

CONTENTS

PAGE 2 – *Introduction & Sustainability*

PAGE 3 – *Corporate Social Responsibility (CSR)*

PAGE 4 – *McDonalds CSR & Sustainability*

PAGE 5 – *McDonalds CSR & Sustainability Cont.*

PAGE 6 - *Bibliography*

Introduction

In this report sustainability and the corporate social responsibility will be analysed for McDonalds, one of the worlds largest fast food chains. The example of McDonalds will be used to show businesses Corporate Social Responsibility and the way that businesses face challenges to try and stay sustainable and profitable. The conflicting views of organisations with CSR views will be shown and the ways that different forms of negative media towards an organisation can influence the way that an organisation such as McDonalds changes their views on sustainability.

Sustainability

“Business sustainability is a strategy that prioritizes the long-term survival of a business and connected ecological, social and cultural systems.” Broman G.I., Robert K.-H. (2017). A framework for strategic sustainable development. *Journal of Cleaner Production*. 140

Business sustainability can be defined as a process where an organisation manages their financial, social and environmental risks, obligations and opportunities. This can mean that a business needs to contribute to a healthy economy and create economic value and contribute to healthy ecosystems and strong communities. Financial Times. (2012). *Business Sustainability*.

Business sustainability would require businesses to follow processes of sustainable development, this would be development that:

“meets the needs of the present without compromising the ability of future generations to meet their own needs” IISD. *Sustainable Development*.

Firms that are sustainable have been shown to attract and retain employees more easily and experience less financial and reputational risk. These organisations would also prove to be more innovative and adaptive to their environments.

Many people nowadays tend to try and make purchases from organisations that claim to produce green or environmentally friendly products and it is becoming quite a popular trend amongst businesses. Going green as a business is a way of improving the businesses sustainability, hoping to minimize the negative environmental and social impacts of their products and ensure that future generations will have adequate resources to meet their needs. These businesses and organisations don't just tend to perform well from an environmentally friendly point of view but also tend to attract customers and investors as they have a greater reputation for their environmental and social responsibility. The organisations that tend to ignore their sustainability and corporate social responsibility risk losing part of a target market by not acting upon their sustainability as a business.

There are many different forms of media that would play an important role in the sustainability movement, and make sure that people know about a business that's practices can harm the environment or harm to humans.

When a business is first starting out they may only consider the financial aspects of the organisations growth and caring about the profit that the business is making. When a business becomes sustainable they may avoid making decisions and cutting corners that would make them more profitable and financially grow for the sake of becoming more of a sustainable business.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility can be defined as a company's sense of responsibility towards the community and environment in which it operates. This can be through their waste and pollution reduction processes, by creating and contributing educational and social programs.

Corporate Social Responsibility is a movement used to encourage companies to be more aware of the impact of their business on the rest of society, including their own stakeholders and the environment. This would contribute towards sustainable development by delivering economic, social and environmental benefits for all stakeholders of the organisation. The way that CSR would be implemented would be different from organisation to organisation and depending on the country that the organisation is run from. Topics such as human rights, health and safety, working conditions would differ within different countries with regards to the standards set by the government. This is the reason many organisations and businesses would outsource their production in a country with lesser health and safety regulations and no minimum wage to try and exploit this and make as much profit as possible. This is not a good example of Corporate Social Responsibility as these organisations and businesses are not driving change towards sustainability. *Financial Times. Lexicon - corporate social responsibility (CSR).*

Sustainability is one of the most common ways that consumers and outside observers such as stakeholders may use to evaluate how responsible an organisation is being. This could mean spending extra dollars or pounds per stock to make the products available within the organisation more responsible and this can therefore influence the way that people perceive a business.

Within an organisation regarding their Corporate Social Responsibility would mean considering two things, along with making decisions that would have a global positive impact, the surrounding areas of the organisation would also need to be considered. Organisations should always look for ways of participating in community events, this can act as a way of improving the CSR and the sustainability but also to get a positive image of the organisation out to the local community. A way business may do this is by assigning someone to actively plan community service activities and making sure teams within an organisation understand the importance of the responsibility of the organisation.

Organisations that operate in a way that prioritises their CSR wouldn't wait for their employees to provide the motivation to act more responsibly. It is up to the leaders of the business and the people at the top to encourage their employees to think in a more responsible way, meaning there is a clear objective of sustainability and CSR from the new employees of an organisation all the way up to the top of an organisation.

If an organisation or business does not act in a sustainable way and is not aware of their CSR then it can lead to a lot of negative press and a lot of negative media being produced about the business. One example of this can be the negative media PETA (People for the Ethical Treatment of Animals) produced about McDonalds, even creating their own campaign. The campaign entitled McCruelty was fighting for the rights of the animals that McDonalds were using in their products and the conditions that the animals were being kept in, which is a direct attack at the CSR of McDonalds as an organisation.

McDonalds CSR & Sustainability

As one of the worlds largest chains of restaurants and arguably the largest fast food chain in the world McDonalds have a lot of attention to the way that they act as an organisation. Operating globally, they are a huge organisation with many employees worldwide.

When analysing the sustainability of McDonalds one of the first sources to look is what McDonalds have said about their sustainability as an organisation and they seem to separate their sustainability into different topics that they feel that they cover regarding having a good CSR. These topics are food, sourcing, community, people and planet.

Within their food topic McDonalds mention the way that the ways that they strive to strengthen their nutritional profiles within their restaurants by trying to offer more food groups within their organisation and using healthier ingredients such as fruit and vegetables. The topic of obesity problems and McDonalds seems to go hand in hand and especially childhood obesity. McDonalds are seen to be enticing children to buying happy meals by offering toys for free with their meals and contributing to the childhood obesity problems within the UK.

On their website they state their 2020 aspirations and goals regarding food, they state that:

- Serve 100% more fruit and vegetables, low fat dairy and whole grains
- Reduce salt/ sodium, sugar, saturated fat or calories across the menu

McDonalds. (2015). *Good Food*

McDonalds has always been a fast food chain and people realise that it isn't the healthiest food in the world, but they have never marketed themselves in that way either. McDonalds are not totally to blame for people coming to their restaurants and eating un-healthy food, although using toys as an incentive to appeal to kids to eat unhealthy food shows a slight lack of CSR regarding the health of their customers. They have stated their goals for the next two years so if followed, shows an increase in their CSR.

The next topic was sourcing and their environmental impacts of having a global supply chain. McDonalds state on their website that the first step of increasing the sustainability of their sourcing would be to make their direct suppliers sustainable first, which would be local farmers within the UK and other countries that the restaurants are based.

McDonalds state that "the majority of environmental impacts to air, land and water, occur within the McDonalds supply chain" which shows that they understand that the process affects their CSR. Making a completely environmentally friendly global supply chain would be near enough impossible and that is why McDonalds state they are going to work more with the local suppliers they use within the UK. McDonalds are showing an acknowledgement of the effects of their processes of sourcing on the environment but don't seem to state ways of changing their global supply chain displaying a lack of Corporate Social Responsibility.

The next topic was the planet and their views, goals and aspirations on their recycling policies. McDonalds state that they want to create a positive impact for local communities, society and the planet. They state how times have changed and that they've had to adapt with it, showing an understanding of their CSR and sustainability. They state restaurants and franchises are seeking new ways to improve their efficiency, reduce energy usage and recycle as much waste as possible. This shows that they have therefore thought about their CSR and sustainability when making these environmental decisions.

McDonalds state that some of their aspirations for the future with regards to the planet are:

- 20% increase in energy efficiency of company owned restaurants by 2020
- By 2020 increase energy efficiency throughout all restaurants
- By 2025 recycle 100% of guest packaging within their restaurants

McDonalds. (2016). *Planet*.

These aspirations and the way that McDonalds are already operating shows that they understand their responsibility to the environment and that being as environmentally friendly as they can is important for sustainability.

Within McDonalds they state that people are the face of their brand and they understand their responsibility of making a positive impact in the lives of many of their employees by providing opportunity through training and education. McDonalds offer their employees offer educational support to employees whether choosing a career with McDonalds or not.

Within the UK McDonalds were gaining some bad media press with regards to the way that certain employees had been employed. Many employees within the UK were on zero-hour contracts within McDonalds restaurants leading to these employees finding it hard to get loans, mortgages and phone contracts because of the uncertainty of work from week to week.

Zero-hour contracts are controversial because organisations such as McDonalds can use these to exploit their employees on the contracts by giving little and unpredictable hours and changing shifts at short notices making it hard for employees to plan anything around their work at McDonalds. McDonalds were aware of the bad image they were getting when recruiting people and putting them on zero-hour contracts and as part of a 'modernisation drive' 115,000 employees for McDonalds who were currently on zero-hour contracts were offered fixed contracts with a minimum amount of working hours a week and a regular shift pattern. Graham Ruddick. *Guardian* (2017). *McDonald's offers fixed contracts to 115,000 UK zero-hours workers*

This decision from McDonalds shows that they care about their reputation and are aware of their Corporate Social Responsibility and don't want to be seen as irresponsible and mis-treating their employees.

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