, they have established an Ethics and Compliance Committee, which ensures the firm’s compliance with the employed rules, General Policies, and the law. In addition, they have developed a Crime Prevention Plan for fighting corruption, bribery and money laundering, as well as a Code of Conduct and a Supplier Code of Conduct, in which they have established the guidelines, values and principles that employees and suppliers must follow in order to be aligned with the firm’s corporate social responsibilities.

They have a firm commitment of applying sustainability across their entire value chain, and they put this into action by purchasing preferentially from local suppliers and through the development of programs such as Avanzamos Juntos, aimed at training distributors and suppliers into adopting sustainability practices in their businesses while increasing their competitiveness, or the Sustainable Events Manual, aimed at all their employees and suppliers with the purpose of planning events with the smallest environmental footprint possible. Moreover, they have developed and published their
Purchasing Policy, in which, in addition to adhering to the principles established in the United Nations Global Compact, they state their commitment to responsible purchasing by ensuring that their suppliers have a solid framework of Corporate Social Responsibility and business ethics.

4.3.2.1. Commitment to the environment

Mahou – San Miguel’s commitment to the environment is present in every decision of their daily operations. With the aim of reducing their environmental impact, they are on a constant search of proactive and innovative solutions that reduce their gas emissions and help them make a better use of their natural resources. Moreover, they have certified each one of their production centers under the ISO 14001.2015 standard as well as the European EMAS Regulation, thus, becoming engaged in the assessment of direct and indirect impacts that ensure at all times the firm’s compliance with the established environmental limits.

Since the year 2000, Mahou – San Miguel has managed to lower their carbon footprint by a 52%, and they plan on lowering them an additional 10% by 2020 through measures based on energy efficiency, the use of renewable energies, and a sustainable mobility plan. They have already carried out initiatives such as the installment of one thousand fight-pollution sun umbrellas in 200 establishments across the Spanish provinces of Madrid, Málaga, Granada, Bilbao, Lleida, Pamplona, Burgos and León. Such umbrellas contain innovative nanotechnology systems that reduce the high pollution levels of big cities, a benefit that could be compared to the action of two thousand trees.

In order to achieve their goal set in the “Somos 2020” Strategic Framework for Sustainability of having a 100% sustainable vehicle fleet within five years, Mahou – San Miguel has developed a sustainable mobility plan. This plan has already been recognized with several awards, such as the “Award for Best Practice in Sustainable Mobility” in the “Large Company” category by the Renault Foundation or the “Sustainable Mobility Initiative”, awarded by the Spanish Association of Automobile Fleet Operators.

Only in 2018, Mahou – San Miguel has acquired eighteen fully electric vehicles for their sales force working in Madrid downtown. Moreover, they have shown their commitment to helping their distributors with their efforts of progressively incorporating sustainable vehicles, another goal set in their “Somos 2020” Strategic Framework. Taisa Logistics, their main logistics operator, has joined their sustainable mobility plan through
the acquisition of four liquefied natural gas trucks as well as through the creation of more efficient routes that reduce the number of kilometers driven, and therefore, the levels of gas emitted to the environment.

Mahou – San Miguel currently collaborates with several organizations in order to protect the environment and make a better use of their natural resources. In 2018, they have extended their collaboration agreement with WWF, continuing with their project based on lowering their gas emissions, cultivating raw materials and engaging in sustainable packaging.

They have organized a number of specific actions in order to pursue these objectives, such as the development of a campaign in order to raise awareness on the prevention of forest fires in Galicia and Cuenca, or the environmental volunteering activities in which employees and their families have become involved with the aim of improving the environments in which they operate. It is to highlight the “1m² for nature” initiative of collecting trash in various natural spaces, or the environmental volunteerism in Beteta, which has been recognized in the Regional Environmental Awards of the Government of Castilla La Mancha. About sixty Solán de Cabras employees have participated in this project, planting native trees and bushes in the surroundings of the Beteta water spring and contributing to the recovery of the forest in the shores of the Laguna Grande del Tobar lake, in the province of Cuenca.

Only in 2018, Mahou – San Miguel has destined 8.85 million euros to different initiatives and projects aimed at reducing their environmental footprint, thus, showing their corporate responsibility of contributing to the improvement of the environment in which they operate.

4.3.2.2. Commitment to the community

Mahou – San Miguel’s strong commitment to the society has been evident since the firm’s establishment in the 19th century. Actions such as those carried out by Carolina Valentina Mahou set the basis of the company’s current relationship with the community, opening up a path of engagement in social actions that has lasted for over 129 years.

However, it was not until 2013 that the Mahou – San Miguel Foundation emerged, with the aim of organizing the firm’s social action activities in order to create a stronger
and closer relationship with its surrounding community, especially with the less favored population.

Mahou – San Miguel puts into action their commitment of contributing to society’s development through the implementation of several projects and activities that improve the well-being of the communities in which it operates. Only in 2018, the company has destined a total of 2.9 million euros to social action causes, 800,000€ more than the previous year.

Through “Creamos Oportunidades en Hostelería”, for instance, the firm continues creating opportunities for young people at social risk of exclusion. Led by their Foundation, and carried out in collaboration with Mahou – San Miguel’s on-trade customers, this training program has already placed 90% of the participating youngsters in stable, quality jobs. It has been constantly growing since its creation in 2014, reaching a number of 159 participants in its fourth edition in 2018, and being delivered in the Spanish cities of Madrid, Barcelona, Granada, Burgos and Bilbao. Moreover, within their “Somos 2020” Strategic Framework for Sustainability, Mahou – San Miguel has expressed their commitment to continue providing training to over 1,100 unemployed youngsters at social risk of exclusion through their Foundation.

By developing projects such as “Creamos Oportunidades en Hostelería”, recognized in 2018 with the Promarca InnovaCción Award under the Employment Category, Mahou – San Miguel adopts the role of an active leader of change. Moreover, they show the world their commitment to society’s development by creating projects aimed at improving current social problems, such as youth unemployment, as well as their commitment to the on-trade sector through the creation of a qualified workforce that professionalizes the sector by offering the best quality service.

In addition, they have organized 28 different activities within their volunteering program throughout 2018, reaching the 3,800 hours of work that could not have been possible without the help of 500 of their professionals. Among these, we may find the sending of two pallets of staples for refugees in Greece, breakfast giveaways for the homeless, or the six solidary markets that have taken place in 2018, in which volunteers were able to raise nearly 30,000€ for fourteen different entities: Cáritas Málaga, Apace Burgos, Asociación Caminando, Fundación A La Par… Through these social action activities, Mahou – San Miguel continues accomplishing the mission of MSM Foundation, that is, to contribute in an active and sustainable way to the improvement and
transformation of the society through becoming strongly committed to its development and well-being.

4.3.3. Sustainable talent

Mahou – San Miguel acknowledges their corporate responsibilities of creating sustainable talent through the constitution of a working environment that encourages professional’s well-being, promotes balance between working and leisure time, helps with the professional development of their employees, and guarantees the equality of opportunities within their hiring and promoting processes.

In 2009, they gave birth to a pioneer Equal Opportunity Plan, with the aim of increasing the percentage of women employed at the firm. Only within the last five years, Mahou – San Miguel has managed to boost the feminine presence in the company by 50%, contributing to the inclusion of women in areas that have traditionally been dominated by men. Only in 2018, 47.5% of their new hires have corresponded to women, which slowly helps stabilize the men-women ratio in the firm, as they currently represent 704 out of the 3,177 job contracts of Mahou – San Miguel.

Moreover, they have developed a mandatory Code of Conduct aimed at all of their employees, and have stated the specific commitment within their “Somos 2020” Strategic Framework for Sustainability of ensuring that over 5% of new hires correspond to recent graduates, contributing to the creation of an environment based on respect, equality and diversity, preventing harassment and discrimination.

Mahou – San Miguel, in addition, promotes a culture of collaboration and communication, giving birth to programs such as “Conversamos”, in which open dialogues become key tools for the professional development of their team, or “Dilo”, in which employees are welcome to let the company know about the different causes they are committed with. Moreover, they foster the well-being and happiness of their employees, granting them with athletic trainers and medical teams that are willing to provide them personalized fitness and nutrition plans, as well as through the settlement of a “Happiness Area” that delivers mindfulness and motivational courses in order to promote positive emotions that help improve the daily happiness of their people.

The brewer has recently implemented the “Objetivo 18:30” initiative, in which they establish 18:30 as the limit working hour for employees, ensuring the existence of a
healthy balance between employees’ working time and personal time, which has awarded Mahou – San Miguel, for another year, the certification of Family-Friendly Company (EFR).

This strong commitment to the development of sustainable talent has made the firm, according to the Merco Talento 2017 and 2018 rankings, become the best brewer to work for in Spain, positioning them among the top fifteen companies with the best ability of recruiting and retaining talent in Spain, and making them the 3rd best regarded Spanish company by its employees.

4.4. Analysis of Mahou – San Miguel’s CSR policy

Mahou – San Miguel, as leaders of the brewing sector in Spain, can not ignore their social responsibilities of contributing to the development of its environment. For such reason, they have claimed their desires of becoming active leaders in sustainability in the Consumer Goods sector by integrating sustainable policies across their entire supply chain, respecting the environment, boosting economic growth, and adding value to their stakeholders and to the society as a whole.

Through the establishment of a partnership with the United Nations Global Compact, they have been able to elaborate their “Somos 2020” Sustainability Framework, a three-year plan that has made the firm review all their CSR policies in order to line them up with the seventeen Sustainable Development Goals (United Nations General Assembly, 2015) set for 2030 in order to guide private corporations, governments and the society towards the eradication of the biggest issues that are currently present in the world. In such way, Mahou – San Miguel ensures that their CSR efforts are not based on a series of prompt activities with a diverse nature, but rather on a well-thought, structured, set-in-time plan that makes evident their commitment to the progression of the planet in the long-run.

Mahou – San Miguel, thanks to the constant search for more efficient and innovative ways of running their business, continues growing in size year after year. Only in 2018, it has generated income and wealth by contributing 1,366.8 billion euros to the Spanish economy, creating over three thousand job opportunities and reaching tax contributions of 301.5 million euros to the Spanish State. Furthermore, it remains creating value in other countries apart from Spain, such as in the United States or in India, becoming lined up with the 8th sustainable development goal proposed by the United
Nations, that is, the creation of “decent work and economic growth”. In such way, Mahou – San Miguel, through the efficient running of their business activity, boosts economic growth while creating decent employment opportunities that rises society’s general living standards.

The firm also puts strong efforts in granting society access to employment opportunities through the creation of programs aimed mainly towards unemployed youth at risk of social exclusion. These kind of programs, which have already been delivered to more than 500 youngsters, give them professional training for the on-trade sector, allowing them to get more access to employment opportunities and contributing to the 10th sustainable development goal: the reduction of inequalities.

Another strong point of Mahou – San Miguel’s Corporate Social Responsibility policy is their commitment to the environment. The firm is aware that running their business activity entails two major negative environmental impacts: the usage of vast quantities of water and electricity, and the emission of CO2 gasses that highly pollute the planet, creating a greenhouse effect that threatens our ozone layer. In order to mitigate those negative effects, they have created a series of environmental policies that are lined up with the 13th sustainable development goal set by the United Nations (2015): “tackling climate change”. These policies include the installment of solar energy sources so that the firm consumes 100% renewable electrical power, different activities aimed at reducing the water consumption levels, and the conversion of their sales and distribution fleet of vehicles into electrical in order to reduce their gas emissions.

However, Mahou – San Miguel’s CSR policy is still quite weak in other areas, such as in gender equality issues. Mahou – San Miguel is aware that this problem exists within the firm, and tries to tackle it through programs such as their Equal Opportunity Plan. However, they still have a long road of improvements within this field. Currently, females only represent 22% of the firm’s workforce, meaning that there are just 704 women employed, as opposed to the 2,473 men. These numbers clearly show until what extent Mahou – San Miguel should put its efforts into shifting the brewing sector, one that has traditionally been run by males, into one that grants equal opportunities for women at all levels of leadership, that ensures their full participation and decision-making, and that strives for gender equality, the 5th sustainable development goal proposed by the United Nations (2015).
Another issue that Mahou – San Miguel could try to alleviate is the large amount of plastic materials used in their daily activities, primarily present in the production of their mineral water products as well as in the plastic rings that join their multi-beverage packs. Other competitors from the brewing sector are already dealing with this issue, coming up with innovative solutions in order to reduce the millions of tons of plastic rings that end up harming our oceans.

Mahou – San Miguel, therefore, is assuming bigger responsibilities than ever before, as the firm has realized that, as leaders of the brewing sector in Spain, they have the obligation to lead by example, teaching competitors and small firms the right ways of doing things, and looking for new solutions that contribute to the development of the planet. However, due to the big size of the firm, they still have numerous issues that they have to improve in order to meet their goals of “becoming active leaders in sustainability in the Consumer Goods sector”.
5. SUMMARY AND CONCLUSIONS

The purpose of this end-degree project has been to analyze how the Mahou – San Miguel group, current leader of the brewing sector in Spain, implements Corporate Social Responsibility throughout the firm.

In order to do so, it has been indispensable to conduct a previous analysis of the concept of Corporate Social Responsibility, in which different interpretations of the term across different timeframes have been explained. Moreover, there have been pointed out several arguments both for and against the idea of companies assuming greater responsibilities than those of maximizing profits, with the intention of getting a sense of the evolution of the concept since it started to take its modern shape in the 1950’s, until now. In addition, and as a result of the yet unclear nature of the concept, recent definitions of Corporate Social Responsibility have been discussed in order to get an idea of what experts understand today as CSR, highlighting the recent relevance that the topic has gained, especially, in the last decades.

Latterly, in order to get a deeper understanding of the brewer, it has been reviewed Mahou – San Miguel’s corporate nature and personality through a research on the firm’s historical background as well as through a study of its corporate purpose, mission, vision and values, which help guide the group through its daily operations. A review on the corporate structure of the firm, as well as on its brand and product portfolio is also included within this section, allowing an understanding of the firm’s main business activities.

To end up, a deeper analysis of Corporate Social Responsibility in Mahou – San Miguel has been conducted, from the early forms practiced in the 19th century until their current CSR policies. Their “Somos 2020” Strategic Framework for Sustainability has played an important role in this analysis, which has been divided into three parts for its better understanding: sustainable innovation, sustainable commitment and sustainable talent. Finally, Mahou – San Miguel’s contribution to the development of the world in relation with the seventeen Sustainable Development Goals proposed by the United Nations General Assembly (2015) has been debated, pointing out those areas in which the company is making a strong contribution, as well as those others in which the firm still has to improve its policies in order to get lined up with the mentioned goals.
This project could be completed with an analysis of the Corporate Social Responsibility policies carried out by competitors, or with a further analysis later in time in order to assess the progress of Mahou – San Miguel in terms of CSR.
6. REFERENCES


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