

Example of mcdonalds corporate responsibility and sustainability report

[Business](#), [Company](#)



Introduction

The food service business, in which McDonald's engages in, is one of the most challenging industries when it comes to meeting corporate responsibility and sustainability expectations (Gagliano). This is particularly because of the allure to provide the cheap, tasty foods with little or no nutritional value to consumers. In many cases, restaurants prefer to choose the easiest route: to produce foods that consumers love with little regard to the nutritional value that the food would add to the consumer. This goes against the spirit of corporate responsibility and sustainability because it would encourage the growth of unhealthy generations in the future.

Restaurants also need to make a contribution towards healthy generations by providing healthy foods. Many are the cases whereby some of these food chain businesses have been taken to court by consumers for feeding them with unhealthy foods that lead to obesity and increase the risk of developing lifestyle diseases.

In addition, there is the issue of waste management. Restaurants deal with huge amounts of waste; from the potato peels, cabbage cuttings, the amount of waste is enormous. This brings into question the means restaurants use to dispose of their waste. The recycling patterns used also come into question.

Another challenge faced by food service businesses is energy consumption. Restaurants need huge amounts of power for their operations, which in turn calls for enormous amounts of energy. Without a stringent policy for cutting down the consumption of energy, food service businesses would be contributing to the depletion of non-renewable sources of energy. Lastly, the

restaurant business consumes a lot of water. The demand for cleanliness requires them to use huge amounts of water to clean their premises and appliances. This calls for the use of water-saving equipment to downsize the water use in the food service business. Role of CSR on McDonald's Business McDonald's takes corporate responsibility seriously. The organization's values have been tweaked to include corporate responsibility and sustainability, and this underscores the seriousness with which the company grants CSR. Therefore, CSR contributed to a change in its core values. For instance, one of the company's commitments is to operate the business ethically. The aim is to conduct the business to the highest possible standards of fairness, integrity and honesty (McDonald's 8). In addition, the company believes that operating ethically is something that they can be held accountable to both individually and collectively.

Another commitment stated in the company's value statement is to give back to communities. McDonald's makes a commitment to help its customers to build their communities. The objective is to make the world a better place. In addition, McDonald's undertakes, in its values, to do sustainable business practices; the organization is determined to conduct its operations in a manner such that the future generations can meet their needs. This is through ensuring that each of McDonald's restaurants reduces use of non-renewable sources of energy and the amount of water used.

Lastly, McDonald's also makes a commitment in its value statement to grow its business profitably. As stated in the values statement, stakeholders expect sustainable profitable growth.

Guided by the company values, McDonald's seeks to tackle " five key areas

including nutrition, sustainable-supply, environmental responsibility, employee experience and community” (8). The impact of these objectives is that McDonalds has made it their business to achieve quality right from the farm to the front counter. Therefore, CSR is used both as an activity to correct bad practice and seek new markets. For instance, McDonalds has been associated with unhealthy fast foods in the past, and this is a perception that the business is trying to correct.

However, this has not been without some challenges. The challenges are many because of the ever-changing nature of the business. Some of the tangible results achieved by the organization include “ increase in the average number of items, per market menu, that contains at least one serving of fruit or vegetables from 6. 1 % in 2006 to 6. 9 % in 2010” (McDonald's 4). Another key performance indicator for McDonald’s is “ an increase in the average number of items, per market menu, that contain at least half serving of fruit or vegetables, from 9. 9% in 2006 to 15. 8 % in 2010” (McDonald's 4).

McDonald’s happy meal has also been marketed as a healthy alternative to the conservative menus, with the expectation that it will lead in the overall reduction of calories and fat. Regarding the environment, McDonald’s was able to achieve 36% fibre usage in consumer packaging that came from certified sources. In addition, the organization has consistently ensured that the amount of packaging used does not exceed 12 % of the total weight of the product sold. This is something that the organization has achieved from 2006-2012 (McDonald's). In terms of energy use, the organization has strived to reduce restaurant energy use, despite increases in restaurant hours,

equipment and menu items. This has seen the amount of kilowatt hours used per transaction count remain relatively steady, from 1.15 (kWh/GC) to 1.77. The use of LED lights and solar window films was particularly helpful in lowering the amount of energy used.

McDonald's has also been successful at improving employee experience to such a point that the organization was ranked number 8 in Fortune's Best global Companies to work for and Best Companies for Leaders list (McDonald's 5). The percentage of crew members satisfied that they were receiving the training needed to do a good job has increased over the years, from 82 % in 2006 to 87 % in 2011 (McDonald's 5). The percentage of managers who feel that the person they report to supports their professional development also increased from 82 % to 86 % over the same period (McDonald's 5). The company has also increased the percentage management opportunities for women. McDonald's also uses its employees in its community activities. The organization looks set to foster new ways of engaging with employees and consumers. McDonald's has also raised its support for community programs, raising its total corporate cash and in kind contributions from \$ 13.6 million in 2006 to \$ 24 Million in 2011.

The disclosures provided by McDonald's are very useful to the organization's shareholders, media houses, government regulators and the public at large. They have managed to eradicate the perception that the food service business produces unhealthy foods with little regard to the consumers. At some point, McDonald's was experiencing bad publicity, especially after the release of a documentary (Super Size Me) depicting how consumers were affected by the company's products. However, the scenario has changed,

and as of now, the company looks to have set its sight on the future.

Conclusion and Recommendations McDonald's finds itself in an industry that faces a lot of challenges in terms of meeting consumer expectations while at the same time meeting shareholders' expectations of sustainable profits.

Despite those challenges, McDonald's has done extremely well in the areas of employee experience and inculcating corporate responsibility and sustainability at the core of its business. To underscore the importance McDonald's gives to CSR, 3 of its core values relate to corporate responsibility and sustainability.

However, McDonalds should consider doing more in the areas of water conservation, management of wastes and development of menus with nutritional value to consumers. Although there are attempts by regions to address the issue of water use, the subsequent worldwide reports do not capture this information. In addition, there is no mention of attempts to reduce wastes and manage the wastes to avoid an introduction of toxicity. Water use and waste disposal management are critical issues to the food service business because a lot of water is used, and enormous amounts of waste produced (Werbach 13). Therefore, there is a need to give the two areas a serious thought and come up with an acceptable, universal means to address the challenges. Nonetheless, there is room for improvement. In addition, there is room for improvement in the area of providing more healthy foods. Admittedly, this is a complex situation because most of the products are in a fast food category, but, with the right consumer education, a shift to healthy alternatives is possible (Epstein and Buhovac 107).
Personal Reflection Looking at McDonald's corporate responsibility and sustainability

report has been an eye-opener in many ways. First, it has made me appreciate the importance of CSR to the future of business organizations. It has made me appreciate that CSR should not be a gimmick rather an honest intervention by an organization to improve its relationship with employees, shareholders and consumers. Organizations with the best CSR not only carve a niche for themselves in their respective markets but also grow sustainably without jeopardising the livelihood of future generations.

In addition, the exercise has made me understand that CSR should not be a one-off thing, but a continuous activity. There should be measurable targets, and means of measuring achievement versus the target. I have also noted that the use of external experts to assist in developing corporate responsibility and sustainability goals is one thing that organizations consider. Lastly, the commitment to CSR is not a favour that organizations do to the community, but a requirement for businesses operating in the 21st century. Right now consumers are more enlightened, and organizations that do not meet the expectations of the consumers are not likely to survive in their operations. Therefore, any organization thinking about the future of its business should also plan its CSR.

Works Cited

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