Aalborg University

Master of Science (MSc) in Economics and Business Administration (International Business)

‘’How multinational corporations promots environmental sustainability through independent partners in developing countries with weak institutional governance?’’

Master Thesis

June 2025

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Abstract

The thesis explores key knowledge that informs the study of sustainability implementation by multinational corporations (MNCs) in developing countries. It begins by examining global approaches to sustainability within MNCs, followed by an exploration of the challenges these Mulinational companies faces when operating in developing contexts.

The research focuses on The Coca-Cola Company and its franchising partner Bottlers Nepal Limited (BNL), along with other affiliated actors involved in Coca-Cola’s environmental initiatives in Nepal. Using a qualitative, explorative approach, the study examines the complexities of sustainability implementation through contextual understanding and pattern identification.Data were collected from wide range of sources relevant to the research that offers credibility and validity .

The research highlights the importance of corporate governance, stakeholder engagement, and adaptive strategies in overcoming such barriers. However, less is known about how MNCs manage these issues through independent operational partners in countries where they lack direct control. As the analysis supported by the Stakeholder theory , instituitonal theory and resource dependency theroy which were selected based on the relevance to The Coca Cola Company collaborative strategy . To understand how institutional structures mediate environmental performance, the section focuses on corporate governance and regulatory frameworks that affect sustainability implementation in such countries. Finally, the review narrows in on Nepal, highlighting the institutional and governance challenges of waste management the core sustainability issue explored in this study. This progression from global to local helps identify the gap between MNC-level sustainability strategies and their local implementation in developing countries like Nepal. This study uses waste management specifically PET plastic sustainability in Nepal as a sectoral lens to examine how MNCs manage environmental responsibilities in countries with weak institutional governance.” Emphasize how learnings from Coca-Cola’s waste strategy may apply to other sustainability domains (e.g., water, energy, packaging) and other MNCs operating through local partners. This research explores effective environmental sustainability in weak governance settings requires strategic collaboration, resource alignment, and shared accountability between MNCs and their local partners.

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Introduction

In recent decades, multinational corporations (MNCs) have become central actors in shaping global sustainability agendas. As companies expand operations into emerging and developing markets, their impact on local environments has become increasingly visible and increasingly questioned. This era as the era of sustainability where Multinational companies hold a pivotal role in advancing environmental responsibility on a global scale. Through their operations across various countries, they act as influential leaders, demonstrating dedication to energy efficiency, water conservation, waste reduction, and lowering carbon emissions. Moreover, they help drive the global spread of sustainable practices, paving the way for wider international adoption. (Rönesans Holding, 2023)

Through the resource-intensive production to issues of waste and pollution, MNCs are often seen as both key contributors to environmental degradation and as potential drivers of sustainable innovation. While investment by multinational companies can help boost a host country's economy, it can also lead to serious environmental problems. In some cases, foreign investments have caused major pollution accidents that damaged the country's natural resources and created long-lasting harm to the environment. These incidents have also put the health and safety of local people at risk, showing the negative side of such investments (Bai et al.).

The impact of multinational companies (MNCs) in developing countries is complex and has many different sides, especially because their operations are closely linked and interconnected across various areas. Environmental impacts caused by multinational companies can take many forms, such as local air pollution, overuse of water resources, deforestation, and the creation of waste including packaging waste and electronic waste. These issues also make countries more vulnerable to climate change. Overall, the effects of climate change are not felt equally as developing countries are experiencing most of the harm, while the richest countries face less of the damage (World Benchmarking Alliance, 2020). The paper also highlights that in developing countries, where regulatory institutions are often weak and enforcement is inconsistent, the environmental footprint of MNCs can be particularly significant. While strict environmental regulations can sometimes discourage corporate investment because they raise the requirements for entering the market. As a result, companies may have more tendency to move their investments to countries or regions with more relaxed environmental rules. However, these places often face other challenges such as weaker governance, slower economic development, and even political instability which can increase the overall risk for MNCs. In other words, we can interpret that, when companies try to avoid the high costs and strict standards of environmentally conscious countries, they often end up investing in locations where environmental laws are weaker. But this trade-off comes with its own set of problems. These countries may not have strong legal systems, stable governments, or well-developed infrastructure, making it harder for businesses to operate successfully and safely. Therefore, while trying to escape tough environmental rules, companies may expose themselves to greater risks in the long run (Peng & Jiang, 2021)

Developed countries usually have strong institutions, such as stable political and legal systems, that allow third parties like local communities or environmental groups to speak up and take action when they are harmed by negative side effects of business activities. In contrast, when products, business practices, or models are transferred to emerging and developing countries that lack these systems, the harmful impacts such as pollution or health risks can be much more severe and harder to address (Becker-Ritterspach, Simbeck, & El Ebrashi, 2019).

In developing countries, where regulatory institutions are often weak and enforcement is inconsistent, the environmental footprint of MNCs can be particularly significant. These institutional gaps create a challenging landscape for implementing sustainability strategies, especially when MNCs operate through outsourced partnerships rather than directly owning and managing their local operations. One such model is seen in Coca-Cola's approach to international expansion, where local bottling partners such as Bottlers Nepal are responsible for key production and distribution activities under the Coca-Cola brand. Although these partners are legally independent, the brand reputation and global sustainability goals remain closely tied to the parent MNC. This raises critical questions about how responsibility for environmental sustainability is governed and distributed in such arrangements especially in countries like Nepal, where institutional oversight is limited.

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Problem Statement

Multinational corporations (MNCs) have seen rapid growth in both number and influence, particularly within developing countries. Over the past few decades, these global firms have increasingly turned to emerging markets as strategic hubs not only to source raw materials at lower costs but also to outsource labor-intensive production and tap into expanding consumer bases. This shift has significantly reshaped economic landscapes, bringing investment, employment, and technology transfer to these regions, while also raising critical concerns around environmental sustainability, labor rights, and regulatory capacity (World Benchmarking Alliance, 2020). Multinational corporations (MNCs) hold a dominant share of ownership in companies operating in developing countries, which gives them significant control over how these companies are governed. This influence allows them to shape key decisions such as leadership appointments, financial strategies, and corporate policies according to their own interests. As a result, local stakeholders, including domestic investors, employees, and communities, are frequently sidelined in the decision-making process. Their ability to influence company direction or hold leadership accountable is limited, even though they are directly affected by the corporation's actions. This imbalance raises serious concerns about equity, accountability, and the long-term sustainability of corporate practices in host countries (Wanyama et al., 2018).

Weak governance in host countries often makes it difficult to properly address the harm caused by multinational corporations. When these companies are not held accountable locally, relying solely on regulations from their home countries is not enough to fix the problems (Coumans, 2019). Adaptation to local institutional pressures generally leads to better outcomes for MNCs, but the strategy that yields the most positive results can vary significantly based on the host country's environment.

Svystunova et al. (2023) argue that multinational companies often face a trade-off between adapting to local pressures and following global strategies. While local adaptation can improve outcomes, it may cause tension with headquarters when local demands conflict with corporate expectations. MNCs often face conflicts with local institutions, which can constrain their corporate motivations and operational strategies. This conflict is frequently attributed to the institutional distance between the MNC's home country and the host country. The paper also states that understanding the institutional context of independent partners is vital for MNCs to navigate local challenges effectively, yet this has not received adequate attention in the literature. Additionally, (Musteen et al., 2013) agrees on that MNCs operating in countries with high levels of corruption and weak regulation may fear reputational damage by association with unethical practices or unstable systems. The paper enlightend about limited research on how MNCs manage situations where they have little control over independent partners whose practices may damage the MNC's global reputation.

Research often assumes that the rules and ways of doing things in the home country are the same for the MNC everywhere, which isn’t always true (Svystunova et al., 2023). Expanding research to understudied developing markets, such as Nepal, can help identify unique challenges and opportunities faced by MNCs in such diverse institutional contexts. MNCs' activities affect many different groups in developing countries through their operations, supply chains, and marketing strategies. Their presence can impact workers, local businesses, governments, and communities, by creating opportunities or raising concerns about inequality and environmental degradation. As MNCs expand into developing countries, they often rely on local partnerships such as franchisees, licensees, and contract manufacturers. While this model allows for adaptability, it creates governance gaps in enforcing environmental sustainability. In many cases, the MNC does not directly control the partner's daily operations, yet environmental impacts and social expectations still reflect on the global brand.

Moreover, developing countries can become "resource traps," where most of the benefits from natural resources are extracted by MNCs. Local communities may see little improvement in jobs, infrastructure, or public services, worsening inequality and dependency (World Benchmarking Alliance, 2020). This is particularly critical in weak institutional environments like Nepal, where regulatory bodies lack the capacity to enforce environmental standards and , and make countries dependent on outside companies rather than building their own strong industries and skills. As a result, sustainability responsibilities become fragile with local partners acting semi-independently and MNCs potentially distancing themselves from environmental accountability.

While literature has addressed the role of MNC subsidiaries in corporate sustainability, fewer studies have focused on the governance of independent operational partners .Like the paper (Lartey et al., 2020) highlights MNCs that own production assets overseas are better positioned to adopt sustainable practices due to increased knowledge of foreign stakeholder preferences and regulatory environments and those relying on independent partners may struggle. The literature suggests that MNCs are more likely to invest in sustainable practices when they have ownership of local firms in host countries, indicating a connection between ownership and sustainability engagement, it lacks a focus on the accountability mechanisms for third-party partners in developing countries.

The paper by Marano et al. (2024) underscores the increasing role of multinational corporations (MNCs) in addressing economic, social, and environmental challenges through their sourcing relationships. Marano et al. (2024) emphasize the importance of MNCs acting as institutional change agents within supply chains but also note that the local institutional context is underexplored. Specifically, it highlights the limited attention given to how suppliers' host country environments shaped by institutional, cultural, and socio-economic factors influence their capacity to adopt MNC-driven sustainability initiatives. As a result, the authors advocate for future research to adopt more nuanced frameworks that incorporate these local dynamics and to emphasize relational governance approaches over purely control-based mechanisms.

Just having operations in a country doesn't mean an MNC is contributing to sustainability. Only embeddedness measured through actual local impact can show whether the MNC is helping achieve real development outcomes. Bartel (2018) suggests that the concept of embeddedness is key to sustainability in MNCs, but there's a lack of empirical work on how MNCs implement this in developing countries ,especially through non-owned partners such as local institutional engagement, supplier relationships, and socio-cultural alignment affect the actual environmental sustainability outcomes in franchise or licensing models where MNCs do not maintain full ownership or direct control. Although existing literature highlights the potential of multinational corporations (MNCs) to positively influence local economies through embeddedness by engaging with SMEs, transferring knowledge, and supporting local capacity, there is limited understanding of how these embedded practices are actually implemented in developing country contexts. There is a lack of empirical insight into how MNCs navigate embeddedness in environments characterized by weak institutions and limited public policy support. The same holds for insights from (Ferdausy & Rahman, 2009)) (Momin & Parker, 2013) who stress there has been understanding how MNCs influence local actors through foreign direct investment and CSR but paper reconized the need for future research about indirect control over environmental sustainability in developing countries .

Coca-Cola's relationship with Bottlers Nepal Ltd. illustrates this tension. While Coca-Cola promotes global sustainability goals, it does not directly own or manage its bottling operations in Nepal. This raises a critical question: to what extent can MNCs remain accountable for environmental sustainability when operations are outsourced in contexts with limited regulatory oversight? Despite Coca-Cola's global commitments, the local enforcement of these standards in Nepal remains unclear. And Nepal presents a relevant context due to its limited waste management infrastructure and weak regulatory enforcement, which pose significant challenges for implementing effective sustainability practices (World Bank, 2021). This gap highlights the need to examine how multinational corporations (MNCs) can uphold their sustainability commitments and remain accountable when operating through legally independent partners in weak institutional settings where both formal enforcement mechanisms and informal stakeholder oversight are limited. It also raises questions about how these MNCs can influence, support, or even compensate for institutional deficiencies to ensure meaningful environmental outcomes through their local affiliates

This study aims to fill this research gap by focusing on the environmental sustainability governance mechanisms of MNCs through independent partners in Nepal.

Research Question and Objectives

Main Research Question (RQ):

How can multinational corporations promote environmental sustainability through independent partners in developing countries with weak institutional governance?" (PET bottle Waste management in Nepal).

Sub-questions:

- What environmental responsibilities do MNCs delegate to independent partners in developing countries?
- How do weak institutional environments affect accountability between MNCs and their partners?
- What strategies can MNCs use to strengthen environmental governance and accountability in contexts with limited formal enforcement?

Research Objectives:

- To explore how MNCs operational structures influence sustainability implementation across contexts.
- To explore the governance mechanisms used by MNCs to oversee local operational partners.
- To assess how weak institutional settings affect MNC accountability and partner compliance with sustainability commitments.

Significance of Study

This study contributes to a deeper understanding of how multinational corporations (MNCs) can maintain environmental responsibility in developing countries where operational control is decentralized, and institutional enforcement is weak. By focusing on the case of Coca-Cola and its independent bottling partner in Nepal, the study highlights the practical challenges and strategic decisions involved in governing sustainability across fragile organizational structures.

The research is significant in academic terms as , it addresses a relatively underexplored area within sustainability and international business literature i.e the governance of environmental responsibility in outsourced MNC operations. Most studies focus on internal mechanisms but pay limited attention to the role of operational partners as stakeholders in sustainability implementation .Our study highlights the unique challenges that arise in managing environmental sustainability in contexts with limited institutional capacity. With a deeper research on developing countries sustainability issues we found the most arising topic on Nepal’s waste management system that faces a range of structural and governance issues, including weak enforcement, poor infrastructure, and limited public awareness. Understanding how Coca-Cola navigates this landscape offers valuable lessons for other MNCs operating in similar environments.

The paper addresses core problem in developing countries with Multinational Companies struggling to execute its priniciples and environment goals. The multinational corporations (MNCs), like Coca-Cola, rely on independent local partners like(Bottlers Nepal Limited, BNL) to meet their global environmental sustainability goals but it's not clear how effective or practical this is, especially in developing countries. Coca-Cola has strong global environmental commitments (e.g., recycling, water use reduction), but Coca-Cola itself does not directly operate in Nepal. Instead, BNL is an independent company (not owned by Coca-Cola) that bottles and distributes Coca-Cola products under license. It underscores the importance of collaboration between local governments, private companies, and international organizations, and shows how such partnerships can help bridge governance gaps and promote sustainable practices.

Nepal's regulatory environment is weaker than in many other both developed and developing countries , which raises questions about BNL following coca cola's global environmental standards operating in such challenges like cost, infrastructures and local environmental regulations. So, the real problem is the uncertainty and potential mismatch between Coca-Cola's global environmental promises and what is actually being done on the ground in Nepal by its independent partner. By narrowing the focus to PET bottle waste management, this study hypothesizes that similar strategic approaches may be applied across other dimensions of environmental sustainability. PET bottle waste management thus serves as a representative entry point into the broader sustainability framework adopted by Coca-Cola and its local partner, Bottlers Nepal Limited. Through this lens, the study explores how initiatives targeting plastic recovery and recycling reflect the overall governance, motivation, and stakeholder engagement mechanisms that shape environmental sustainability practices within the MNC-partner relationshipBy identifying strategies, gaps, and best practices, this research also contributes to ongoing debates about corporate accountability, global supply chain governance and impacts of Mnc in developing countries.

Literature review

MNC Sustainability.

The expansion of multinational firms and the strengthening of the global economy undoubtedly play a significant role in the force that drives the present day of globalization. Multinational companies have been key agents in advancing globalization, and today, it is largely realized through their operations and influence (Akyildiz, 2006 As globalization grows, the world is facing more and more sustainability problems that go beyond the borders of any one country or economy. Issues like pollution, climate change, and unfair working conditions affect many parts of the world at the same time. Because of this, countries and companies need to work together to find solutions that can help everyone (Zhao et al., 2024). However, the way multinational corporations (MNCs) operate when they invest in other countries through foreign direct investment (FDI) can lead to negative side effects for the host country. We cannot agree more that Multinational corporations do help drive in economic globalization, but their influence on developing countries is not always beneficial. These companies often aim to maximize efficiency and benefit from large-scale production. As a result, they may move their operations from countries with strict rules and regulations to those with more lenient laws. To attract or retain these corporations, developing countries may feel forced to lower their standards by cutting taxes, easing labor laws, and reducing environmental protections. This creates a situation where countries may sacrifice long-term development and sustainability in order to stay attractive to foreign investors (Hassan, 2013). One of the biggest problems in these developing countries is environmental pollution. This often happens because companies may take advantage of weaker environmental laws or cheaper production costs in the host country. As a result, factories may release harmful waste, use too many natural resources, or damage local ecosystems. These actions can harm the health of people living nearby and have long-term negative impacts on the environment (Balcilar et al., 2023).

Furthermore, the extent to which developing countries enforce environmental regulations on multinational corporations is often influenced by the fear that these companies might move their operations and jobs to other countries. Governments may worry about the possible economic consequences, such as job losses and reduced foreign investment, which can make them hesitant to impose strict environmental rules. Multinational corporations (MNCs) also have the power to influence policy decisions at the international level. In many global forums, corporate lobbyists advocate for policies that favor business interests, often at the expense of environmental protection. This influence can lead to weaker regulations and allow companies to continue practices that harm the environment without facing serious consequences.

Although the MNCs have both positive economic and social impacts on the local communities, the level of environmental effects and social disruptions consequences impact level can be altered through the size of MNCs, the nature of the industry and similarly the level of government regulation. By establishing sustainability standards, offering incentives, and collaborating with other players in the system, multinational companies (MNCs) can play a powerful role in driving the shift toward more sustainable, responsible, and inclusive value chains. In doing so, they can significantly contribute to achieving the goals of the 2030 Agenda for Sustainable Development (World Benchmarking Alliance, 2020)

Sustainability initiatives within multinational corporations (MNCs) focus not just on short-term profits, but also on long-term goals that aim to create positive impacts on both society and the environment. These efforts often include reducing carbon emissions, improving labor conditions, supporting local communities, and using resources more responsibly, all of which contribute to more sustainable and ethical business practices (Riikkinen et al., 2017). A rapidly changing climate, collapsing ecosystems, and growing pressure from stakeholders have pushed many multinational corporations to place greater emphasis on long-term sustainability. As a result, more companies are now actively engaging in conversations and taking steps to implement strategies that address environmental and social challenges, aiming to create lasting, responsible impacts.

MNCs are increasingly adopting structured approaches to attain sustainability into their corporate strategies. One most common framework is the Triple Bottom Line (TBL) concept, which emphasizes the need for corporations to focus on three key dimensions: social, environmental, and economic performance. The TBL framework encourages companies to measure success not only by profits but also by their effects on people and the environment. This approach encourages MNCs to consider a wider range of stakeholders and take responsibility for the social and environmental impacts of their activities (Oluwatosin Yetunde Abdul-Azeez et al., 2024).

MNCs seek to integrate sustainability strategies that support both long-term business success and stakeholder expectations. This transformation is reflected in their adoption of established frameworks like the Global Reporting Initiative (GRI) standards and the United Nations Sustainable Development Goals (SDGs), which provide comprehensive guidelines for both reporting on and incorporating sustainability into corporate strategies. The SDGs also provide a universal roadmap for sustainable development, encouraging MNCs to align their operations with global sustainability objectives (Oluwatosin Yetunde Abdul-Azeez et al., 2024). The business operational model plays a crucial role in advancing sustainability initiatives in developing countries. These nations often encounter unique challenges such as limited resources, inadequate infrastructure, and socio-economic inequalities which require innovative approaches to achieve sustainable development (Li & Wu, 2025). Such inconsistencies often related to the operational models that MNCs use to conduct business abroad, particularly in developing countries. Gaining insight into the relationship between these models and sustainability governance is crucial for evaluating how well MNCs manage and mitigate environmental challenges at the local level.

Sustainability challenges in developing countries

Throughout the region, MNEs are vital factors in fostering transformative change, making important contributions to economic development, social well-being, and environmental sustainability. With their resources, technology, and international presence, they are well equipped to help nations meet the SDG targets (Iguchi et al.). National institutions have a strong influence on how MNCs operate and plan their strategies. Laws, policies, and local cultural practices all shape the way multinational companies do business, pushing them to adapt their operations and sustainability efforts to fit the specific conditions of each country. Institutions in emerging markets are often less developed and more volatile compared to those in developed countries, which can heighten their influence on the sustainability practices of MNCs. The unpredictability and evolving nature of these institutions require MNCs to be more adaptive and responsive in managing their environmental and social responsibilities (Chen et al., 2009).

Although CSR initiatives by multinational corporations (MNCs) may appear to tackle specific challenges in developing countries, they often fall short of addressing the underlying political and economic systems that enable these problems in the first place. Some MNCs are attracted to developing countries not because they want to contribute to development, but because of economic incentives like tax breaks, low labor costs, and minimal regulation. Although some companies implement CSR policies to present themselves as socially and environmentally responsible, these initiatives frequently occur within a "context of double standards," where the company’s practices differ between home and host countries. This indicates that even as companies adopt progressive reforms in certain areas, they simultaneously maintain harmful practices in other aspects of their business. So these harmful practices may include worsening labor standards and conditions in company supply chains, increases in absolute levels of pollution; avoidance and evasion of tax; and corporate lobbying efforts that are aimed at blocking social and environmental regulations or advancing policies that may harm society and the environment (Hilson, 2012).

While markets globally face challenges, the issues are particularly acute in developing countries, where inefficiencies, institutional weaknesses, and poor regulatory enforcement hamper economic growth, slow job creation, and impede progress toward key development objectives. Such conditions create unstable environments that can deter investment and undermine efforts toward long-term sustainable development. These market problems are often described as “institutional voids.” While such voids exist in every country, they are especially prevalent in developing countries, where they play a significant role in shaping and often constrain economic activity. These voids reflect gaps in market-supporting institutions, such as legal systems, regulatory bodies, and infrastructure, which are essential for smooth business operations and sustainable development (Heeks et al., 2021).

MNCs are often proactive in their home country in pursuing sustainability, regularly reporting on processes and outcomes to demonstrate their commitment and accountability to stakeholders. In contrast, when operating in host countries, MNCs are rarely top performers and are less likely to implement similar sustainable practices. However, in host countries, as mentioned earlier, they are often less committed, applying double standards that fall short of the environmental and social practices upheld in their domestic operations (D'Souza et al.). When multinational enterprises (MNEs) operate in developing markets, they frequently face challenging such institutional voids that might not exist in their home markets . Therefore, such institutional voids can create sustainability challenges for multinational companies operating in developing countries (Andrews & Luiz, 2024). Environmental sustainability has been a issues in developing countries , the major problems for most of the MNCs is the the waste that has been prior barrier inorder to mitigate environmental challenges. To understand the scenario according to the paper by (He, 2024) ephasizes that developing countries often lack adequate waste management infrastructure, policies leading to inefficient waste and worsening pollution problems. It has also been acknowledged that environmental regulations vary by country, and in many developing nations, enforcement of environmental protection is weak or overlooked. Host countries for MNCs may tolerate polluting activities because of the significant economic benefits these corporations bring. As a result, there is often a general lack of strong commitment from the host country, its partners along with the MNCs, to ecological and environmental protection in such developing countries (He, 2024).

Understanding Governance and Institutional Structures in Developing Economies

From the report on world bank article World Bank. (2016, February 24) *Corporate governance* explains corporate governance (CG) as the system used to manage and control companies. It makes sure that companies, their owners, and regulators are accountable in the region they operate. Good corporate governance helps companies work better and avoids problems like corruption or bad management. When companies follow strong governance rules, they build trust and confidence among investors, workers, customers, and the public, which helps the company grow and succeed in the long term. Corporate governance ensures a company's development, growth, and long-term survival, while holding it accountable for how power and control are exercised over its operations. It establishes the framework through which companies are directed and controlled, ensuring that the interests of shareholders and other stakeholders are safeguarded through transparent and responsible decision-making (Ogwengo et al.)

The core purpose of corporate governance in any country is to safeguard the interests of shareholders. While other investors such as creditors, suppliers, and employees can typically protect their interests through formal contracts with the company, shareholders are different. A country's corporate governance framework comprising legal protections, regulatory oversight, and institutional checks is essential to ensure that managers and directors act in the best interests of shareholders and stakeholders. In countries where corporate governance is strong, clear rules and active enforcement help reduce agency problems and build investor trust. In contrast, in countries with weak governance, shareholders may struggle to hold management accountable, which can undermine market confidence and limit economic growth. This highlights why developing a robust corporate governance system is critical for a country's financial stability and long-term investment potential (Oman, 2003).

Similarly, according to the book by Charles P. Oman states that In many developing countries, corporate and political governance systems are often built around personal connections and networks, and corporate governance tends to be weak. This was clearly seen in East and Southeast Asia during the financial crisis. However, these relationship-based systems are not always incompatible with national development strategies that rely on mobilizing large amounts of resources such as labor, capital, and land to drive economic growth.

It is crucial to establish an appropriate, efficient, reliable regulatory, legal, and institutional framework to ensure the implementation of good corporate governance practices (Arslan & Alqatan, 2020) Corporate governance systems are inherently part of larger institutional and legal structures, meaning that the success of governance practices is closely tied to the quality and characteristics of the institutional environment surrounding both corporations and their stakeholders (Fiss, 2007).

For example, multinational corporations (MNCs) operating in countries with high corruption levels may achieve only minimal performance gains from governance reforms unless these reforms are carefully tailored to the local context and challenges (Chen et al., 2025). Similarly, Developing country markets often adopt corporate governance (CG) practices from developed countries, even though their institutional environments differ significantly. As a result, policies designed for developed markets may not be effective in emerging markets, due to weaker institutions and distinct capital market structures (Arslan & Alqatan, 2020).

These countries typically face challenges such as ineffective regulation, widespread corruption, limited transparency, and a strong dependence on international grants and loans to support their economic activities. There are also some external pressure from non-governmental organizations (NGOs), environmental activists, and the international community is generally limited (Masud et al., 2018).Our paper recognizes these stakeholders as important factors that creates influences and pressure to both the MNCs and their independent partners in the host country on corporate practices and strengthening the local government regulatory framework regarding environmental sustainability.

Institutional and Governance Challenges in Nepal’s Waste Management System

Nepal’s waste management system remains outdated in waste collection and management practices which is also under-resource. Despite the implementation of frameworks like the Solid Waste Management Act (2011) and Solid Waste Management Regulation (2013), enforcement remains minimal. Many local governments lack the capacity, budget, or infrastructure to operationalize these laws (UN Environment Programme, 2021) .The Local Government Operation Act (2015) assigns local authorities the responsibility for waste management, yet most municipalities face resource shortages, political instability, or limited awareness. As (Dangi et al., 2018) the paper discussed about the execution of environmental policy and action plan 1993 on collection of wastes remains unfinished because of the lack of infrastructure support by the Nepal government in municipalities.

Although there are many laws and policies related to solid waste management (SWM), they are rarely enforced and often poorly implemented. Waste management remains a relatively low priority for the government. In Nepal, it is still at a underdeveloped stage because waste management system largely dependent on the informal sector, which collaborates with scrap dealers and recycling facilities either within the country or across the border in India (Park et al., 2024) One detailed review found that the national government does not provide enough resources, and responsible agencies lack the necessary knowledge and capacity to manage waste effectively(UN Environment Programme, 2021). Government leadership has been inconsistent and cooperation among stakeholders minimal. From the paper by (Dangi et al., 2018) Nepal's regulatory framework suffers from a lack of coherence and coordination, with ministries frequently enacting laws and regulations on an ad-hoc basis, often leading to contradictions and overlaps. Similarly , (Central Bureau of Statistics, 2021) points one of the major reason behind the struggle of waste management in Nepal is considered to be inadequate coordinating mechanism among the three levels of governments (federal, provincial and local) and there is no established mechanism for systematically evaluating the effectiveness of these legal instruments or for monitoring their environmental outcomes. The report by (Central Bureau of Statistics, 2021) indecates that only few of the municipalities established the strict measures, such as fines, for violations of waste management regulations. The data highlights a widespread absence of regulatory enforcement and institutional accountability across most municipalities in Nepal. (Dangi et al., 2018) provides the facts that there hasn't been any reporting of colletion of fines and about administrating the the law breakes for creating waste .

Furthermore, implementation is weakened by the absence of government agencies collaboration and limited engagement with private sector stakeholders. The government's preference for a top-down, command-and-control legislative model further limits adaptive governance and undermines participatory environmental policy-making (Central Bureau of Statistics, 2021. As, this literature support the finding from the article by (Ojha, 2021) through Kathmandu post released that Nepal has struggled to manage plastic waste effectively. For example Sudden ban of plastic, Despite the government's ban on polythene bags four years ago, they are still widely used, largely due to legal loopholes and weak enforcement. The ban does not cover production, and illegal imports from China and India persist. Moreover the post also prints about public awareness remains low. Although these plastics are technically recyclable, inadequate infrastructure and limited public awareness have worsened the problem of plastic pollution(Ojha, 2021; Taylor, 2018).

While public awareness of environmental sustainability is growing, it is not yet widespread or deeply institutionalized. Nevertheless, NGOs such as Clean Up Nepal, the Environment and Public Health Organization (ENPHO), and Plastic Free Himalaya have been instrumental in initiating public education campaigns, waste audits, and community-based recycling projects (UN Environment Programme, 2021) . For example, Tourism agencies and local NGOs attempt to manage trekking waste along major routes, often receiving financial and technical support from global partners like the World Bank and UN-Habitat and national partners like Nepal Army . However, despite this support, institutional coordination is still inadequate. These efforts are often supported by international donors and development agencies, helping to fill the gaps left by government institutions. According to the (Dangi et al., 2015) States that despite ongoing efforts, many planned initiatives were not carried out, with the failures often attributed to Nepal's shifting political landscape. Policy implementation heavily relies on donor funding and grants, with the government frequently adopting technologies and support programs favored by donor countries. As a result, many of these projects are donor-driven rather than tailored to local needs. The absence of clear policies and procedures to effectively utilize aid at the local level leads to missed opportunities and undermines the contributions of third parties and multinational corporations.

The report by years (Dangi et al., 2015) also emphasized that community recycling centers face considerable limitations, and the development of public-private partnership (PPP) initiatives was delayed due to the absence of formal collaboration frameworks until recent years (Dangi et al., 2015) Recycling infrastructure in Nepal can process certain materials such as PET bottles, metal scrap, beer bottles, and paper through different organizations like SIPA Solutions (a volutary initiatives), Doko Recyclers and Khalisisi . However, much of the remaining waste is exported to markets like India because of which development of a circular economy and initatives for environmental sustainability is constrained due to weak institutional capacity, outdated regulatory mechanisms and limited public engagement .((Labra Cataldo et al., 2023).

The increase in plastic consumption, driven by consumer goods industries including beverage companies, has led to severe plastic pollution in Nepal's rivers, landfills, and streets. According to the Clean Up Nepal (2021) report,kathmandu Valley alone produces over 500 tons of waste daily, with plastic waste accounting for more than 15%. However, only a little of this is collected and processed through formal systems. Informal waste pickers play a critical role in the recycling ecosystem, but they often operate without legal protection or systematic support.

Even though Nepal has weak institutions and many challenges in managing waste, the government has started taking steps by creating new policies and programs to support the Sustainable Development Goals (SDGs). These efforts also show that the government expects more cooperation from local governments, civil society, and private companies to improve waste management together (Central Bureau of Statistics, 2021).

Theoretical framework

Stakeholders' theory

According to stakeholder theory companies must align their activities with the expectations and needs of various stakeholder groups. These stakeholders can include shareholders, employees, customers, suppliers, local communities, and even government bodies. The theory emphasizes that companies should not focus solely on maximizing profits for shareholders but should also consider the interests and well-being of all parties affected by their operations. By doing so, firms can build stronger relationships, enhance trust, and ensure long-term success and sustainability (Velte, 2023). Stakeholders directly impact management decisions related to a corporation's operations and the information it discloses, highlighting the role of stakeholder pressures in shaping corporate behavior and policy implimentation. (Mousa, 2010).

The literature (Mahajan et al., 2023) highlights that for organizations to exist and grow, they must gain support from these stakeholders. MNCs operate across the globe, engaging with a wide range of markets and environments. However, each region and country is unique, presenting its own specific opportunities and challenges for MNCs. The lack of sustainable development worldwide creates diverse interests and expectations among stakeholders, which, must be addressed to ensure balanced and responsible business practices (Smaliukienė, 2007). As a strategic approach to attiain such responsible business practicess when a multinational company operates in a remote country, it often focuses on securing legitimacy from its key stakeholders, who are typically based in its home country and hold significant influence over the company's overall reputation and success (Barkemeyer, 2007).

Stakeholder expectations focus on what internal controls are in place to promote transparency and accountability, and how the company upholds ethical governance practices, such as implementing codes of conduct and actively preventing corruption, bribery, and other unethical behaviors(Sancha et al., 2022). (Velte, 2023) also states that the information presented in environmental reports (ER) and environmental performance (EP) measures is considered valuable to stakeholders as it gains their supports and attain transparency . It helps them assess the company’s environmental transformation and the broader effects of its business operations on both the environment and society.

By (Freeman & Mcvea, 2018) Stakeholder theory stresses flexibility, which makes it helpful for connecting many different ideas. For example, it links how companies are managed, and the relationships between people inside and outside the company. It also connects to important topics like ethics, how companies should act fairly and responsibly and environmental issues, such as how businesses impact nature. Because of this, stakeholder theory can be used to understand many parts of business and help companies make better decisions that consider all the people and things they affect.

(Michelon & Parbonetti, 2012) emphasizes that companies must actively engage with their stakeholders to establish and maintain their legitimacy, ensuring that their operations are aligned with stakeholder expectations and societal standards .The paper by (Donaldson & Preston, 1995) explains close connection with stakeholder is about managing a company in a way that cares for all groups involved. It not only explains what is happening but also gives ideas on how companies should act and be organized to work well with their stakeholders.

Since, Stakeholder engagement is more important than ever because constant disruptions and unexpected challenges in the market, companies are morally responsible for considering the needs and interests of all their stakeholders. By effective stakeholders’ management, businesses can build trust and stability, which supports long-term profitability and success (Mahajan et al., 2023). As they must be managed in long run with the different approaches like market research, public relations, and planning and similarly forming a strategic partnership identifying the common goals and reducing the organization barriers (Freeman & Mcvea, 2018) . Stakeholders play a crucial role in shaping corporate legitimacy strategies by emphasizing the importance of understanding and addressing the needs and expectations of various stakeholder groups. It offers a structured framework that helps companies identify their key stakeholders, assess their influence and concerns, and develop targeted strategies to engage with them effectively. Organizaitons can build stronger, trust-based relationships with stakeholders, enhance their reputation, and secure long-term support. As (Barkemeyer, 2007) highlights that this approach not only helps firms maintain their legitimacy within society but also fosters sustainable business practices that align with both corporate objectives and stakeholder interests which is supported by paper by (Mousa, 2010).

Environmental information is important to a wide range of stakeholders because business activities have a significant impact on both the environment and the people connected to it. Within the same context (Velte, 2023) metioned as Stakeholders, including customers, investors, local communities, and regulators are increasingly concerned with how companies manage their environmental responsibilities and the effects of their operations on natural resources and public health. These stakeholders place significant pressure on organizations to uphold high standards of environmental and social responsibility whether by reducing their carbon footprint, minimizing waste, preventing abusive labor practices, or ensuring compliance with human rights standards (Wijethilake et al., 2017). A relationship exists between stakeholder pressures and a company's environmental performance, with increased local demands and concerns typically encouraging companies to adopt stronger environmental measures and improve their sustainability outcomes. (Montiel & Delgado-Ceballos, 2014). Hence by engaging stakeholders, understanding their needs, and acting to meet their expectations, the MNC not only builds trust and legitimacy but also helps ensure that its global brand is protected. Stakeholder theory emphasizes that ignoring local concerns can damage reputation and long-term success, even if the MNC is not directly running the operations.

Like wise the literature by (Michelon & Parbonetti, 2012) argues that strong corporate governance and transparent sustainability disclosure are closely connected and serve as complementary strategies that help companies build trust and improve their relationships with stakeholders. Therefore our paper considered that the stakeholder's theory stresses the importance of addressing sustainability issues such as environmental sustainability and the need of transparency about their activities to their stakeholders.

As (Velte, 2023) metioned as Stakeholders, In the context of Coca-Cola and Bottlers Nepal, stakeholders include Nepali consumers, government agencies, NGOs, waste workers, and community members. The provide a direction on how The Coca Cola Company and Nepal Bottlers Ltd. consider the interests of all stakeholders affected by their operations including customers, employees, regulators, suppliers, and local communities rather than focusing solely on shareholders. The theory help us to understand the sustainability responsibilities of the Multinational corporations like Coca cola , and the partnership of BNL to meet that sustainbilities especially to their local partners in local context.

This theory is relevant to the study because it helps analyze how Coca-Cola addresses stakeholder expectations in a developing country like Nepal context. It also supports an understanding of the pressures BNL faces to uphold Coca-Cola's sustainability image, even while operating under different local conditions and constraints. The theory will also provide a transparent understanding about which acutal factor is responsible for Coca Cola and BNL motivation towards Nepal environemental sustainability.

Institution theory

Institutions are typically understood as formal and informal rules, regulations, norms, and shared understandings that shape, restrict, and enable behavior within a society or organization(Brammer, Jackson, & Matten, 2012).The paper described institutions as a formal or informal, structural, societal, or political system that operates beyond the individual, is founded on commonly held values, possesses a degree of stability, and plays a significant role in shaping behaviors and actions. Institutions play a direct role in shaping the tools and options available to a firm as it works to develop and carry out its strategy and build a competitive advantage. Institution as a formal such as laws and regulation and informal institutions such as norms and cognition helps to gain strategic behaviours and firm performance. However, in developed economies when markets function well, the supporting institutions often go unnoticed but in emerging or developing economies where markets perform poorly, the lack of strong formal institutions becomes clearly (Peng et al., 2008). (Pinto, 2017) highlights on organizations across various industries and regions tend to adopt similar behaviors, practices, and structures the decisions and behaviors of organizations and individuals are shaped, controlled, and directed by the broader institutional environment, including rules, norms, and cultural expectations.

Institutional theory describes how external pressures can influence an organization's decisions, leading it to adopt specific practices and actions to fit its environment through such national cultural norms, regulations, and industry standards (Fiorini et al., 2018). While the paper by (Fortwengel, Gutierrez Huerter O, & Kostova, 2023) explains that the broader institutional environment shapes organizations operatations , with external pressures encouraging firms to adopt or adapt specific practices and these actions are often motivated by the need to achieve and sustain legitimacy within their industry or society .

(Aragon-Correa et al., 2025) explains Institutional theory–inspired research tends to examine how dimensions of firms' social environments drive CG actors to consider environmental sustainability as a means of maintaining legitimacy (Aguilera et al., 2021) . (Li et al., 2016) also highlights that in an international context shows that the relationship between corporate governance mechanisms and anti-misconduct policies is influenced by the country's legal and business environment. The impact of these governance practices varies depending on whether a firm operates in a strong or weak legal and business setting. Environmental performance is significantly influenced by the institutional frameworks of the host country. Additionally, pressures from supranational institutions play a key role in shaping how MNCs harmonize their environmental practices and standards across different parts of their global networks (Zhou et al., 2023).

It is undoubtly that institutions influence like laws, regulations, and government agencies that shape how companies behave. But over time, researchers began to include other influences, like similar companies in the same industry or different parts of the same company. For example, when a company sets up a unit to export, form a joint venture, or license in another country, that unit often faces pressure to follow both the rules and culture of the host country (external pressure) and the company's own internal rules and expectations (internal pressure). This means these units must balance fitting in locally while staying consistent with their parent company (Hessels & Terjesen, 2008).

MNEs are more likely to shape their CSR practices in response to institutional pressures than through a proactive strategic business approaches (Husted & Allen,2006).Institutional pressures come from the environment around organizations, governments, culture, industries, or public expectations and they shape how companies operate to fit in, survive, and be seen as legitimate. These institutional pressures are the external forces that influence how organizations behave often pushing them to adopt the similar practices , structures or standards to gain legitimacy, survive and succeed with in the region that they have their operations (Wijethilake et al., 2017) . The paper also stress that organizations experience different institutional pressures during their operation to meet the demands in local context and these pressure might come from laws, regulations, or formal rules imposed by governments or powerful institutions which are coercive pressure when company complies with environmental laws and normative pressure that rise from societal norms, values, and expectations, especially from professional communities, industry associations, or the public where an organization adopts sustainability practices because society expects businesses to care for the environment. Mimetic pressures which are driven by uncertainty companies copy or imitate others (especially successful ones) to reduce risk or appear legitimate. When independent partners (like franchisees, suppliers, or licensees) operate under or alongside an MNC, they often face uncertainty in their local environment, especially in developing or less regulated markets. To reduce that uncertainty and gain legitimacy, they tend to imitate the MNC's practices, standards, or reputation(Wijethilake et al., 2017) ,(Fiorini et al., 2018), (Fortwengel et al., 2023).

Institutional pressures cause organizations operating within the same environment to adopt similar structures and practices, making them more alike over time (Magnano et al., 2024). Companies operating internationally must navigate multiple institutional pressures, often finding it challenging to secure legitimacy with every key stakeholder group. This complexity requires them to carefully balance global standards with local expectations to maintain trust and compliance (Amer, 2022). While national institutions and their prevailing norms shape organizational behavior and stakeholder reactions, firms retain a degree of flexibility to manage these relationships strategically, allowing them to adapt to institutional pressures while pursuing their own objectives (Gupta et al., 2020). The paper (Morgan, 2001) also argues that National institutional contexts shape the strategies and structures of firms by influencing how they operate, make decisions, and respond to stakeholder expectations within specific legal, cultural, and regulatory environments. Likewise (Zhou et al., 2023) argues on that MNCs use their internal institutional framework to minimize ambiguity, foster trust, and facilitate the transfer of capacities and expertise within the organization, with the ultimate goal of enhancing their legitimacy in diverse environments . While Nepal, for example, is characterized by underdeveloped environmental regulation and limited enforcement capacity. These institutional weaknesses can create significant challenges for enforcing corporate sustainability standards and The MNC internal institution helps to fill the gap to attian environment sustainabiliy.

Organizations today operate within multiple institutional spaces, spanning across national boundaries. Their strategies and practices shaped by local institutional environments and global institutional actors such as international NGOs, transnational regulatory bodies, and multinational industry standards who influence corporate behavior from a global space rather than within a specific national context (Rana, 2015) .While the paper by (Peng et al., 2008) reflects on developing countries possess weak institutions in which civil society tends to appear as complementary to formal and informal institutions in our report we can argue supporting this literature that MNCs adopt their different CSR policies according to the specific institutional contexts in which they operate and through CSR engagement, MNCs showcase their social commitment to the host country, allowing them to adapt to and reflect the expectations and pressures of local institutional environments (Zhou et al., 2023). Hence, the theory hepls to explore on how MNCs like Coca-Cola may struggle to implement their global sustainability frameworks when operating through independent partners such as Bottlers Nepal Ltd., who are embedded in a different institutional setting.

In our paper Institutional theory focuses on how organizational behavior that is of The Coca Cola Company and Bottlers Nepal ltd is shaped by social norms, rules, and institutional pressures. It suggests that organizations seek legitimacy by conforming to the expectations of their institutional environment. In this research, institutional theory helps explain the dual pressure faced by BNL i.e Coca-Cola's global expectations for sustainability and governance, and the weak regulatory enforcement typical of Nepal. This theory is particularly useful in examining how BNL negotiates between formal (global) institutional frameworks and informal or underdeveloped local systems. It is relevant when evaluating how global sustainability standards are interpreted and implemented in developing country contexts where institutional governance may be weaker. t supports this study's analysis of how Coca-Cola and Bottlers Nepal Ltd. respond to institutional pressures in Nepal and the extent to which these pressures facilitate or hinder environmental sustainability efforts. It also supports analysis of why MNCs, despite outsourcing operations, still shape how partners navigate institutional gaps. This theory can provide a lens to our report for understanding either Bottlers Nepal is influenced is it just by Coca cola global polices and not by the regulatory , cultural , and social norms of nepal or by both of these factors.

Resource dependency theory

Resource Dependency Theory focuses on a firm's ability to build relationships in order to access the external resources it needs to survive and grow. The theory assumes that organizations are not fully self-sufficient and must actively make strategic choices to achieve their goals. According to this perspective, firms are dependent on other actors within their immediate "task environment" such as suppliers, customers, or regulatory bodies for critical resources. As a result, they work to manage these dependencies through partnerships, negotiations, or structural adjustments to reduce uncertainty and maintain control over essential inputs(Hessels & Terjesen, 2008).

Firms often possess unique resources such as technology, expertise, or market access that their partners depend on to reach their own goals and stay competitive**.** As both of the parties or firms tend to exploits other dependence which might lead to a conflict-driven relationship atmosphere and unfavorable business outcomes. Resource dependency does not always lead to such conflict between parties but in different cases, these relationships are balanced and cooperative, with both parties benefiting through collaboration, open information sharing, and joint strategy development (Hofer et al., 2012).

To understand on RDT we analyze from the paper (Hillman et al., 2009) highlights firms manage interdependence and navigate network relationships, particularly in the context of interorganizational cooperation and strategic partnerships that are formed to manage and reduce environmental and social uncertainties. These uncertainties are often driven by external factors such as regulatory changes, stakeholder pressures, and shifting institutional expectations. So in correspondent to MNC and its host country local firms relations we can apprehend that as much as local firms in the host country often depend on MNCs to bring its valuable resources, Multinational corporations (MNCs) also frequently depend on resources outside their home countries to sustain their operations. These cross-border dependencies naturally push MNCs to expand globally, engaging in exchanges and competition with foreign entities. Over time, such activities contribute to the growth of an increasingly interconnected international network of organizations (Jiang et al., 2022). Certain resources may become relationship-specific assets, meaning they are tailored to a particular partnership and these assets increase the value of the relationship and make partner firms more dependent on them to gain strategic benefits. However, if firms don't have the resources they need, they are likely to build partnerships with others to obtain them. (Chand & Tarei, 2021) By developing strategic partnerships, firms can access critical resources, share risks, and enhance their ability to respond to complex environmental and social challenges. With this statement we can adress our understanding of that even the stronger MNCs operating in the host country need the integration of all other local firms and CS to achive its goal and its corportate sustainability towards the host country environment activities. And it is important to maintain such relationships to reach the organization goals to meet own interest because such relationships serve as vital linkages for firms, helping them manage and reduce the uncertainty they face within their external environment. So, in such case effective partner coordination and resource sharing can lead to significant gains in environmental performance while also enhancing overall productivity (Sarkis et al., 2010).

(Cuervo-Cazurra et al., 2021) emphasis that multinational corporations rely on local partners not only for their local expertise or market access but also as a way to shift operational control away from corporate headquarters. This dynamic can create a situation where the local partner becomes more influential in shaping on-the-ground practices, including those related to environmental sustainability. As a result, internal dependency shifts from the headquarters to the host country partner. This shift opens up new questions about how such arrangements are managed and whether they contribute to actions that may fall short of the multinational’s stated sustainability commitments particularly when institutional oversight in the host country is weak and local stakeholder pressure is limited. Hence dependence on such factors may open up for an interesting way of looking at resource dependency theory where local companies in their home country are involved in unethical corporate practice and local firms or partners might appear to engage in environmental sustainability activities more as a means of gaining legitimacy or fulfilling corporate image requirements, rather than implementing meaningful or transformative practices. These efforts may be largely symbolic or surface-level focused on public relations or meeting minimal expectations while underlying practices may still reflect profit-driven motives or even unethical behavior. As a result, sustainability becomes more about optics than impact, raising concerns about the authenticity of corporate environmental commitments in weakly regulated contexts.

The literature by (Davis et al., 2009) explores that there are the different factors where the organization does not operate fully independently . As they rely on the resources of externals and other organizations. As the stated earlier ,organization's behaviors is shaped like social context matter which is the external environment like government , partners , stakeholders and competitors. Similarly, organizations trying to remain autonomous they develop strategies to reduce their dependence on others and maintain as much control as possible in their operations. And the organization emphasizes power where one organization has the ability to use the resources of its partners and how to deal with them. Because of such dependence the power dynamic develops between the partners and there is Resource Dependency Theory apart from other approaches where its emphasis on the role of external resource control and power dynamics in shaping organizational. Factors that influence access to and use of resources will impact the power dynamics between the firms particularly in terms of control and decision-making authority(Peng & Beamish, 2014) . Therefore It is the degree of resource dependence that determines the bargaining power of each party in their strategic decision on environmental actions for sustainable development.

According to (Pla-Barber et al., 2020) firms within a multinational corporation can differ in their access to power depending on their role. This variation is influenced by factors with the level of the firm's embeddedness in local environments and its understanding of local conditions. Similarly, the firm's status and perceived importance within the broader corporate network and the extent to which the partnering firm operates independently from MNCs control. These factors collectively shape the firm's ability to influence decisions and adapt strategies to its local.

Moreover, (Rana, 2015) perspective, MNEs gain cognitive and socio-political legitimacy in the host country by leveraging the reputation and social networks of their local partners. To further strengthen their position, MNEs often collaborate with NGOs, industry associations, or other influential actors to gain joint legitimacy not only within the local society but also from government bodies and global institutions. These partnerships help MNEs access critical non-market resources, such as trust, regulatory support, and social acceptance. Likewise (Rana, 2015) also explains that such factors can also limit the strategic options available to MNEs, as they must align their operations with external environmental of host county and social standards to maintain access to critical resources and legitimacy. From the above literature we can also relate that when organizations are mutually dependent but the partner controlling more important resources retains strategic control. While Interdependence can be a means of reducing uncertainty and enhancing firms' performance which can be an important factor and mechanism for reducing uncertainty and enhancing firm performance, it also plays a crucial role in fostering mutual support between host country partner firms and multinational corporations (MNCs). This collaborative dynamic can strengthen corporate governance structures and facilitate the achievement of shared corporate objectives.

Resource dependency theory argues that organizations are dependent on external actors for critical resources and must strategically manage these dependencies to survive. In relation to the paper by Peng & Beamish, 2014) Power and influence flow from those who control scarce or valuable resources. Applying this to Coca-Cola and BNL, the theory highlights that while BNL is legally independent, it relies heavily on Coca-Cola for technology, brand reputation,legitimacy, product formulas, and sustainability frameworks or access to sustainability programs may be under The Coca Cola Company's control . But On the other side , Coca-Cola depends on BNL for access to the Nepali market and local execution . This mutual but unequal dependency helps explain how Coca-Cola can enforce environmental practices indirectly, by shaping the resources BNL needs to operate. Similary, Same goes with the BNL since The Coca- cola has the huge investment , Grants and funds this theory will helps us to analyze if its the motivation of BNL to follow the global principles of Coca Cola or its internal motivation Our analysis uses this theory to explore how resource flows shape environmental practices of any company .

Case Background: The Coca-Cola Company and Bottlers Nepal Ltd

The Coca-Cola Company and Bottlers Nepal Ltd

This chapter provides the background of The Coca-Cola Company and its independent bottling partner in Nepal, Bottlers Nepal Ltd (BNL). Understanding the corporate structure, operational model, and sustainability framework of both companies are very important for analyzing the research question regarding how multinational corporations (MNCs) ensure environmental sustainability through local partners in developing countries.

The Coca-Cola Company: A Global Overview

The Coca-Cola Company is a leading global beverage corporation headquartered in Atlanta, USA. With a presence in over 200 countries, Coca-Cola operates under a franchise model. It produces beverage concentrates, which are sold to licensed bottling partners worldwide. These bottlers manufacture, pack, distribute, and market the final products. TCCC offers a diverse portfolio of beverages, including soft drinks, juices, teas, and bottled water. TCCC runs with the public agend that aligns with its mission i.e To refresh the world and make difference.TCCC involves in operation around the world through collaboration and leadership with private and public sectors. Coca-Cola's core product remains one of the most recognized beverages worldwide, playing a key role in generating the company's total revenue of $47.06 billion in 2024. (The Coca-Cola Company, 2025)

TCCC business model relies on franchised distribution system which was established in 1889. The company produces the syrups then sells them to its authorized distributors or bottlers around the world. While these bottlers operate territorial contracts, manafacturing, packaging and distributing the finished bottles in their assigned markets. This model has helped TCCC for a long time to maintain global presence while adapting to the local market policies and needs through its bottling partners. Coca-Cola has adopted a refranchising strategy, transitioning away from direct ownership of bottling operations to a model that relies on independent bottling partners. While some bottlers remain company-owned, the majority are now operated by local or regional partners, enabling Coca-Cola to focus on brand management, product innovation, and global marketing.

To create a global impact The Coca Cola Company established ,The Coca-Cola Foundation is the global philanthropic arm of The Coca-Cola Company, established in 1984 to support sustainable community initiatives worldwide. Since its inception, the Foundation has awarded more than $1.6 billion in grants to support initiatives around the world. As a philanthropic approach the The Coca Cola Foundation has helped many countries , for example it has helped many developing countries and african countries during natural disasters and even during Covid . Even the approach is not directed in the area of achiving through sell of products , it has aligned its initiatives towards it global goal to creat an impact. The Foundation's mission is to make a difference in communities by investing in transformative ideas and institutions that address some of the world's most pressing challenges. The Coca-Cola Company. (2025). *The Coca-Cola Foundation.*

Sustainability is a central component of Coca-Cola's global strategy. The company outlines its environmental goals in reports such as the Business & Sustainability Report and has committed to a "World Without Waste" initiative, which includes goals to collect and recycle a bottle or can for each one sold by 2030 and to make all packaging 100%

recyclable. The company also focuses on water stewardship, climate action, waste management and community engagement as part of its holistic approach to sustainability.

Coca-Cola's Bottling System in Nepal: Bottlers Nepal Ltd (BNL)

In Nepal, Coca-Cola's products are manufactured and distributed by Bottlers Nepal Ltd. (BNL), a public limited company listed on the Nepal Stock Exchange. Established in 1979, BNL operates two bottling plants: one in Balaju, Kathmandu, and another in Bharatpur, Chitwan. These facilities produce a range of beverages, including Coca-Cola, Fanta, Sprite, and Kinley water, catering to the Nepalese market. (Bottlers Nepal Limited, 2024)

BNL functions as a strategic but independent partner under Coca-Cola's franchise system. While it is legally and operationally autonomous, it is required to align with Coca-Cola's global policies, product standards, and sustainability principles. In Nepal, Coca-Cola operates through Bottlers Nepal Ltd (BNL), an independent bottling partner responsible for manufacturing, distribution, and local sustainability initiatives. This hybrid relationship places BNL in a unique position which make the abide the policy with Coca-Cola's sustainability vision while also navigating the specific institutional and infrastructural challenges of Nepal. BNL has already been involved in various sustainability initiatives aligned with TCCC's global goals.One of the achievement from the motivation of guiding principle of TCCC in 2014 BNL, in collaboration with partners, initiated Nepal's first legal and environmentally friendly PET bottle recollection initiative in Kathmandu, contributing to a cleaner environment through efficient collection and disposal of used PET bottles. This partnership reflects Coca-Cola's broader strategy of leveraging local expertise to navigate country-specific institutional environments. In addition, BNL has focused on water stewardship, energy usage reduction, and packaging waste recovery as part of its commitment to sustainable practices.

BNL plays a critical role in Coca Cola or The Coca-Cola's Company (TCCC) supply chain and brand presence in Nepal, a country facing considerable challenges in waste management and environmental governance. TCCC along with BNL lauched many campigns and events inorder to mitigate environmental challenges. Despite these efforts, Nepal's waste management infrastructure faces challenges, including limited recycling facilities and inadequate waste collection systems. BNL's initiatives operate within this constrained environment, highlighting the need for some core improvements to achieve long-term sustainability goals. Therefore, the relation between Coca-Cola and BNL offer valuable insight into how multinational corporations (MNCs) attempt to enforce global sustainability commitments through decentralized, locally embedded partners.

Relevance to the Research Problem

The partnership between Coca-Cola and BNL is representative of how MNCs work through local actors in developing countries with weak institutional governance. BNL is responsible for the implementation of Coca-Cola's environmental commitments, including waste management and plastic collection, but its ability to do so is influenced by Nepal's weak regulatory environment, weak enforcement, and lack of insfrastructure and slow development. Not only to the regulatory environment, being as the developing country Nepal lacks the awareness regarding the inivironmental issues which also constrains the participation of public in The Coca Cola Company initiatives.

In order to know if TCCC's depends on BNL to execute its sustainability initiatives in Nepal or its uses its dynamic relationship of its partners in local context , where all the other corporations must balance global expectations with local operational realities. As BNL operates within Nepal's regulatory environment, it often addresses institutional gaps by engaging in voluntary initiatives and forming strategic partnerships. To understand to what extend there is the reliance between TCCC and BNL for local market penetration and implementation of sustainability programs.

This case helps explain how weak formal and informal institutions in Nepal increase external pressure on both The Coca-Cola Company and Bottlers Nepal Ltd, leading to a shared and interdependent approach to managing environmental accountability. Coca-Cola's influence over BNL is exercised through financial support, technical guidance, and global branding requirements rather than direct ownership. From the research, the paper explores on most of the imortant factor among those that influence BNL activities to aling the Global Goal of TCCC. The case highlights the broader question of how MNCs can shape sustainability outcomes when operating through partners in countries with institutional gaps.

In this context, BNL serves as a lens to explore the balance between global sustainability goals and local implementation realities, making it a critical case for understanding MNC behavior and accountability in developing economies.

Methodology

This chapter outlines the research methodology employed to investigate how multinational is. This chapter outlines the research methodology employed to investigate how multinational corporations (MNCs) manage environmental sustainability through their operational partners in developing countries with weak institutional governance. The methodology in this paper describes research design, case selection, data collection methods, and analytical approach. The aim is to provide a clear and transparent account of how the study is structured and conducted. This chapter explains why we chose various research approaches to guide our research and address the research question.

According to Dawson (2019), research methodology is the primary guiding principle for any research. It becomes the broad approach to research on any issue, determining the research method that's employed. Research methodology differs from research methods, research methods are the tools used to collect data (Dawson, 2019). When choosing the most suitable research approach, several factors must be considered. These may include potential research limitations and ethical concerns that could impact on the study's overall quality.

Our Methodology implements this overarching strategy and rationale behind a study outlines how the research will be carried out, how data will be analyzed, and how findings will be interpreted. Essentially, it serves as a roadmap that guides the researcher in systematically addressing the research questions and fulfilling the study's objectives.

Research Design and Approach

This thesis applies a qualitative research design grounded in a case study approach to explore the environmental sustainability practices of multinational corporations (MNCs), with Coca-Cola's operations in Nepal as the focal case. The thesis revolves around the research question—"How can multinational corporations ensure environmental sustainability through independent operational partners in developing countries with weak institutional governance?"

As the design of to gain the complex insight the research has the exploratory nature of this study, a qualitative case study approach is adopted. This design enable an in-depth investigation of complex, context-dependent phenomena, particularly the governance of environmental responsibility across organizational and institutional boundaries. The case study approach is well-suited to answering "how" and "why" questions and allows for deeper meaning of relational dynamics . This research is based on an interpretivist way of thinking, which means it views knowledge as something shaped by people's experiences and social contexts. Instead of trying to find one absolute truth, the study aims to understand how Coca-Cola and its partners view, share, and carry out sustainability efforts within Nepal's complex institutional environment. This approach helps explore how different actors like companies, governments, and communities create and communicate their own understanding of sustainability, both locally and globally and work together collaboratively.

The study uses an inductive method of reasoning. Instead of beginning with a fixed hypothesis based on existing theories, it gathers qualitative data from various sources and analyzes it to let themes and patterns emerge on their own. The aim is to develop understanding from the ground up by exploring how Coca-Cola’s global sustainability goals are applied, carried out, and understood within its operations in Nepal.

Data Collection Methods

Methodos Choices

As the lack of access to primary data, this study relies entirely on secondary data collection, comprising publicly available materials, including corporate reports, press releases, third-party research articles, and media content such as videos and public conference footage. This methodological choice is guided by the nature of the research question, which investigates how environmental sustainability is presented and implemented across institutional and operational layers of a multinational system. The approaches that are used are suitable for conducting qualitative case study analysis in contexts where field access is limited or where data already exists in rich and publicly available forms.

Case studies, literatures were found from Science Direct (Scopus) and Google Scholars , university library were utilized to examine real-world applications and outcomes, providing insights into specific scenarios and their impacts. And similarly, all the information was sourced from the company's official website and the local partners websites, which offered up-to-date, publicly accessible details on their operations, services, and strategic focus. Information was examined through published articles about the company, which offered external analyses and critiques, helping us gain a broader and more nuanced understanding of the organization from multiple perspectives.And the external sources used backed by academic findings for validation and reliabiliy .

Sources for the relevant documents

Peer-reviewed journal articles, academic books, news, blogs, policy papers, and industry reports form the foundation of the theoretical and contextual background. Sources were selected based on their relevance and match to stakeholder theory, institutional theory, and resource dependence theory each paly a role in creating the structure to interpret on what corporate environment do The Coca Cola Company , BNL and its partners operate in .

Official documents from The Coca-Cola Company and Bottlers Nepal Limited and even their partners official pagegs were reviewed to assess formal commitments, initiatives, and accountability mechanisms. These include sustainability reports, environmental updates, press statements, and content from both the The Coca-Cola Company and official websites. In addition, documents from intergovernmental organizations (e.g., UNDP, World Bank) and regional institutions (e.g., Investment Board Nepal) were used to understand the policy environment and institutional pressures shaping sustainability efforts in Nepal.

Data Sources.

- **Corporate reports**: Coca-Cola Company's global and regional sustainability reports; Bottlers Nepal Ltd.'s publicly available reports (e.g., CSR disclosures, annual statements).
- **Institutional and development agency publications**: Reports from the World Bank, UNDP, and other international organizations addressing environmental sustainability and governance in Nepal.
- **Academic literature**: Peer-reviewed journal articles addressing mnc sustainability, Sustinability in developing countries, waste management ,and theories like institutional theroy, resource dependency theory , stakeholder theory.
- **NGO and media sources**: Investigative articles, NGO reports, and local media coverage on Coca-Cola, plastic waste, and environmental governance in Nepal, vlogs, podcasts, youtube from These diverse sources enhanced the credibility of the findings and made it able to come into understanding of the issue.

Qalitative sources – A sources from digital videos

To fill in the gap of primary sources by seeking an opportunity to gather information from digital communication that corporate use for transperency among the public. This study covers the qualitative video analysis from three publicly available YouTube videos. These videos provide unique insight into Coca-Cola's stakeholder narratives, sustainability messaging, and public engagement strategies:

- Interview with Kurt Ritter
  (https://www.youtube.com/watch?v=4U4DeDHQ5wA
  This video is interviewed by Kori Goldberg (Manager, Circular Economy – GreenBiz Group) with Kurt Ritter(VP and General Manager of Sustainabiliy for North America, The Coca Cola company . Coca-Cola's global sustainability lead, discussing engagement with stakeholder collaboration, packaging goals, and waste reduction. Key quotes were extracted and analyzed to understand how Coca-Cola frames its sustainability strategy and stakeholder engagement. Key quotes were used like '' Educate the consumer on recycling '' , '' work with suppliers and partners'' , '' road map for plan'' and '' partnerships'' '' localize '' , ''customer as partner'' . Which gave us an insight into how Coca Cola does in developed countries regarding its plastic waste management.

- Press Conference: Coca-Cola & Bottlers Nepal – "World Without Waste
  (https://www.youtube.com/watch?v=UcYb3S2ibXc)

  This joint press conference showcases Coca-Cola's global commitment being localized through Bottlers Nepal. Statements from executives and project leaders were reviewed to interpret the practical implementation and localization of global sustainability goals. The statements of NBL partners HCI (Himalayan Climate initiative) represented by Silsila Acharya (CEO). Some key quotes were extracted like ''partnership with The Coca Cola Foundation '' , aslo mention about '' hub and spoke model '' , '' initaitives with BNL'' and '' knowledge sharing ''. That provides us How The Coca Cola Company reaches to local level through BNL ,and other organization .

These videos were treated as valid primary qualitative sources due to their public, official, and institutional nature. Transcriptions of relevant sections were made, and their content was coded and analyzed alongside textual data using thematic analysis.

By combining these resources, our data collection approach allowed for overall analysis, ensuring that findings of how Coca Cola control on the environmentally sustainable activities of Nepal bottlers. Likewise, why and how Nepal bottlers endure Coca Cola’s global strategies within the local context.

Data selection

The project focuses on selecting data that is directly relevant to understanding how Coca-Cola’s global sustainability strategies are implemented by its local partner, Bottlers Nepal Ltd., within a weak institutional context. Selection criteria were guided by the relevance, credibility, and only the secondary data were taken which were accessible .

The data selection was done based on the both the coca cola and BTL NEPAL its recent approaches on strategies to achieve environmental sustainability. The data selection is completely unbaised since the data were chosen based on their thematic connection to the core issues explored in the thesis namely, environmental sustainability, multinational corporate accountability, and stakeholder engagement in developing countries and so on.

Data Analysis

The research applies thematic analysis, which involves coding some of the qualitative data to identify patterns and themes across different sources. Data media content, and video transcripts were analyzed together under categories derived from the theoretical framework: stakeholder influence, institutional pressure, resource dependence, and legitimacy construction. Since these themes were not pre made but were identified from the collected data as an inductive approach allowing the study to uncover the patterns in attainaing environment sustainability in complex global boundaries.

Ethical Considerations

Ethical approval is obtained from the relevant academic institution sites. All data is stored securely and used solely for academic purposes. As this study relies exclusively on publicly available secondary data, there were no direct human participants, and thus no ethical approval was required. All sources are cited appropriately, and intellectual property rights have been respected in accordance with academic integrity standards.

Additionally, digital media (including the videos used) may reflect public relations biases. However, the use of critical and media reports/news, and institutional sources mitigates this risk through comparative analysis.

Limitations of the Study

The collection of primary data was not feasible hence the absence of those data limits our research to capture the internal decision-making process or employees' perspectives on how they are influence:

- **No primary data**: The absence of interviews or field access may limit the depth of insight into internal decision-making processes within Bottlers Nepal Ltd. or Coca-Cola.
- **Reliance on available documents**: The study is constrained by the availability and transparency of secondary data. Corporate reports may reflect selective disclosures or emphasize positive achievements.
- **Single-case focus**: While the Coca-Cola–Nepal case offers valuable analytical insights, the findings are context-specific and not generalizable across all MNCs or countries, However could be generalized on different aspects within the Company itself.

Summary

This chapter has outlined the methodological framework guiding this study, including qualitative design, case selection, data collection, and analysis strategies. By focusing on Coca-Cola's outsourced operations in Nepal, the research seeks to generate insights into how MNCs manage environmental responsibility through independent partners in weak institutional contexts.

Analysis

The analysis part entails a comprehensive examination of how Coca-Cola's global strategies and standards influence the operations of Bottlers Nepal Limited (BNL), particularly in the areas of environmental sustainability through waste management, regulatory compliance and local adaptation. It also explores how and why BNL, despite being an independently owned entity, aligns itself with Coca-Cola's expectations due to strategic dependencies, contractual obligations, and shared goals. The discussion draws on secondary data, including corporate reports, sustainability publications, and media sources, to provide insights into this dynamic relationship.

The Coca cola global sustainability commitments (PET Bottle Waste management)

An american corportation that was founded in 1892 which is now known as the world largest manufactures , sells and markets various soft drinks as Coca-cola and other non-alcoholic beverages concentrates and syrups and alchoholic beverages around the globe With operations in over 200 countries and a portfolio of more than 500 brands, Coca-Cola remains one of the most successful and globally recognized companies. However, due to its widespread presence, the company frequently encounters criticism and scrutiny across various regions. Globally, The company has been criticized for plastic pollution as some environmental groups blames soft drinks for world wide plastic pollution mention in the news article by (Russ, 2022). For instance The coca cola company or its bottling plants in some countries has been accused of significant drop in ground water levels , drought conditions were seen by extracting excessive ground water for its botteling plants and contaminating water supply . In-terms of the waste management The coca cola company has been accused of misleading consumers on environmental friendly products and about the plastic clogging the oceans . Similarly , As coca cola pledge falls flat for 100 percent of reusable, recyclable, or compostable plastic by 2025 the company was sued for false statement that seemingly happens to be lacking of transparency and accountability . These challenges often relate to the specific ways Coca-Cola structures its operations, the degree of control it maintains over local partners, and the differing political, environmental, and institutional contexts of the host countries in which it operates. Coca-Cola has demonstrated how a globally operating multinational can balance the tensions between adopting universal and local strategies, challenging the traditional view that these two approaches cannot c-oexist (Simões-Coelho et al., 2023).

The Coca-Cola company revised its environmental goals , extending the timeline to 2035, its sustainability efforts the company has recently strongly committed in improving water securituy and waste management (The Coca-Cola Company, 2024). The updated objectives include aiming for 35% to 40% recycled material which in primary packaging through PET (polyethylene terephthalate) considered as highly recycled materials and increasing recycled plastic use to 30% to 35% globally. Similarly ,policy of coca cola globally is to help ensure the collection of 70% to 75% of the equivalent number of bottles and cans introduced into the market annually. Coca-Cola continues to invest in sustainable packaging solutions, the complete transition to PlantBottle technology for all plastic bottles remains a work in progress. These Strategic Alignment relates on how sustainability is embedded into Coca-Cola's overall global strategy not just for external reputation but as a business model transformation. With a large global footprint and high visibility, Coca-Cola has faced increasing scrutiny over its environmental impact, particularly concerning water usage, plastic waste which our study is focused around and The Coca-Cola Company has also set ambitious goals for 2030, concentrating on four key focus areas like water stewardship, women's empowerment, consumer well-being, and waste reduction. These priorities reflect the company's broader commitment to social responsibility and environmental sustainability which is transferred to its global operations as a guiding principles.

Coca-Cola's global approach to sustainability emphasizes partnerships as a key strategy to achieve a circular economy in plastic waste management. In an interview with Kurt Ritter ,the company's Vice President and General Manager of Sustainability for North America Kurt Ritter outlined four layers of collaboration throug partnerships with the waste management industry and polymer centers for sourcing recycled materials, customer partnerships with universities, sports venues, and theme parks, peer industry collaborations, and legislative partnerships to support well-designed collection policies. These partnerships allow Coca-Cola to secure access to critical recycling inputs and reduce dependence on virgin plastic, positioning the company to move toward a bottle-to-bottle recycling model. A 2022 report cited in *The Guardian* hightlighted the direct word from coca cola ‘’ we aim to collect and recycle a bottle or can for every one we sell by 2030 globally’’ These goals are implemented across its global system, which includes both company-owned operations and independently owned bottling partners. (Laville, 2022) The company remains committed to complying with local regulations, including in regions where higher percentages of recycled content are mandated, ensuring its operations align with both global sustainability goals and country-specific requirements as clearly defined by (The Coca-Cola Company, 2024).This partnership strategy aligns with Resource Dependency Theory (RDT), which emphasizes how organizations manage external dependencies. Coca-Cola in global context leverages partnerships to gain stable access to recycled materials, influence policy, and reduce uncertainties in its operating environment. These relationships also help Coca-Cola exert strategic influence over its independently operated bottlers, who must align with global sustainability frameworks despite operating in diverse institutional settings.

Meanwhile the paper (Simões-Coelho et al., 2023) states The Coca cola sustainability highlights the company’s strategy of tailoring its sustainability efforts based on local priorities, rather than applying a uniform global approach across all markets for example ‘’A campaign toward Human Immunodeficiency Virus in Uganda . In response, the company has committed to a number of ambitious sustainability goals designed to align its operations with international environmental standards and stakeholder expectations. The Coca-Cola Company has leveraged its ESG strategy to enhance its brand image and reputation. By setting ambitious goals, actively addressing key challenges, and engaging in collaboration with stakeholders, Coca-Cola continues to strengthen its role as a responsible and forward-thinking global enterprise .Institutional isomorphism, where organizations adapt their strategies to fit the specific institutional environments of host countries in order to maintain legitimacy and operational continuity. This suggests that Coca-Cola would also tailor its environmental initiatives such as recycling or plastic reduction efforts to reflect the institutional capacity, stakeholder expectations, and socio-environmental challenges of the local context.

In the paper (Simões-Coelho et al., 2023) mention on what Coca-Cola’s Vice President of Sustainability highlights the company views external demands. Rather than describing it as “pressure,” but from the paper reffered to it as part of “stakeholder engagement” and a way to understand what is expected of the company . The paper points out acknowledgement that “external pressure has always been there and will always be there,” suggesting that ongoing stakeholder expectations are seen as a constant and necessary part of their sustainability approach.

Some of the examples from the Financial times titled "*Coca-Cola’s ESG Challenges Amid Sustainability Efforts",* released about how Environmental groups and investors have pressured Coca-Cola to address its role in plastic pollution. Meaning those Activist investors and environmental groups have pressured the company to reduce its reliance on single-use plastics and to increase transparency regarding its environmental impact (Smith, 2024). In response, Coca-Cola committed to disclosing its investments in reusable packaging and tracking the outcomes of these initiatives.

In La Calera, an article by Sánchez (2025) metioned that a municipality near Bogotá, Coca-Cola's subsidiary FEMSA faced opposition over the exploitation of seven springs in the Santa Helena forest reserve. Local communities, supported by NGOs and legal advocates, challenged the renewal of the company's water extraction concession, citing concerns over water scarcity and environmental degradation. Coca-Cola’s local bottler faced resistance from communities and regulators over its request to renew spring water extraction rights. Under external pressure, the company submitted environmental impact documentation and engaged with local authorities.

Similarly, In a press release by (BEUC, 2025) Complaint filed in 2023 by the European Consumer Organisation (BEUC) and 13 member groups from across the EU. EU's Circular Economy Action Plan and stakeholder demand for plastic reduction, Coca-Cola publicly committed to collecting and recycling the equivalent of every bottle it sells by 2030 in Europe. Adapting the EU policy Coca-Cola publicly committed to collecting and recycling the equivalent of every bottle it sells by 2030 in Europe. The EU Commission is expected to continue monitoring the implementation of Coca-Cola's commitments and how other companies respond to the complaint (BEUC, 2025) .In response to strong regulatory from EU and normative institutional pressure The Coca Cola Company adapts to these regulatory frameworks and societal norms more proactively and publicly to sustainability demands.

Likewise , when the bottlers are not solely controlled by The Coca cola company the environmental actions taken by Coca-Cola's bottlers are often driven by corporate directives as an internal motivation from The Coca-Cola Company (TCCC).Diretives that focus on reaching by 2030 like world without wase states its bottlers to Collect and recycle the equivalent of every bottle or can sold by 2030 and ensure all packaging is 100% recyclable by 2025. Bottlers are directed to invest in collection systems, recycling partnerships, and consumer education campaigns. For example, Coca-Cola Consolidated (USA) improved recycling access in stadiums and switched to more recyclable clear Sprite bottles. For instance, when leading bottlers like Coca-Cola HBC implement advanced sustainability measures such as achieving ISO 14001 certification or investing in renewable energy and other bottlers may feel compelled to follow suit to maintain legitimacy within the Coca-Cola system and meet stakeholder expectations. As Corporate Governance Compliance, Coca-Cola mandates strict adherence to ethical business practices and transparency. This emulation ensures consistency in environmental practices across different regions, reinforcing the brand's global commitment to sustainability. While these goals are corporate directives, the manner and extent to which individual bottlers achieve them can be influenced by observing the strategies and successes of their counterparts, further exemplifying mimetic behavior. These corporate directives provide a framework for environmental responsibility, the adoption and implementation of specific initiatives by Coca-Cola bottlers are also significantly shaped by institutional pressures and the desire to align with industry best practices demonstrated by similar other bottlers companies.

To address these complexities, Coca-Cola has embedded sustainability into its governance systems. Through Coca-Cola Company's Code of Business Conduct provides a core framework for promoting ethical behavior and guiding decision-making across its global operations. This code applies to all employees, officers, and directors, as well as to subsidiaries and entities where Coca-Cola holds majority ownership or operational control. It highlights key principles such as integrity, accountability, and make it stick to the legal and regulatory standards. Employees are expected to act ethically, follow the company's values, and report any concerns through formal channels like the EthicsLine. In addition, Coca-Cola has developed a Supplier Code of Business Conduct that sets clear expectations for its suppliers and partners. This includes compliance with laws, ethical conduct, the protection of human rights, avoidance of conflicts of interest, prohibition of bribery, accurate record-keeping, and safeguarding of confidential information. These guidelines help ensure that all entities connected to Coca-Cola operate under consistent ethical standards, strengthening the company’s broader commitment to responsible and transparent business practices.

Coca-Cola's approach to stakeholder engagement is grounded in principles of transparency, inclusiveness, consistency, and accountability. Coca-Cola actively engages and partners with a wide range of public and private entities including governments, non-governmental organizations, businesses, suppliers, academic institutions, and local communities to advance environmental stewardship initiatives and reduce its overall environmental footprint. This collaborative framework ensures that Coca-Cola's corporate social responsibility (CSR) initiatives are not only globally consistent but also locally relevant. By engaging stakeholders through meetings, conferences, briefings, and public engagements, the company fosters partnerships that drive positive impact and create shared value. Coca-Cola's stakeholder engagement strategy plays a pivotal role in embedding CSR and sustainability practices across its global operations, ensuring that both the company and its partners are accountable to the communities and environments they serve.

For bottling partners operating in diverse host countries, adhering to these codes plays a crucial role in ensuring that corporate social responsibility (CSR) initiatives are both locally relevant and globally consistent. By aligning with Coca-Cola’s ethical framework, bottlers not only support the company’s international reputation for integrity and sustainability but also respond effectively to local regulatory requirements and stakeholder expectations. Coca-Cola’s global structure reflects how the company organizes itself to meet local demands while maintaining a strong global presence. This makes it a valuable case for examining the complexities of implementing a consistent corporate sustainability agenda one that aligns with global principles yet remains adaptable to the specific environmental and social challenges of each local context (Simões-Coelho et al., 2023).

Mentioning the need of collaboration, EVP and Global Chief Communications, Sustainability & Strategic Partnerships Officer on (The Coca-Cola Company, 2025). “We know we will have more chapters in our journey and that we can’t do it alone,” Perez said. “Continued collaboration, targeted investments and well-designed policies are crucial to help create shared value for all.”from the own words of Beatriz Perez(EVP and Global

Chief Communications, Sustainability & Strategic Partnerships Officer) with that aim In 2024, The Coca-Cola Company announced updated voluntary environmental goals with the aim of delivering on the company's purpose to Refresh the World and Make a Difference (The Coca-Cola Company, 2025). These focuses on Achieving these ambitions that will require continued investments in innovation and infrastructure solutions, enabling legislation and further collaboration with bottling partners, industry peers, local governments and civil society for CSR programs and initiatives regarding the environmental sustainability . The updated Coca-Cola's sustainability plan shows how the company works through many layers. While Coca-Cola sets global goals, it depends on local bottlers and partners to put them into action. For example, they ask partners to use water more responsibly and improve packaging. Coca-Cola doesn't control everything directly, but they still keep track through outside checks and regular reports. This way, the company shares the work but stays responsible for the results. For example, by 2030 global goal is to Replenish 100% of the water used in finished beverages globally where much of this work is funded by The Coca-Cola Foundation and executed by bottlers and suppliers.Similarly, use 50% recycled content by 2030 so, here Bottlers are responsible for implementing local recycling systems and refillable packaging.

An article by Brown Harrods (2024) Coca-Cola's actions has global effects not just in one country. Some of their operations are through bottling partners or fully owned companies in developed countries, where strong laws help control environmental impact. In developing countries, even if regulations are weaker, there is still pressure from institutions to act responsibly. However, in places where both regulations and waste management systems are weak, the environmental damage can be much worse. Coca-Cola has also been accused of lobbying governments to block stronger plastic laws. By doing this, it was understood that in most of the developing countries the company can avoid full responsibility for the plastic waste it creates. In response to that global pressure Coca coal lunched some high sustainability commitments , Through The Foundation helps Coca-Cola build trust and legitimacy among communities and governments regarding such issues. The Coca cola company deploy its strategic CSR responsibiliy in the host country and support local development through The Coca cola foundation that shows that CSR isn't just operational (through bottlers), but also philanthropic. Coca-Cola, through its global philanthropic arm the Coca-Cola Foundation pledges at least 1% of its prior year's operating income annually to support initiatives such as water access, recycling, education, and women's empowerment. Invest in transformative ideas and institutions through grants and impact investments,leverage the capabilities and insights of the Coca-Cola system to help partners successfully implement projects and build partnerships across organizations and geographies to help deliver impact at scale (The Coca-Cola Company, 2025). As of 2023, the Foundation has awarded over $1.6 billion in grants to various programs that align with its mission to address complex global challenges and leave a measurable impact in communities where the company operates.

Coca Cola Foundation recently has donated 10 million usd grant International Union for Conservation of Nature(IUCN) With an ambition to drastically reduce plastic leakage into oceans n the Island States of Africa and the Indian Ocean in September 2023. The latest initiatives by The Coca Cola Foundation right this 2025 january, The Coca-Cola Foundation (TCCF) and the United Nations Development Programme (UNDP) launched a $15 million that focuses on promoting recycling, minimising plastic pollution, developing country specific solutions in nine asian country(South west asian business unit of Coca cola) that also includes NEPAL which our report hightlights on a press release by the United Nations Development Programme (2025) . As being Coca-Cola, a very important foreign investor in Nepal, has contributed a great amout of support to the country's socio-economic growth as stated on an article by(Business 360° ,2024) .

Accoridingtothe article(Times of India, 2025) Carlos Pagoaga, President of The Coca-Cola Foundation, emphasized the importance of collaboration and sharing practices in improving waste management systeme and strengthening recycling infrastructure quoting’’COLLABORATION IS A KEY’’and this collaboration of TCCC with UNDP and nine countires ,the program will help such countries to craft circular economy policy and encourage these countries to execute these policies. By investing in such collaborative efforts, Coca-Cola aims to address environmental challenges while supporting community development and enhancing its corporate social responsibility initiatives in developing countries.

Coca-Cola’s Response to Environmental Challenges in Nepal

The Coca-Cola Foundation supports transformative ideas and institutions that address global challenges, focusing on sustainable access to safe water, climate resilience, a circular economy(waste management especially plastic waste management) , economic empowerment, and disaster response in Nepal which is supported by The Coca Cola Company through investment, funds and grants , Business 360° (2024) . As stated earler Coca cola also adresses the plastic waste management in Nepal where public recycling systems are underdeveloped, Coca-Cola supports national waste management efforts in line with global sustainability norms. The partnership demonstrates institutional alignment in a context of weak enforcement. Coca-Cola uses UNDP's technical expertise and networks to access essential resources that are otherwise lacking in Nepal, allowing the company to fulfill its global waste goals .

In an news article (Nepal Press, 2024) statement by Devyani Rajya Laxmi Rana (Vice President, Public Affairs, Communications and Sustainability,Coca Cola India and South West Asia) mentioned that The Coca cola company within the last few years have invested 18 mil. Dollars in different projects and campaigns. In Nepal, it has supported recycling systems through multi-stakeholder partnerships. The Foundation's work complements Coca-Cola's corporate codes of conduct and sustainability commitments. These codes, including the Supplier Code of Conduct, ensure that bottlers and partners follow ethical and environmental standards, even where formal enforcement is weak. In this way, Coca-Cola maintains influence over local outcomes while presenting a unified global sustainability image.

Since, the need to account for the interests and influence of all actors involved or affected by a company's operations. Coca-Cola faces pressure from environmental groups, institutional investors, regulators, and consumers to improve its sustainability practices. Globally, this has included lawsuits for false advertising, campaigns around plastic pollution, and shareholder demands for transparency. Through foundation company collaborates with various NGOs both international and nepalese NGOs, such as WaterAid, WWF, Maiti Nepal, WHR, Creasion, Rotary Club of Nagarjun, Centre for Entrepreneurship and Innovation, Women for Human Rights, and CARE NepalCoca cola first inniatiatives in Nepal remains commendable where Coca-Cola in Nepal has first announced its partnerships for 2 PET recycling projects – Nagarmitra and Recycler Saathi. As a PET recycling initiative, a cooperation agreement was signed among Coca-Cola, Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) GmbH-Germany (German Development Organization), Ganesha Ecosphere Limited-India (One of the biggest PET recycler in India) and Himalayan Climate Initiative Nepal to establish and run a project PET bottle re-collection system Nepal- Greening Kathmandu-Establishing a legal, responsible and environment friendly PET re-collection system. As from the article by (ShareSansar (2018) have writeen that these initiatives show how Coca-Cola responds to local and international stakeholder pressure.Through our understanding to the resource dependency , Coca-Cola uses external partners to access knowledge and systems for localized PET recovery, reducing reliance on imported recycling services. Similarly , Coca-Cola also helps build formal systems in a sector dominated by informal recycling, addressing governance gaps and aligning itself with national and transnational environmental standards.

Coca-Cola and UN-Habitat announced the launch of a unique initiative named 'Support My School', a programme for healthy, active and happy schools which was published in an article by UN-Habitat Nepal (2011). The campaign aimed to create awareness and address issues in schools which lead to absenteeism or children dropping out of school. The campaign was initiated by Coca-Cola to mobilize support from its partners and expand its outreach, with the goal of addressing school-related issues and contributing to the development of sustainable communities. Simlarly , Coca Cola has also supported the Nepali Army's , Central, Provincial and local government, Nepal Mountaineering Association and SPCC initiatives mountain clean-up campaign with a '' clean our pride'' for the past several years .The campaign reflects how stakeholder influence at the global level filters down to national and local contexts, where Coca-Cola and its bottlers must demonstrate alignment with the company's broader values and conforming to informal norms about ecological preservation . The primary concern here, Coca-Cola responds to reputational pressures from environmentalists, tourists, and national institutions to engage in visible, high-impact clean-up activities. This enhances Coca-Cola's legitimacy among key stakeholders.

In Nepal, weak institutional capacity and limited recycling infrastructure pose barriers to implementing Coca-Cola's global sustainability goals. For instance, despite Coca-Cola's pledge to recycle the equivalent of every bottle sold by 2030, Nepal lacks the necessary infrastructure to support this target. When India banned the importation of all plastic waste , including PET, and according to The Kathmandu Post, there is only one registered company in Nepal that can recycle the material. And after ban it was the Coca-Cola plans to invest substantially in the project to provide momentum to its existing PET waste recovery efforts in Nepal. This institutional gap intensified the need for local solutions. Coca-Cola responded by partnering with Creasion to launch a project focused on building a multi-stakeholder recycling ecosystem. This includes collaboration with municipalities, businesses, citizens, and waste pickers in Nepal . According to the ShareSansar (2019) the article where it states that Meanwhile with the support of Coca-Cola, PET recycling in Nepal is being carried out through a decentralized hub-and-spoke model in partnership with the Himalayan Climate Initiative (HCI). HCI shares its recycling process expertise with other bottling centers in Nepal, extending the operational reach and reinforcing environmental responsibility in areas with limited infrastructure. From the statement of'' Press Conference, Coca-Cola & Bottlers Nepal – "World Without Waste'' that these efforts show how Coca-Cola attempts to fill institutional voids through voluntary collaboration and civil society engagement. While regulations are lacking, the company's initiatives aim to align with global standards, thus demonstrating the influence of institutional theory in guiding adaptation strategies.

In a press release while Promoting environmental sustainability from the stakeholder's point, as a giant multinational company as Coca-Cola, Mr. Ayapilla discussed Coca-Cola's goal of achieving 100 percent packaging neutrality by 2030 through Extended Producer Responsibility (EPR) where producers take responsibility for their products' recycling throughout the end-use cycle. He mentioned, While their efforts in Nepal were voluntary (Glocal Pvt. Ltd. 2023). Although Coca-Cola's efforts in Nepal are voluntary due to limited legal requirements, the company still aligns its initiatives with broader global goals to meet stakeholder expectations. These voluntary actions highlight Coca-Cola's proactive approach in addressing environmental sustainability through responsible product lifecycle management . Partneering companies are not legally required to meet ethical or philanthropic responsibilities,but Coca-Cola has chosen to take them . The company has made efforts to tackle plastic pollution and climate change by including these global environmental challenges in its corporate strategy. This shows Coca-Cola's commitment to being both environmentally responsible and responsive to stakeholder expectations(Jia & Ma).

When the government of Nepal has declared Chitwan National Park as Nepal's first plastics-free national parkRepublica. (2020, January 5).Coca-Cola's participation in the Chitwan National Park initiative demonstrates how the company adapts its environmental sustainability approach to comply with national policy shifts. When the government formally banned single-use plastics in the park, Coca-Cola responded not by resisting the change, but by integrating the policy into its operational agenda. By supplying PET collection bins and working with NGOs and local authorities to facilitate enforcement, Coca-Cola aligns with institutional expectations even in the absence of direct regulatory enforcement mechanisms. This behavior reflects institutional isomorphism, where organizations conform to policy norms and societal expectations to maintain legitimacy and continuity.However, dispite the regulation the national park lacks the resources and country unsufficient resources depends on funding , grands and loans and thereby for such initiatives government seeks supports from different organizations like investment groups, Ngo and private sectors. Hence Coca Cola for such initiatives manages to fill the gaps in local infrastructure and public trust.

In context of Nepal these cases show how Coca-Cola strategically tailors its waste management initiatives in Nepal using different theoretical approaches. Coca-Cola conforms to policy changes and societal expectations to maintain legitimacy in Nepal's weak regulatory setting. The company not only aligns formal bans (like in Chitwan) but also fills governance gaps through partnerships and advocacy. Similarly, with the case when india ban plastic importation from Nepal. Coca-Cola's motivation to address the expectations of a wide range of actors from local communities to NGOs who influence its social license to operate. Coca-Cola's actions are boosted toward maintaining transparency, trust, and long-term sustainability. Finally. as describe in our theoretical framework, examines the interdependence between Coca-Cola and its partners in Nepal. The company depends on external actors such as NGOs, UNDP, and local communities, local legitimacy, infrastructure, and expertise. Likewise, these partners also depend on Coca-Cola for financial support, sustainability programs, and technological resources. This seems to be unbalanced but mutual dependency helps explain how Coca-Cola can influence local waste management practices even without direct ownership or control. The theory also supports our analysis of why Coca-Cola invests in projects like PET collection and decentralized recycling networks to secure operational continuity by managing resource uncertainty and stakeholder pressure in an underdeveloped institutional landscape.

Bottlers Nepal Limited and Coca-Cola: Local Implementation of Environmental Sustainability

Annaul report from Bottlers Nepal (Bottlers Nepal Limited, 2023) mention how they as Bottlers Nepal Limited (BNL) operates as a licensed bottling partner of The Coca-Cola Company. While it is an independently owned entity, it functions under Coca-Cola's global brand and strategic oversight. BNL is responsible for manufacturing, packaging, distributing, and marketing Coca-Cola beverages in Nepal. This relationship imposes contractual obligations requiring compliance with Coca-Cola's environmental, social, and governance (ESG) policies. BNL's operational role is locally grounded, but its strategic direction is shaped significantly by Coca-Cola's international mandates .

BNL's alignment with Coca-Cola's global sustainability objectives is evident in initiatives such as plastic waste collection campaigns, PET recycling partnerships, and water stewardship programs . Since , Coca-Cola's global sustainability goals are closely tied to its brand reputation and supply chain operations, provides a strong motivation for ensuring compliance across all levels.. Bottlers Nepal Limited (BNL), as Coca-Cola's bottling partner in Nepal, has actively aligned its operations with TCCC global sustainability objectives. Bottlers Nepal Limited (BNL), despite being an independently owned bottler, demonstrates significant alignment with The Coca-Cola Company's global sustainability objectives. This alignment is evident through multiple environmental sustainability initiatives that reflect TCCC's strategic global goals, particularly under the "World Without Waste" framework, water stewardship , climate action and ethical governance . These mandates are communicated to partners through standardized frameworks, periodic audits, and shared performance metrics. As Coca-Cola sets plastic recovery goals under the World Without Waste initiative. Mentioned in ''Press Conference: Coca-Cola & Bottlers Nepal – "World Without Waste'' BNL implements Recycler Saathi, Swachha Sarathi, and Refresh & Recycle projects, achieving 100% PET recovery rates and running localized education and collection campaigns in collaboration with NGOs. Bottlers Nepal ensures that the PET supply chain of Nepal runs in responsible manners and is reclycled through a legal and responsible supply chain ''

. BNL implements the "World Without Waste" and water stewardship programs not only to serve local needs but to retain The Coca-Cola Company's partnership and resources. This dependence creates strong incentives for BNL to comply with TCCC sustainability mandates, even in the absence of local enforcement.As lacking the infracture and innovation in developing country like Nepal, Bottlers Nepal depends on Coca Cola for essential resources.

On March 18, 2025, coinciding with World Recycling Day, Khaalisisi and Coca-Cola Beverages Nepal commemorated the first anniversary of their collaborative initiative, the WOW (Well-being Out of Waste) project. Launched in February 2024, this program has significantly contributed to sustainable development, women's empowerment, and effective waste management in Nepal (ShareSansar, 2025). World Without Waste' initiative pushes bottlers to reduce plastic waste, and BNL has launched local campaigns such as the WOW project with Khaalisisi to recycle PET bottles and promote community education. This alignment with stakeholder expectations illustrates how stakeholder theory operates in practice in BNL's context, the WOW project initiative serves as a stakeholder engagement tool, a legitimacy-building exercise, and a strategic move to fulfill TCCC's global sustainability expectations. While it promotes local empowerment and visible sustainability outcomes, it also reflects how BNL navigates global pressures, institutional expectations, and resource interdependencies to sustain its operational model in a developing country with limited regulatory enforcement.

BNL's alignment with Coca-Cola is not just contractual but a strategic approach that leads BNL's to attain environmental sustainability throuhg Coca cola global guiding principles. For example, the annual report of BNL states that BNL to allocate 1% of their annual profit toward corporate social responsibility (CSR) activities(Bottlers Nepal Limited, 2023). Besides Coca-Cola, as a global brand, represents a legal or strong institutional force. Its global norms, practices, and reputational expectations act as institutional pressure on BNL. BNL adopts international certifications (ISO 14001, ISO 45001) and governance frameworks to gain legitimacy, meet stakeholder expectations, and conform to Coca-Cola's standards. This reflects normative and mimetic isomorphism, where BNL mimics Coca-Cola's global best practices to signal credibility in Nepal. These measures illustrate BNL's formal adoption of global sustainability practices, which can be interpreted through Institutional Theory as efforts to legitimize operations within Coca-Cola's global supply chain and among Nepali stakeholders. These are the governance actions that somewhat aligns to our Intitutional Theory, this relates the connection to the community and regulatory expectations.

The Coca-Cola brand provides technical expertise, supply chain support, marketing power, and international credibility. These resources are critical for BNL to thrive in Nepal's competitive and under-regulated business environment. This strategic dependency encourages BNL to internalize Coca-Cola's standards, particularly in areas such as environmental compliance, ethical labor practices, and packaging sustainability. This alignment ensures adherence to environmental and regulatory expectations set by the parent company. BNL's reliance on Coca-Cola's reputation and supply chain access serves as a form of soft governance, reinforcing Coca-Cola's expectations without direct ownership. This results in a convergence of goals not just because of institutional independence (Bottlers Nepal Limited, 2024). Bottlers Nepal has localized sourcing options for raw materials used in beverages such as sugar, carbon dioxide, labels, preforms, shrink wraps and closures used in production to ensure sustainability of the products and services used everyday which is an Internal Motivation for Sustainability Goals. From the Press Conference: Coca-Cola & Bottlers Nepal – "World Without Waste" Bottlers Nepal incorporates with the parters such as offices, NGOs , hotels and restaurants who shares similar CSR policies with a aim to minimize plastic waste and efficient sortation of such wastage. The Coca Cola Company leading institutional change globally by promoting industry-wide norms like bottle-to-bottle recycling and circular economy frameworks engaging in public-private waste partnerships, and adopting sustainability certifications. BNL tries to meet Coca Cola expectations establishes external norms of stakeholders engagement while BNL tring to prove the public and stakeholders alignment with sustainability through waste management.

To enhance production efficiency and support environmental sustainability, BNL recently in 2024 invested in a state-of-the-art filling line from SIPA. This technological advancement reflects the company's commitment to reducing its environmental footprint through more efficient resource use and modernized operations. The system supports BNL's broader sustainability goals, including water conservation, energy efficiency, and most responsible for waste management. In addition to technological upgrades, BNL works closely with strategic partners and suppliers who share its commitment to sustainability. Through partnerships like that with SIPA, BNL gains access to advanced resources, expertise, and equipment that help improve production while aligning with Coca-Cola's global sustainability framework. These collaborations enable the company to implement best practices in environmental management, optimize its supply chain, and strengthen its long-term efforts to minimize waste and foster a more sustainable beverage industry in Nepal as metioned in the official page of the partner SIPA, (SIPA, 2024) These partnerships and investments demonstrate alignment with Stakeholder Theory, as BNL engages a range of actors to support environmental goals. They also reflect Resource Dependency Theory, as such collaborations help BNL meet Coca-Cola's performance expectations and maintain its strategic partnership with the local institutions.

Information from Bottlers Nepal's official webpage (Bottlers Nepal, 2024) higlights The BABA program aligns with local institutional expectations, such as Kathmandu Metropolitan City's "Book-Free Friday" and growing norms around school-based environmental awareness. BNL adapts its Corporate social responsibilities and environement action on waste management with the confirmity to social norms and expectation of both the local pressure i.e KMC civic priorities and global pressure i.e TCCC csr frameworks. The program includes activities on topics related to WASH, Urban Water Management and Solid Waste Management. By launching BABA(Balbalika and Batabaran) campaign with CIUD (Centre for Integrated Urban Development and KMC(Kathmandu Metropolitant City), BNL positions itself as a responsible corporate actor in the public perceptions especially among parents, educators, and local authorities who are the partners and Civil Society (CS), like wise the potential customers of BNL .

Finally, BNL introduced the 250ml “Jigri Pack” a miniature Coca-Cola bottle made from PET plastic aimed at increasing product accessibility and portability. Despite being marketed as recyclable and affordable, it faced intense public backlash in Nepal due to environmental concerns and was later quietly dropped from major visibility. An article by Rai (2019) There were pubilc complaining about introducing minature is just another reason of littering waste in the country like nepal with limited solution of waste management or disposal. Waste management organizations (e.g., Doko Recyclers) publicly stated that smaller PET bottles are more polluting, harder to collect, and more likely to end up as litter which in the realiaty in Nepal’s context. The withdrawal of the Jigri Pack campaign by Bottlers Nepal Limited can be best explained through Institutional Theory. The initiative faced strong normative pressure from citizens, NGOs, and waste management professionals who criticized the environmental irresponsibility of introducing small PET bottles in a country with weak recycling infrastructure. These stakeholders acted as informal institutions, enforcing societal norms around environmental protection. Although the campaign complied with legal standards, it violated evolving public expectations, prompting BNL to retreat in order to restore its legitimacy.

Discussion

It critically assesses how Coca-Cola’s strategic commitments translate into practice in a country like Nepal, where institutional capacity is weak, regulatory enforcement is limited, and public infrastructure is underdeveloped. This chapter discusses how Coca-Cola’s global sustainability goals translate into practice in Nepal, focusing on plastic waste management. Drawing from the analysis, it evaluates the interaction between Coca-Cola’s global commitments, local adaptation, and institutional challenges in Nepal. The discussion is framed using Stakeholder Theory, Resource Dependency Theory (RDT), and Institutional Theory to understand the strategic behavior of multinational corporations (MNCs) in weak institutional settings.Coca-Cola's global sustainability commitments, particularly under the "World Without Waste" for 2030 initiative, reflect a strong emphasis on responsible packaging and recycling. These commitments are part of Coca-Cola’s effort to legitimize its operations across global markets and demonstrate responsiveness to international stakeholders (Simões-Coelho et al., 2023).

The findings confirm that these global strategies shape local environmental sustainability practices, even in countries with limited institutional capacity such as Nepal. Here, Coca-

Cola's governance does not operate through direct ownership but through contractual and strategic influence over BNL.

Delegation of Environmental Responsibilities to Independent Partners

The first sub-question examined what environmental responsibilities are delegated to independent partners. The Coca-Cola Company (TCCC) delegates operational control to franchise bottlers while retaining brand ownership, strategic direction, and sustainability mandates. This delegation of responsibilities raises important questions about accountability, enforcement, and consistency especially in developing countries like Nepal, where institutional oversight is weak.

BNL’s initiatives such as the WOW project, PET recycling campaigns, and the implementation of sustainability standards (ISO 14001) suggest that Coca-Cola delegates significant responsibilities for waste management and plastic recovery. These responsibilities align with the Resource Dependency Theory, where The Coca-Cola Company(TCCC) provides resources, technical guidance, and brand leverage to ensure environmental compliance while depending on BNL to execute local strategies as (Sarkis et al., 2010) metioned about resource sharing which give an insight on how The Coca Cola Company , BNL to other local organizations take their interdependencies in an strategic level . BNL’s adoption of the WOW (World Without Waste) initiative through its partnership with the local social enterprise Khaalisisi. This initiative, designed to enhance PET bottle recovery and educate the community about recycling, mirrors Coca-Cola’s global sustainability ambitions. BNL’s implementation of this program not only fulfills Coca-Cola’s directive as mentioned by Zhou et al. (2023) which describe as internal institutional frameworks that allow MNCs to minimize risk in different environments while facilitating local adaptation. Chand & Tarei (2021) emphasize that in such relationships, local actors benefit from access to global capabilities, while MNCs manage their reputational risks through controlled delegation that express clear poin on resource dependency. As Hofer et al. (2012) point out, such delegation is not simply about outsourcing operations it reflects a collaborative model of strategic interdependence, to highlight on this aspect the other example, BNL's investment in SIPA technology to improve production efficiency and reduce waste indicates a strategic alignment with Coca-Cola’s expectations while addressing local operational needs (SIPA, 2024), emphasize on that The Coca-Cola Company reaching to local organizations through BNL In order to make success execution of their global goals through local level this situation also emphasizes that firms depend on external actors to access vital resources and manage uncertainty in their environments (Hessels & Terjesen, 2008; Cuervo-Cazurra et al., 2021).

The plastic ban enforcement in Chitwan National Park offers another illustrative example. When the Nepalese government declared the park a plastic-free zone,The Coca-Cola foundation through BNL responded by donating PET collection bins and partnering with NGOs and park authorities to support enforcement. This not only shows institutional adaptation (Fortwengel et al., 2023) but highlights how environmental responsibility is executed by the local bottler in response to a national policy shift. According to Amer (2022) and Fiorini et al. (2018), such behavior aligns with institutional isomorphism, where organizations adapt to conform to social and regulatory norms to gain legitimacy. As stated that Nepal remains weak legal framwork country for plastic waste management depends on loans and grants , like wise as the country along with other stakeholders like army and different local organization depends on The Coca Cola foundation grants for different campaings and environmental projects. As metioned by (Pla-Barber et al., 2020) The Coca Cola foundation puts the company in a place that shape the firm's ability to influence decisions and adapt strategies to its local.

Furthermore, BNL’s role in building a hub-and-spoke PET recovery system in collaboration with the Himalayan Climate Initiative (HCI) also shows how The Coca-Cola Company transfers environmental responsibility to local partners while supporting them with global partnerships and technical resources. This initiative reflects Wijethilake et al. (2017)'s and Sarkis et al. (2010)'s claim that strategic coordination among firms and local stakeholders enhances sustainability outcomes. Here, Coca-Cola’s global goals are achieved by empowering BNL to build localized capacity where formal recycling infrastructure is absent. Even though the effort by BNL internal motivation to attain sustainable goal and executation of their CSR policies . Michelon & Parbonetti (2012) argue that strong corporate governance and transparent sustainability disclosure are essential for companies to maintain stakeholder trust which is backed by the case in Nepal, The Coca-Cola Company’s overall sustainability reports provide global and regional information, but they do not include specific data from Bottlers Nepal Ltd. (BNL). This lack of detailed, local reporting makes it difficult to understand how sustainability goals are being implemented in Nepal and raises concerns about whether Coca-Cola can be fully held accountable for the environmental impacts of its independent partners. While Coca-Cola retains strategic oversight, BNL’s operational autonomy means there is potential for inconsistencies in implementation, particularly when local reputational risks are low as (Montiel & Delgado-Ceballos, 2014) in their paper clearifies that ignoring local concerns can damage reputation and long-term success while we can relate the situation to BNL context .

Additionally, the case of the Jigri PET pack illustrates how BNL independently executed a market strategy (introducing a miniature PET bottle) that met regulatory standards but violated evolving societal norms around plastic waste. The resulting backlash forced the product’s withdrawal highlighting how informal stakeholder pressures (civil society, media, and public sentiment) influence local partners even when formal oversight is limited (Wijethilake et al., 2017; Fortwengel et al., 2023). While The Coca Cola Company distancing reflect to the(Musteen et al., 2013) where the paper agrees on The Coca Cola Company fearing risk and reputational damage by BNL mini bottles as the growing pressure from different stakeholders . Similarly , From the perspective of Stakeholder Theory, Coca-Cola's delegation of environmental initiatives to BNL helps satisfy expectations from multiple stakeholder groups which were the major factors for The Coca Cola Company to implement the mechanism to attain its global goal of environmental sustainability . Velte (2023) emphasizes that stakeholder trust can be earned through transparent environmental performance reporting and inclusive collaboration. Similarly, Barkemeyer (2007) and Mousa (2010) argue that MNCs often prioritize global stakeholders' concerns such as environmental NGOs or investor expectations—when designing local strategies. BNL's high-visibility campaigns in Nepal (e.g., cleanup drives, PET recovery systems) serve to meet these reputational needs while also gaining favor with domestic stakeholders like Kathmandu Metropolitan City and regulatory agencies.

Weak Institutional Environments and Accountability Gaps

Our literature review focuse on explaining MNCs situtaion on how Multinational corporations (MNCs) often face significant challenges when operating in developing countries with weak institutional frameworks. The analysis helped us t dwelve on situation through The Coca Cola Company mitigates those challnages to attain environment sustainability with on how weak institutional environments influence MNC-partner accountability. The Nepal case in waste management (PET plastic management) reveals that enforcement of environmental regulations is limited due to infrastructural and institutional constraints. Despite Nepal's declaration of plastic-free zones such as Chitwan National Park, enforcement is weak, and the government relies heavily on corporate actors for implementation (MyRepublica, 2025). In response, Coca-Cola has filled this governance vacuum through CSR partnerships, infrastructure investments, and voluntary sustainability goals implemented via BNL. According to Peng et al. (2008), these gaps are particularly visible in emerging markets, where the absence of strong institutional structures makes it difficult for firms to operate with predictability. This creates as accountability gaps discrepancies between stated sustainability goals and their actual local implementation.

One CSR from The Coca Cola Company cannot remain ignored in our paper where globally, Coca-Cola maintains a highly structured set of environmental sustainability commitments under frameworks like “World Without Waste,” aiming to make all packaging 100% recyclable by 2025 collect and ecycle i.e the equivalent of every bottle or can sold by 2030. However, in a weak institutional environment such as Nepal, the enforcement of such goals depends heavily on Coca-Cola’s voluntary coordination with independent bottling partners, municipalities, and NGOs.Similarly , BNL’s adoption of the WOW (World Without Waste) initiative can also align dynamic of Institutional Theory, particularly the concept of institutional isomorphism. BNL mimics Coca-Cola’s global sustainability practices and adapts them locally to gain legitimacy and meet stakeholder expectations. With the similar situatio the other example we can highlight is BNL partnering with NGOs and participating in campaigns such as "Clean Our Pride" and recycling initiatives with Khaalisisi, BNL addresses both formal and informal expectations of institutional stakeholders (BNL Annual Report, 2023). Likewise , Wijethilake et al. (2017) and Fiorini et al. (2018), address a mimetic isomorphism when BNL alters the expected behaviours of vast stakeholder with the discontinuation of the "Jigri Pack", a miniature PET bottle, following civil society backlash, highlights how informal norms substitute for formal accountability and BNL to gain societal legitimacy withdraw environmentally harmful products.

The Coca-Cola’s corporate directives, Bottlers Nepal Limited (BNL) is not directly implemented by The Coca-Cola Company (TCCC), which introduces ambiguity in responsibility. While The Coca-Cola Company promotes global goals, BNL is often the entity tasked with executing them, but lacks binding oversight mechanisms. This situation reflects Michelon & Parbonetti’s (2012) argument that effective governance and sustainability disclosure are critical to building stakeholder trust, especially when implementation is left to partners in fragile regulatory settings.

In general, senario example we metioned in our papar that BNL's localized sourcing of key beverage ingredients like sugar, CO_2, and packaging materials helps support operational sustainability this was supported by the paper Rana (2015) that emphasis on legitimacy in the host country is often derived from aligning corporate actions with local networks and expectations. In Nepal, where institutional enforcement is weak, these locally visible effort and the mandates from Coca-Cola to BLN maintain legitimacy for both of the partners despite a lack of formal monitoring systems. However, major link to our paper highlights the initiative that demonstrates Coca-Cola’s attempt to address institutional gaps is the “Recycle, Reduce, Reuse” partnership with CREASION, which launched a multi-stakeholder recycling ecosystem in response to Nepal’s lack of national plastic waste management infrastructure. This decentralized model constrains Coca-Cola and BNL to align with global circular economy standards a point emphasized by Zhou et al. (2023), who argue that MNCs often create internal mechanisms and partnerships to project uniform standards across uneven regulatory environments. Uneven regulatory kept the uneven accountability static, As noted in the interview with Coca-Cola’s Global

Sustainability VP, the company does not enforce a one-size-fits-all policy but adapts initiatives based on local conditions. From (Fortwengel et al., 2023), it also creates space for uneven execution and weak accountability. his becomes especially problematic in cases like Bottlers Nepal Ltd., where local partners are not required to disclose detailed environmental performance data. Without such transparency, it becomes difficult for stakeholders to assess actual outcome taken from (Mousa's ,2010) argument that stakeholder influence on corporate policy is only effective when proper disclosure mechanisms enable public scrutiny.

Coca-Cola's philanthropic activities in Nepal through the Coca-Cola Foundation, such as water access projects and PET awareness campaigns, serve to build goodwill but also raise questions about whether such actions substitute for systemic environmental accountability. Nepal's context, Coca-Cola relying on local NGOs and civil society to help bridge institutional gaps, but without robust oversight, these interventions risk being symbolic rather than structural that reflects Chand & Tarei (2021) and Hillman et al. (2009) firms rely on partnerships to manage interdependencies and obtain resources.

The campaign clean-up campaign with a '' clean our pride'' mountain cleaning campaign where Nepal mountains are world heritages , we can argue is the supranational pressure like EU andUN where the both BNL AND The Coca Cola company tries to gain global legitimacy(Zhou et al., 2023). mentioned supranational pressure shapes environmental practices . And lastly, Coca-Cola's collaboration with UNDP to improve PET recovery was initiated due to the government's inability to provide large-scale waste management. While this aligns with Sarkis et al. (2010) who argue that partner coordination improves environmental performance, it also exposes a governance void where private actors step in without direct public accountability. Similarly, BNL's compliance with Coca-Cola's supplier code of conduct is largely self-regulated, making it difficult to independently verify environmental performance in alignment with Coca-Cola's global sustainability claims.

Strategies to Strengthen Environmental Governance and Accountability

In addressing the third sub-question, the study identified several strategies Coca-Cola uses to reinforce governance over outsourced operations. In contexts like Nepal, where environmental governance is not balanced and formal enforcement mechanisms are weak (Peng et al., 2008), multinational corporations (MNCs) such as Coca-Cola must develop alternative strategies to ensure accountability and uphold global sustainability standards. The company's experience illustrates how MNCs can strengthen environmental governance through strategic mechanisms that blend corporate governance, stakeholder engagement, and capacity-building partnerships.

1. **Mandated CSR Alignment**: Coca-Cola requires BNL to allocate 1% of its profits to CSR activities, ensuring that environmental goals are embedded in its financial planning (BNL Annual Report, 2023). Coca-Cola fill the gap through structured codes of conduct and partner alignment. Coca-Cola's global "Code of Business Conduct" and "Supplier Guiding Principles" these principles served as internal regulatory tools, setting expectations for environmental responsibility to BNL.
2. **Capacity Building through Partnerships**: Collaborations with UNDP, GIZ, and local NGOs such as HCI demonstrate how Coca-Cola enhances the capabilities of its independent partners. This strategy reflects RDT by reducing resource uncertainties and securing long-term legitimacy. These partnerships are used to minimize ambiguity, promote trust, and enhance legitimacy where the CS awareness is extremely low. Therefore, the pressure from The Coca Cola Foundataion as it continiously drives the purpose of Plastic management responsibility in a local level through different strong legitimate partnerships. These factors have a high influence on BNL's actions even without direct ownership or legal obligation. BNL's mangaes to expand it supply chain and technical investments such as the new SIPA filling line installed in 2024 strengthens its ability to meet sustainability targets put its resource dependencies with The Coca Cola company at minimal hence now the level of commitment to environmental sustainability depends on willingness of local partners. Yet, without standardized verification, gaps remain in monitoring and accountability.
3. **Reputation-Driven Compliance**: Coca-Cola exerts influence by leveraging its global brand and reputation. BNL's adoption of ISO certifications and adherence to Coca-Cola's corporate values reflect this reputational motivation that provides the foundation for institution theory for our paper. BNL engages in visible, partnership-based CSR initiatives to fill institutional voids. One notable example is BNL's collaboration with Khaalisisi under the "WOW Project," which promotes PET recycling and community education. While originally developed in response to global directives under the "World Without Waste" framework, the project serves as a **dual** accountability mechanism: externally, by signaling alignment with global expectations (Michelon & Parbonetti, 2012), and locally, BNL does it by responding to Kathmandu's civil duties (Wijethilake et al., 2017). This approach reflects what Amer (2022) refers to as balancing global standards with local legitimacy requirements. As BNL lack resources for innovation which could also be a fragile factor to effect the reputaion for example, the backlash of Coca Cola littering the city when BNL initiated the miature bottles could be supported by The Coca Cola before implementation of the strategy.
4. **Voluntary Environmental Targets**: Coca-Cola's proactive approach to meet sustainability targets voluntarily in regions like Nepal, where formal regulations are

lacking, reflects its adaptive strategy. Through initiatives like the WOW project, PET collection systems, and decentralized recycling hubs, the company aligns local actions with its global framework. One of the main voluntary involvement the paper presents in Chitwan National Park was enforced after the governmental policy to preserve national parks. The voluntary involvement of The Coca Cola Company pressure on adding CSR policies for BNL to create internal motivation.

5. **Philanthropy as Governance**: The Coca-Cola Foundation's strategic funding of environmental initiatives in Nepal, such as grants ,PET infrastructure, demonstrates how philanthropy functions as a soft governance mechanism, filling public infrastructure gaps and enhancing stakeholder trust. The foundation acts as a complementary governance tool that influences Coca-Cola's social license to operate different local initiatives where the governmental bodies itself alone cannot meet the global demand of environmental protection.

Stakeholder Theory is central to understanding Coca-Cola's approach. Environmental NGOs, investors, local governments, and consumers influence the company's global and local strategies. Coca-Cola's efforts in Nepal reflect attempts to engage and satisfy these diverse stakeholders to maintain social license to operate. Resource Dependency Theory further explains the mutual reliance between Coca-Cola and BNL. Coca-Cola depends on BNL for market access and local legitimacy, while BNL relies on Coca-Cola for brand equity, technological support, and financial resources. This mutual dependency enables Coca-Cola to indirectly enforce environmental accountability even without direct ownership. Institutional Theory highlights how Coca-Cola and BNL adapt to the local institutional environment by mimicking global standards, adopting certifications, and complying with emerging social norms. Isomorphic behavior allows them to gain legitimacy and operational continuity despite regulatory limitations. , Coca-Cola's strategies is combining corporate codes, local collaborations, responsive adaptation, and philanthropic engagement provides a model of governance in institutionally weak environments. These mechanisms align with Institutional Theory ,demonstrate responsiveness to Stakeholder Theory and reflect the dependencies emphasized by Resource Dependency Theory .

While BNL remains an independently owned entity, its operational model is shaped by Coca-Cola's overarching governance through detailed codes of conduct, periodic audits, and sustainability benchmarks. These mechanisms enable Coca-Cola to project uniform environmental standards globally, thus minimizing reputational risk associated with outsourced operations (Coca-Cola Company, 2023). Coca-Cola projects uniform environmental standards globally by strategically delegating operational responsibility to independent bottling partners like BNL. This delegation is supported by a combination of resource sharing, institutional adaptation, and stakeholder alignment. However, the effectiveness of this delegation depends heavily on local capacity, reputational risks, and the strength of informal stakeholder networks. As such, while delegation enables scalability and localization, it also may bring unwanted challenges in accountability, consistency, and legitimacy especially in weak institutional settings like Nepal.

So we can also discuss about, BNL that may not be deeply value the environmental responsibility since it drives for economic growth. The Coca Cola Company transfers its proactive approach offering BNL benefits to strengthen the brand that makes BNL not entirely passive. It uses sustainability as a way to:

- Improve efficiency
- Maintain brand value
- Manage operational risk
- Meet expectations of its principal partner and the public

Furthermore, weak formal governance in Nepal compels Coca-Cola to rely more heavily on soft governance mechanisms such as stakeholder engagement and philanthropic initiatives through The Coca-Cola Foundation. The UNDP partnership in Asia, including Nepal, represents such strategic collaborations designed to build recycling infrastructure where regulatory systems are underdeveloped (UNDP ; Coca-Cola Foundation, 2025).

Overall, this discussion reveals that Coca-Cola maintains environmental sustainability in developing countries not through direct control, but by embedding its sustainability goals into the operations of independent partners through formal governance structures, stakeholder collaboration, and adaptive strategies. The Coca-Cola-BNL relationship illustrates how MNCs can influence local sustainability practices, especially when institutional governance is weak. By combining stakeholder engagement, strategic partnerships, and philanthropic investments, Coca-Cola ensures environmental accountability while adapting to local complexities. These findings contribute to a broader understanding of how global corporate sustainability can be operationalized through decentralized, yet strategically aligned with in the fragile governance models in developing countries.

Conclusion

Our paper focuses on investigating the central research question: *How can multinational corporations ensure environmental sustainability through independent operational* *partners in developing countries with weak institutional governance?* Using Coca-Cola's operations in Nepal particularly its partnership with Bottlers Nepal Limited (BNL) as the case study and By narrowing the scope to plastic waste management, particularly PET bottles, we examined how Coca-Cola's global environmental commitments are implemented at the local level, the paper explored how environmental sustainability can be maintained through indirect channels and analyzed the dynamics using Stakeholder Theory, Institutional Theory, and Resource Dependency Theory.

A review highlighted on growing concerns about environmental degradation globally, plastic pollution, and ineffective solid waste management in Nepal. Despite the presence of multiple multinational corporations and various government interventions, Nepal continues to suffer from inefficient infrastructure, lack of coordination, and weak enforcement of waste regulations. The thesis aimed to uncover how a powerful actor like Coca-Cola could influence sustainability outcomes even when operating through independent local partners in such a governance context. The paper also aims on environmental sustainability challenges that the weak institutional governance such as Nepal faces. Using Coca-Cola and its bottling partner Bottlers Nepal Limited (BNL) as a case study, the research examined the delegation of environmental responsibility, the influence of institutional environments, and strategies for enforcing accountability across borders. Furthermore, the research highlights the crucial relationship between the theories where one thories supports the others . Our findings supports Institutional Theory emerging as the dominant framework since it explained the dual pressures faced by MNCs in aligning global expectations with weak local governance structures. Stakeholder Theory and Resource Dependency Theory provided additional layers, demonstrating how stakeholder expectations and inter-firm power dynamics also guide behavior towards the environmental sustianabiliy .

The study confirms that implementing a corporate sustainability agenda largely depends on local participation and if global guidelines and targets are clearly defined through the independent partners it could use as a mechanism to create awarenes from the local level even with the absence of host country government interferences. The approach could mititgate the pressures from stakeholders rather being proactive practices itself. Coca-Cola, while maintaining a set of global environmental goals, must adapt these practices based on the regulatory maturity, infrastructure, and governance limitations in Nepal. The flexibility to adapt to such environments, while pragmatic, also creates disparities in the actual outcomes and sustainability reporting across geographies.

The findings reveal that Coca-Cola adapts its global sustainability strategies to Nepal's local context by leveraging partnerships, providing resources, and aligning initiatives with national policies. However, the formal institutional environment in Nepal characterized by weak regulation, limited enforcement, and poor coordination creates gaps in monitoring and compliance. While Coca-Cola demonstrates proactive engagement through waste collection initiatives, stakeholder partnerships, and alignment with national policies, BNL's role appears more reactive and largely driven by Coca-Cola's global mandates and resource flows.

Stakeholder theory helped explain Coca-Cola's responsiveness to environmental expectations from both global and local actors. Institutional theory clarified how Coca-Cola and BNL operate within a dual pressure system balancing global norms and weak local regulations. Resource dependency theory illustrates how Coca-Cola sustains influence over BNL by providing strategic resources such as brand legitimacy, funding, and technical support, while also depending on BNL for local market access.It was crucial phase of the paper that uncovered the importance of partnership governance, transparency mechanisms, and stakeholder engagement for meaningful environmental outcomes. These theoretical frameworks provided the paper for the establishment of a practical model that will help to analyze how MNCs influence sustainability without direct ownership.

The most important influence was India's ban on plastic waste imports, which disrupted Nepal's informal waste exports. This pressure exposed the lack of local infrastructure and opened a space for Coca-Cola to step in with local PET collection and recycling partnerships. It also created an opportunity for BNL to act as a lever advocating for improved policies and infrastructure that support both commercial and environmental goals which clearly was ignored by BNL , how ever The Coca Cola Company blanced this gap. This highlighted how limited institutional enforcement, fragmented responsibilities, and lack of mandatory reporting mechanisms in Nepal limits the Corporate Governance of local companies within the Nations. As discussion highlighted weak governance lead to the weak corporate governance , which inturn has affected the environmental responsibility ,expecially in context of Nepal . As a result corporate governance itself becomes weak, BNL face little formal pressure to uphold stringent environmental standards. These insights align with existing literature but also reveal a critical gap while Coca-Cola's global goals are ambitious, their local execution depends on uneven local governance. Furthermore, while Coca-Cola provides sustainability frameworks, the implementation by BNL is often shaped more by operational feasibility and external stakeholder pressure than internal environmental commitment.

The study confirms that meaningful environmental sustainability outcomes in developing countries depend not only on MNC goals but also on their ability to coordinate with local partners and influence institutional capacity. Even though pressure from The Coca Cola strategic activities made BNL less passive towards implementation of the environmental goals . The research reveals that partners like BNL may adopt sustainability not from intrinsic motivation but from economic incentives, recognitions and global compliance expectations. Still, BNL's visibility in Nepal's market offers potential to become an active stakeholder in pressuring the government to build a stronger waste management system.As highlighted in findings in developed countries such environmental sustainability from Plastic management attained through sustainability frameworks like Extended Producer Responsibility (EPR) which remain absence in Nepal context. This underscores the need for The Coca-Cola Company to align BNL's local practices with its global sustainability commitments by institutionalizing those goals through EPR , supported through local partnerships, to address the gaps in Nepal's weak waste management system. By doing so , Coca-Cola can shift from short-term project-based efforts like waste collection campaings toward a long-term, resilient model of environmental governance that meets both corporate and community needs in countries like Nepal. The research was able to address that for Coca-Cola to truly create accountability, there should be proper financial support in countries with high levels of corruption like Nepal. The Coca-Cola Foundation's investments and grants should be focused on infrastructure development across its local supply chain rather than fully depending on voluntary partnerships or symbolic campaigns that lack long-term sustainability and fail to address systemic gaps in waste management and environmental governance.

Future research should replicate this framework with other MNCs in similar contexts to validate these findings. It should also explore the effects of mandatory sustainability disclosures by independent partners and how those influence environmental performance in developing economies. Longitudinal research tracking how global pressures evolve into local accountability over time would further deepen the understanding of sustainable global-local partnerships. The research is limited by its focus on a single MNC-partner relationship and the availability of secondary data. Further research could explore similar partnerships across other sectors and countries or investigate how bottom-up pressure from civil society can improve sustainability performance in weak institutional settings. And what are the MNCs leadership role in sustainability implementation when local institutions are underdeveloped. Rather than merely transferring policies, should MNCs only invest in building institutional capacity, ensuring reporting standards, and fostering a culture of accountability among local partners. Furthermore, besides private sectors and Volunatry organizations the real need to look up the public sectors involvement on plastic waste management in countries like Nepal .

In conclusion, while Coca-Cola's approach in Nepal reflects global leadership in sustainability, it also exposes the limits of voluntary action in the absence of strong institutional governance. The case underscores the need for stronger regulatory frameworks, stakeholder empowerment, and shared accountability to ensure that environmental commitments translate into long-term impact.

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