



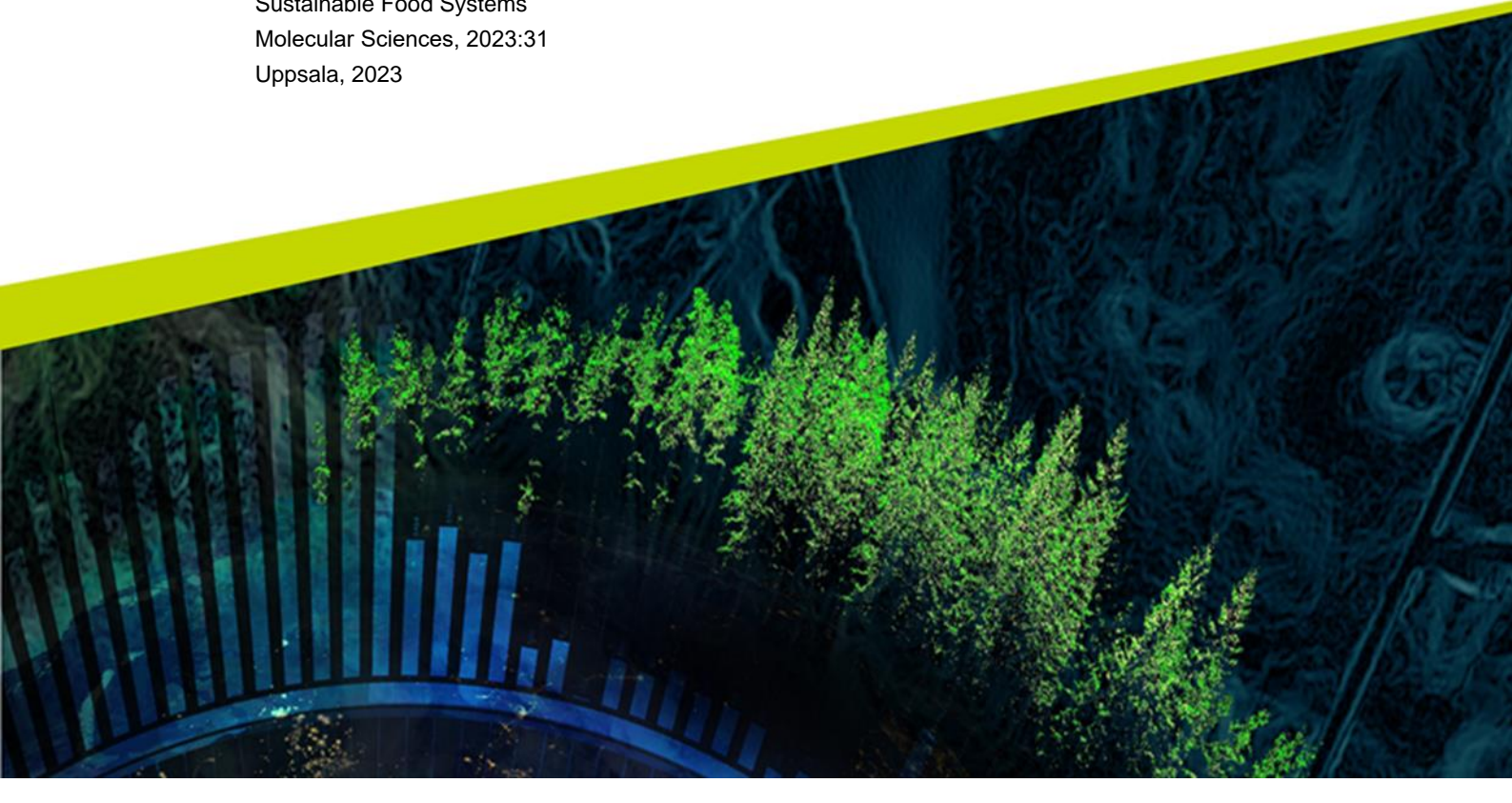
Corporate Sustainability Due Diligence

– The Swedish Quick Service Restaurant Sector.

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Corporate Sustainability Due Diligence: The Swedish Quick Service Restaurant Sector

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Summary

This thesis project looked at the preparedness of the Quick Service Restaurant Sector (QSRS) in Sweden for the introduction of a new EU law in 2024, the Corporate Sustainability Due Diligence Directive (CSDDD). Food systems play a major role in the climate crisis, contributing up to one third of all greenhouse gas emissions, with the QSRS playing a significant role in this across the globe. The QSRS is also associated with a number of health issues, with their supply chain also presenting a number of human rights risks. The aim of this study was to identify the challenges in meeting the CSDDD in the service sector. The theoretical perspective of the Triple Bottom Line served as a point of ontological departure. Focus was placed on due diligence reporting as seen in the sustainability reports published in the QSRS. The project assessed preparedness of due diligence processes and sustainability strategies of the Swedish QSRS for the implementation of the CSDDD. It addressed human rights and environmental issues along the supply chains of the three biggest Quick Service Restaurants (QSRs), McDonald's, Max Hamburgers, and Burger King. A case study was carried out that analysed the sustainability reports and codes of conduct of these QSRs, as well as interviewing two sustainability professionals on due diligence practices. The results showed that McDonald's and Max Hamburgers have the due diligence processes in place to work towards meeting the requirements of the CSDDD, though Burger King has significant work ahead to reach this level.

Burger King, CSDDD Corporate Sustainability Due Diligence Directive, Environment, EU, Fast food, food, Max Hamburger, McDonald's, Power, Quick Service Restaurant, Restaurant, Sustainability, Sweden,

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Abbreviations

Organisation/Concept	Abbreviation	
Business to Business	B2B	17
Corporate Social Responsibility	CSR	25
Corporate Sustainability Due Diligence Directive	CSDDD	12
European Union	EU	12
Greenhouse gas	GHG	48
Guiding Principles on Business and Human Rights	GPBHR	27
Human Rights Due Diligence	HRDD	22
Martin & Servera	M&S	8
Non-Financial Reporting Directive	NFRD	32
Quick Service Restaurant	QSR	13
Triple Bottom Line	TBL	17
United Nation	UN	32
United Nations Sustainable Development Goals	UNSDGs	12
World Trade Organisation	WTO	27

1. Introduction

This chapter introduces the reader to the topic of this thesis, through the introduction of the problem background, the problem itself and presents the reader with the research question and objectives, along with the delimitations of the study.

1.1. Problem background

From January 2024 the European Union (EU) will be implementing the *Corporate Sustainability Due Diligence Directive*, from here on to be known as the CSDDD, (EU, CSDDD, 2022) as part of the EU's drive towards climate neutrality and green economies. It is in line with the objectives of the European Green Deal (EU, 2019) and the UN Sustainable Development Goals (UNSDGs) (UN, 2015(a)).

In recent years there have been a growing number of international agreements, policies, and summits on how to address the climate crisis. Some of these such as the 2015 Paris Agreement are truly global in nature with 196 parties adopting a legally binding international treaty. This treaty's objective is to limit global warming to 1.5 degrees Celsius in comparison to pre-industrial standards, with the aim of achieving a climate neutral world by 2050 (UN, 2015(b)). Others are more localised in nature, such as France's adoption of a law to forbid supermarkets from destroying unsold food products and obliged them to donate them instead in 2016, a law that has since been expanded (Zero Waste Europe, 2020).

In December 2019 the EU introduced its own plan for limiting the member states contribution to climate change, the European Green Deal (EU, 2019). This plan is multi-faceted and looks to address climate change and its impacts through a variety of new regulations and directives. The core aim of the Green Deal is to build a modern, resilient, and sustainable Europe that provides for all, to reduce net greenhouse gas emissions by at least 55% by 2030 and to become the first climate-neutral continent by 2050 (*Ibid*, p.4). The European Green Deal will address all aspects of the EU citizen's lives by improving energy and food security, improving living and health conditions, changing the way we travel through cleaner public transport and increasing the number electric vehicles and creating new, green, local jobs (EU, 2020).

The global food system is one of the primary drivers for climate change, with EU playing a major role in this system. Research has shown that the global food system contributes up to 29% of the global greenhouse gas emissions, (Vermeulen *et al.* 2012, p.195), with a growing world population (UN, n.d) the demands being placed on the global food system are unlike anything that has been seen before. This comes on the heels of a century that saw the average cropland available diminish from 0.75 ha/person in 1900 to 0.35 ha/person in 1990 (Ramankutty *et al.* 2002, p.251). With land and water resources becoming scarcer, diminishing biodiversity, as well as rising ocean and fresh water acidification. While food waste is acknowledged as being an issue within the global food system, the issue of food waste and loss in agricultural production is often one that is missing from the discussion according to Lisa Johnson's chapter "Produce Loss and Waste in Agricultural Production" in the Routledge Handbook of Food Waste (2020). It has become clear that the global food system needs to adapt

its practices to the challenges it faces today and move towards a more sustainable model to reduce its effect on climate change (Garcia-Oliveira *et al.*, 2022, p.1766).

The next section offers a presentation of the issue of supply chain transparency and management in conjunction with the European Green Deal and how a new piece of legislation is aiming to tackle agriculture's role in the climate crisis.

1.2. Problem

Supply chains in agriculture, and the global food system as a whole, tend to be highly complex, and often opaque (Majdalawieh *et al.*, 2021, p. 3822). While they are a large contributor to the climate crisis it is not always easy for consumers or businesses to see which areas of their supply chain are the largest contributors, nor is there always a willingness to look into or acknowledge this issue. Over the last 30 years the growing prevalence of organic and eco-labels on foods have helped consumers develop a better understanding of the environmental impacts of their food choices (Prieto-Sandoval *et al.*, 2016, p.806-7). However, these are not mandatory, and they require the business or producer to make the decision to change the way they farm and show this through an eco-label. These choices have come as a result of consumer pressure, a rising awareness on the producer's part that they play a role in combating the climate crisis or simply that they see a gap in the market which they can exploit. What is clear is that past EU legislation has been found lacking (Boyes *et al.*, p.19-20. 2016; Jordan, 2000, p.109-110). A new directive has been developed by the EU to address this, the Corporate Sustainability Due Diligence Directive (**CSDDD**), which is to provide a broad aim for integrating social and environmental sustainability practices within large businesses, in this case being a business who employ over 500 people and generate a turnover of more than EUR 150 million a year.

This project is focused on the Quick Service Restaurant (**QSR**) sector within Sweden. Under the CSDDD all business who generate 50% of their net turn over in a high impact sector, such as the manufacturing of food products, food or beverages and employ on average more than 250 employees with a turnover of more the EUR 40 million in the previous financial year must comply with the article laid out in the CSDDD (CSDDD, Article (2)1, point (b), (ii)). Many companies within the QSR sector will fall under this requirement as they meet these conditions. Businesses within this sector have long been linked with a number of social and environmental problems. Numerous studies have shown that there is a strong association between fast food consumption and obesity (Cummings *et al.*, 2005, p.308. French *et al.*, 2000, p.1358), this has also been shown to disproportionately affect minorities and those who live in lower-income neighbourhoods (Reidpath *et al.*, 2002, p.144).

These are issues that the CSDDD touches upon. On the environmental side fast food companies have been shown to contribute to plastic pollution, deforestation and food waste (West, 2019) as well as contributing a significant carbon footprint (Busby, 2019). On the social side the prevalence of meat centric menus are the leading factor in this (McMichael *et al.*, 2007, p.1253). While the consumption of both dairy and meat products in Sweden has to fallen below the EU average (Jordbruksverket, 2022) the environmental and social impacts continue to be considerable. Non-communicable diseases make up 89% of all deaths in Sweden (World Bank, 2020) with dietary shifts being associated with a number of these such as type II diabetes and

coronary heart disease (Tilman & Clark, 2014). Research also shows that fast food consumption is a major factor in this (Biswas *et al.*, 2022). Professional kitchens have been shown to be challenging and abusive work places, in their 2013 book *Behind the Kitchen Door* Saru Jayaraman and Eric Schlosser investigated the lives of kitchen staff finding that “our food system now treats millions of workers like disposable commodities, paying them poverty wages, denying them medical benefits and sick pay, and tolerating racism and sexism on the job” (Jayaraman & Schlosser, 2013, p.x), these are problems found throughout most professional kitchens, equally so in fast-food restaurants. All of these fall under the CSDDD’s aim of reducing emissions in line with the 1.5C warming outlined in the Paris Agreement and addressing human rights issues.

For food producers, manufacturers, distributors, and retailers in the EU this is all about to change, through extended responsibility. In 2024 the EU is planning to introduce a new piece of legislation that will drastically expand our understanding of food supply chains, the CSDDD, which will come into force from 2025 (CSDDD, 2022).

The aim of the CSDDD is simple, “the proposed rules require businesses to integrate due diligence in their policies, to make sure they identify and prevent potential adverse impact of their activities on human rights and the environment and to bring actual infringements to an end.” (CSDDD, Articles 5-8) The enactment on the other hand does not appear to be so simple, with each member states government developing their own laws that will bring businesses into line with the CSDDD. Chantal Mak makes clear in her article, *Corporate sustainability due diligence: More than ticking the boxes*, (2022) that the practicalities of the implementing directive for businesses are far from precise. The due diligence laws that this directive’s are derived from, the United Nations Guiding Principles on Business and Human Rights (**UNGPs**), are still topics of debate within the United Nations. Mak neatly summarises some of the work by Bonnitcha and McCorquodale that questions the formulation of the UNGPs by asking “whether due diligence is meant to be an *ex ante* safeguard against human rights violations or rather can serve as an *ex post* defence for businesses to escape liability for such violations, if they can demonstrate sufficient diligence but harm had nevertheless occurred” (Mak, 2022, p.302-303).

Another issue that Mak sees the CSDDD facing is related to its integration into current business models that have grown and developed as a result of traditional understandings of a business’s role in society (*Ibid.*). This traditional understating sees a business primary role as a means making a profit and contributing towards economic growth, (Belz & Peattie, 2012) with both of these contributing to the betterment of society as a whole. However, these archaic models are limited in their view of stakeholders, the CSDDD expands the understanding of who the stakeholders in a business are to encompass the environment and the individuals who work for or with a business in a number of different capacities. While this second set of stakeholders are a group that have become more important in the academic literature of business administration (Porter & Kramer, 2011) and the actual running of businesses over the last 30 years, however, the environment as a stakeholder will present a major barrier of understanding and acceptance for many. Mak (2022) argues that for the CSDDD to truly be accepted and implemented, the EU and the businesses that operate within, will require a fundamental

paradigm shift in economics and politics. An example of such a paradigm shift is Kate Raworth's "doughnut economics" (2017) which will be presented in chapter 3.

Brabant *et al.* identify a number of ideas within the CSDDD that are also found within the work of Raworth. They argue that the legislation does look to change directors incentives when conducting business as well as expanding the understanding of who the stakeholders in a business are. However, they do not feel they go far enough. They feel the CSDDD should clarify that stakeholder interests should be on equal footing to shareholder profits and that directors are not punished by losing their jobs by pursuing stakeholder-friendly governance that may result in reduced profit. (Brabant *et al.*, 2022)

Bertram (2022) also highlights a number of issues within the text of the CSDDD, in his paper *Green(wash)ing Global Commodity Chains: Light and Shadow in the EU Commission's Due Diligence Proposal* points out that these measures will only affect no more than 1% of EU companies, though he acknowledges that these are often the largest contributors to the climate crises and the radiating affect of the CSDDD will go some way to achieving its aims (*Ibid*, p.2-6). The main points that he highlights is that the CSDDD recognises 4 different concepts of environmental harm. One has already been touched on and was addressed in this study, alignment with the Paris Agreement, the other 3 are both more vague and broad. These state that "adverse environmental impacts", "severe adverse impacts" should be limited and there should be a "prohibition of causing any measurable environmental degradation" or business that "affects ecological integrity." (*Ibid*, p.3) This study focused on alignment with the Paris Agreement.

The CSDDD is not the first piece of legislation within the EU that tackles supply chain due diligence. Both France and Germany have introduced similar legislation in recent years. The CSDDD can be seen to have taken inspiration from both of these and shares a number of similar characteristics. While these are conceptual issues with the CSDDD itself, businesses who are required to follow it will face a raft of their own problems. These are awareness, expertise, cost, and implementation, presented in 1.2.1 – 1.2.4.

1.2.1. Awareness

To many business owners the machinations of the European Commission are distant in both a geographic sense, as well as a conceptual sense. The work carried out by the European institutions is often abstract and hard to grasp in everyday lives, with little of it having a direct and noticeable impact on how people live their lives, run their businesses, or farm their fields. The CSDDD is a piece of legislation that will directly impact these people's ways of working, but for it to do so they must be aware of it. The legislation is aimed at large businesses and those who work in high impact sectors, with food and agriculture being such a sector. For a food related business to qualify they must have "had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial years for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one or more of the following sectors" (CSDDD, Article 2). While large retailers will be well aware of this legislation and prepared to enact it, it is likely that businesses on the lower end of the qualification criteria are unaware of this upcoming directive.

1.2.2. Expertise

As above large businesses will have access to the expertise to be able to carry out such a large undertaking, either through direct employees who are capable of carrying out the work or have access to funds to employ external consultants to carry out the work for them. An example of this is Max Hamburgers AB, hence forth simply referred to as Max, who have a longstanding relationship with the sustainability consultancy U&WE (*U&WE*, n.d.), this prior relationship gives them the access to knowledge and expertise needed in order to come into line with the CSDDD. Smaller businesses may not have access to either of these, a relationship with a sustainability consultancy or employees who could carry out this work.

1.2.3. Cost

The above-mentioned consultancy services are also businesses that need to make a profit and pay their employees, as such their services can be expensive, something small to medium sized restaurant chains may not be able to afford. While they maybe able to divert employees with the necessary expertise towards this work, that would also be a financial cost through the reallocating of resources, as would be the hiring of new employees to carry out this work. Some companies such as Max (Max, n.d.(a)) and IKEA (IKEA, n.d.) have dedicated departments or individuals who work solely with sustainability issues. Others have looked to integrate sustainable thinking into every position within their company, however, as this presents its own challenge as no one person or department would have the required knowledge to provide an overview of the company's activities, both environmental and social.

1.2.4. Implementation

The contents of the CSDDD itself present a barrier for companies seeking to follow the directive. The aim is clear, the way to reach this aim is not. Article 7 addresses the environmental side the directive which tells companies to “adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5C in line with the Paris Agreement,” (CSDDD, Article 15, 1) in addition the plan should identify “on the basis of information reasonably available to the company, the extent to which climate change is a risk for, or an impact of, the company's operations” (CSDDD, Article 15.1). This is the most precise of the environmental requirements outlined by the CSDDD, it allows companies both a large amount of autonomy in how they reach this aim, but also fails to provide the tools required for business to do so. Articles 4 through 10 all refer to the human rights aspect, within in these Articles there is an expectation that whoever is conducting the due diligence of their work has a strong understanding of EU and international law regarding human rights.

There are a number of issues that will arise for companies as they seek to comply with this new EU directive. This thesis will look to explore these problems within the QSR sector in Sweden. It will examine to what extent their business models align with this directive, how their due diligence processes as seen through their sustainability reporting can be used as effective tools for alignment with the CSDDD and what actions are currently being taken to do so

There is currently no information regarding this upcoming piece of legislation in either of the main information hubs for the Swedish restaurant business, *livsmedelesföretagen.se* (Livsmedelsföretagen, n.d.) or *Livsmedelsverket.se* (En framtidsindustri, n.d.).

1.3. Aim, objective, and research questions

The aim of this study was to identify challenges in meeting the requirements of the Corporate Sustainability Due Diligence Directive. The objective of the study was to identify and describe due diligence themes in Swedish QSR sustainability reporting, and to compare them with upcoming Corporate Sustainability Due Diligence requirements.

- How is due diligence reflected in QSR sustainability reporting?
- What similarities in terms of themes are shared across Swedish QSR sustainability reports?
- What gaps are there across Swedish QSR reporting compared to expected CSDDD requirements and other sustainability frameworks such as the Triple Bottom Line and how should these gaps be filled?

1.4. Delimitations

Several delimitations were made when the research topic was developed, this in turn influenced the research design chosen to carry out this thesis. These delimitations were also felt in the gathering of information for the theoretical and empirical frameworks.

The delimitations of this thesis were divided into three distinct groups. Theoretical delimitations, methodological delimitations, and empirical delimitations. The theoretical delimitations outline the boundaries for the theory applied to the empirical case study. The methodological delimitations relate to the collection and analysis of data, while the empirical delimitations mark the perimeters for the case study itself.

1.4.1. Theoretical delimitations

Many of the theoretical delimitations of this thesis were dictated by the CSDDD itself. The directive states that

“Member states shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2,3 and 4 [...] shall only be required to identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b)” (CSDDD, Article 6 (1-2)).

This study was approached with a business to business (**B2B**) perspective as it examined the interactions between businesses along the supply chain rather than their interactions with customers. Through this lens each aspect of the Triple Bottom Line (**TBL**) was identified within the B2B relationships of the CSDDD.

The economic aspect is the sale of goods and services along the supply chain. The social aspect is the identification actual and potential adverse human rights impacts, or simply put, workplace practices along the supply chain. The environmental aspect is the identification of actual and potential adverse environmental impacts, or how business practices contribute towards climate change.

This also resulted in another delimitation being identified, the CSDDD states that businesses are only “required to identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1)” (CSDDD). For this study that meant only practices that related to “the manufacture of food products [...] food, and beverages” (*Ibid*, Article 2(1) point (b), (ii)) were within the delimitations of the thesis. This excluded several areas that present their own issues, with sourcing of IT equipment being one example.

1.4.2. Methodological delimitations

This outlines the reasoning behind the choice of unit of analysis, which value chains are being studied and what the criteria for selecting these were.

The unit of analysis for this study was a customer facing business at the end of a supply chain within the Swedish QSR sector. This unit of analysis was chosen because the aim of the thesis was to identify strategies and business models at the end point of a QSR supply chain. The criteria for the choice of subject for the case study was dictated by the CSDDD, as this directive will only apply to businesses with a turnover of over €40 million and over 250 employees in the previous financial year. The areas of the value chain under consideration were also dictated by the CSDDD itself, only businesses within the value chain that relate to the production or transportation of food were studied.

1.4.3. Empirical delimitations

This outlines the reasoning behind the scope of the empirical study. The empirical study looked at the three largest QSR in Sweden; McDonald’s Corporation, MAX Hamburgers AB and Burger King (a brand owned by Restaurant Brands International) as well as the three largest wholesalers in Sweden; Martin & Servera (M&S), Menigo and Svensk Cater. These six companies were chosen because they are the three largest actors within their respective sectors in Sweden, as thus can provide an overview of the preparedness of each sector. Aside from M&S, each of these companies operate both inside and outside of Sweden, for this study only their operations within Sweden were addressed as the aim of the study is to look at the preparedness of the QSR in Sweden for the CSDDD. The data collected and analysed came from their most recent sustainability reports available at the time of writing, as well as the most recent version of their supply chain code of conduct, this decision was made because the application of the CSDDD will look at the workings of each company in the year prior to its planned adoption, 2024.

1.5. Outline

Figure 1 shows the outline of the thesis project, showing chapters 1-8.

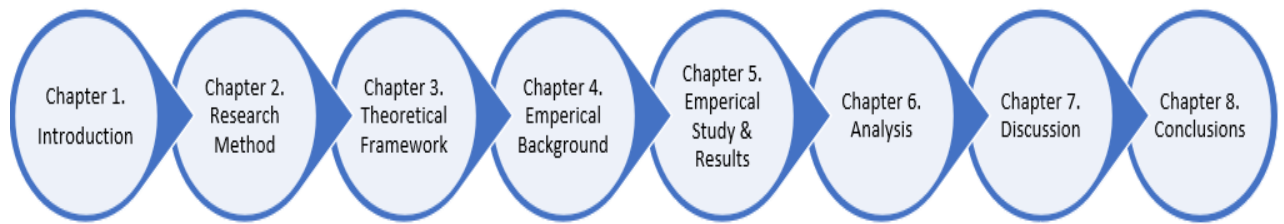


Figure 1: Thesis outline

Chapter 1 identifies the problem and establishes it within a wider food systems context. It presents the reader with the aim, objective and the research question that the thesis addresses as well as a brief introduction to the company who are the subject of the case study. **Chapter 2** presents the research method, this shows the reader what methodological approach has been taken for this study and shows why these choices have been made. **Chapter 3** introduces the theoretical framework used to throughout the thesis, this is based on a literature review. **Chapter 4** gives the reader a deeper understanding of the context in which the case study is conducted, it looks at due diligence reporting, shows the reader who the stakeholders within the QSR sector are and places this within a Swedish context. **Chapter 5** presents the primary data, this comes in the form of interviews, codes of conduct and sustainability reports. **Chapter 6** offers the researchers analysis of the afformentioned primary data, this is done through applying the theories developed in chapter 3. **Chapter 7** brings us back to the research questions, and discusses this in connection to other studies findings and analysis. **Chapter 8** offers the reader a number of answers to the aim and objective of this thesis, it presents a some proposals for future research within this field of study.

2. Research method

This chapter accounts for the methodological approach, along with the choices that were made to collect and assess data to fulfil the purpose of the study.

2.1. Approach

The aim of research is to present a nuanced and relevant analysis on the topic being studied, however, a researcher will often have a prior understanding and relationship to the topic. This can have an impact of the aim, theoretical perspectives taken and the method of analysis. As such creating trustworthiness is a vital consideration when undertaking a research project (Robson & McCartan, 2011). This can be established through making transparent choices in every step of the research approach (Olsen, 2012) A literature review was carried out to bring together the central pillars of the theoretical framework used during this study. This study also carried out a content analysis of codes of conduct and annual sustainability report. In addition to this, two sustainability specialists were experts to gather a greater understanding of how due diligence is carried out. This chapter outlines how the information from the literature review content analysis and how the interviews were carried out.

2.2. Research method

This study carried out a case study as it has contributed to our knowledge of the structure of supply chains within the Swedish QSR sector. It allowed the researcher to investigate the holistic and meaningful characteristics of the subject, the interconnectedness of supply chains within food systems, and the organisational structures and processes of a number of actors within said system (Yin, 2009, p.4).

2.3. Literature review

The purpose of the literature review in this study was twofold. Firstly, to identify a theoretical understanding of how the study was developed to identify gaps within the research. This also helped identify research methods and instruments that were appropriate to the study (Robson & McCartan, p.53). Secondly, the literature study provided an understanding of previous research carried out on the strengths, weaknesses and potential benefits of the CSDDD, to place the case study within a wider context and to frame the research questions. The literature for both the theoretical and empirical literature reviews were collected through the Primo database.

Table 1: Keywords in literature study

Theoretical framework keywords	
Fast food AND Sustainability	Stakeholder expansion
Food chain management	Doughnut Economics
Corporate sustainability due diligence directive AND CSDDD	"Food supply chain" power
Triple bottom line AND TBL	Food systems hourglass
Empirical background keywords	
Corporate sustainability due diligence directive AND CSDDD	Due diligence
Quick Service Restaurants & QSR	Swedish foodservice distribution
Swedish wholesale distribution	Climate change litigation

Table 1 shows the terms used in the literature reviews for both the theoretical framework and for the empirical background.

2.4. Case study

A qualitative case study was chosen as part of the research method for this project as the study examines the activities of a business, its organisational strategies, relationships with other actors along its supply chain and its place within this industry. This case study took the form of a holistic case study, it sees a supply chain as a holistic entity, one which can only be explained by reference to the whole (Saunders *et al.*, p.147). This choice was made due to the interconnectedness of supply chain actors and the need of the CSDDD to evaluate environmental and social impacts of supply chains. To do this the case study looked at the progress the company has made towards reaching the 1.5C warming of the Paris Climate Agreement, the environmental aspect, and the due diligence reporting mechanisms in place, the social aspect. The unit of analysis for this study was the customer facing business of a QSR supply chain within the Swedish QSR sector. This unit of analysis was chosen because the aim of the thesis was to identify strategies and business models along the whole supply chain.

2.4.1. Collection of data

This research project looks at information gathered from a number of different avenues, this increases the trustworthiness of the research itself and can lead to unexpected findings being discovered within the area of study (Yin, 2009). This thesis is built upon a literature review, the content analysis of codes of conducts and sustainability reports from actors along the supply chain, as well as semi-structured interviews conducted with employees along the supply chain. We will now examine how the documents were chosen and examined. How the interviewees were chosen, where they stand within the supply chain and their area of work.

2.4.2. Selection of sources

This thesis selected codes of conduct and sustainability reports of actors within the supply chain as the sources to be analysed in the content analysis. In 2014 the EU introduced a directive that requires companies of a certain size to produce an annual non-financial report, which has colloquially become known as sustainability reports. This report must pertain to environmental protection, social responsibility, the treatment of employees and upholding human rights (Finansinspektion, n.d.). These are all aspects that the CSDDD also looks at. Codes of conduct were also analysed, while the publishing of a non-financial report is compulsory under EU law, a code of conduct is not. A code of conduct is a voluntary formally written document whose purpose is to present policies that can be understood as “moral standards, primary values, principles or as a general statement of an organisation’s ethical orientation” (Pater & van Giles, 2003, p.762). The codes of conduct played a less significant role in the case study due to a lack of access and detail within the codes of conduct themselves. These are all policies that can be seen to contribute towards the social dimensions of the CSDDD which made them an ideal source of primary data.

2.4.3. Interviews

This study interviewed two specialists in the field of due diligence to garner a greater understanding of the practical aspect of conducting a due diligence process and how these due diligence processes can be seen in the sustainability reports and codes of conduct of each company. The interviews focused on the human rights dimensions of due diligence and the awareness of high impact industries of the CSDDD. The interviewees were found through convenience sampling, in which individuals who suited the criteria of the study were identified (Emerson, 2015), through the authors previous experience of working in the restaurant sector. The interview guides used for each set of interviewees can be found in *Appendix 1*.

2.4.4. Choice of interviewees

For this study it was important to understand how due diligence processes are carried out in a practical sense as well as theoretically, and how their results are used in annual sustainability reports. This was done by interviewing an expert in due diligence processes at Ethos, the Scandinavia’s leading consultancy specialist in sustainability (Ethos, 2022). Kajsa Lönnroth is an associate with Ethos and specialises in the human rights dimensions of due diligence processes by working with Human Rights Due Diligence (HRDDD). While she has not worked directly with the food sectors the processes behind conducting a due diligence investigation remain the same across many sectors. Another expert in due diligence was interviewed to create a greater degree of reliability in the study.

2.5. Content analysis

This research carried out a coding process to analyse the content of the sustainability reports and codes of conduct collected for the literature review.

In conducting the content analysis two layers of meaning were examined, the manifest content and the latent content (Downe-Wamboldt, 1992). To examine the manifest content meant looking at the content of the documents and analysing them in a manner that described

the obvious and visible components. For the latent content this meant looking at the relationship characteristics of the text and required the author carry out their own clarification of the underlying meaning of the text (*Ibid.*). Both of these were done while keeping in mind the background and framework of the research problem, as well as the literature review, with each requiring a different level of abstraction. This study analysed both the manifest and latent content as it examined both the surface content of the documents, as well as how they relate to a number of theories.

This was done through a coding process. This process constructed meaning units from the data, with these meaning units being groupings of words and statements related to the same cultural meaning, which in turn brought these groupings together through a shared context and content. These meaning units were condensed into a more efficient form while maintaining their core meanings. These condensed meaning units were sorted into a number of themes and categories. These categories formed the basis of the content analysis. These categories were exhaustive, meaning that no data was lost for want of a suitable category and were mutually exclusive. From here a number of themes were developed that linked the underlying meanings of categories together. Where the categories looked at ‘what’ the themes looked at ‘how’. A number of sub-themes were extrapolated from the themes (Krippendorff, 2013). Each unit of analysis was read several times over with notes collected before the work of coding began, this was done to ensure that an adequate level of trustworthiness and credibility was achieved (Graneheim & Lundman, 2004).

2.6. Quality assurance

Both of the interviews for this study were conducted and recorded over Zoom, the remaining interviews were conducted in person. Consent for the recording of the interview was obtained both in advance and at the beginning of the interview. The audio file of the interview was provided to the interviewee to review. The interview was transcribed with the OpenAI Speech to Text tool (OpenAI, N.D.). *Table 2* shows the methods used to ensure good science was practiced.

Table 2: Methods of quality assurance, based on Reige, 2003 pp.78-9; modified by the author.)

Case Study Design Tests	Examples of relevant techniques	Application in this project
Construct validity	Use multiple sources of evidence in data collection	Identification of different interview methods, perspectives and data sources
	Establish chain of evidence in data collection	Interviews were transcribed and secondary data was documented
	Third-party review of evidence	Transcripts, audio files and follow-ups sent to interviewees
Internal validity	Use of illustrations and diagrams in data analysis to assist explanation	Graphic models from literature review/theoretical framework were used for analysis
	Ensure that concepts and findings are systematically related	Same frameworks were applied to all sources of data
External validity	Define scope and boundaries in research design	Carried out in
	Compare evidence with extant literature in data analysis	Abductive approach was used; analysis was built on theoretical framework
Reliability	Give full account of theories and ideas	The theories were clearly presented in the theory chapter
	Assure congruence between the research issues and features of the study design	Carried out throughout Chapter 3
	Record observations and actions as concretely as possible	Interviews were recorded, observational notes were taken
	Record data digitally	Interviews were recorded
	Assure meaningful parallelism of findings across multiple sources of data	Same framework/logic were used in all interviews and documents
	Use peer review/examination	Proposal and half-time seminar with peers; opposition for the seminar draft

Table 2 presents the internal, external and construct validity processes that were undertaken, alongside the reliability measures that were carried out throughout the study.

2.7. Ethical Assurance

Ethical considerations must be kept in mind from the beginning of any research project, each project is unique and thus presents a myriad number of ethical considerations that must be considered (Robson, 2011, 497). In research ethical codes are often unclear and as such the

researcher must fully consider and determine the ethical problems that may be encountered in the research project (*Ibid.*). This is clearer when conducting interviews and it is of upmost importance that the interviewees were treated with openness and respect.

In conducting and arranging these interviews it was respected that the subject of the interviews had taken time from the jobs to take part in this study. Both during and after the interview, the subjects were given the opportunity to exclude parts that they did not want to be published and were given the opportunity to add information that had initially been missed.

For an interview to be an effective research tool it is important that the subject is aware of the context in which they are being interviewed and understand the research being carried out (*Ibid.*). As such each of the interviewees was provided with a contextual email explaining the setting of the study and were provided with the interview questions in advance. In addition to this their consent to having the interview recorded was obtained both in advance of the interview taking place as well as when the recoding began. The participant was given to opportunity to modify their answers after the interview had taken place. The interviews were transcribed using OpenAI's Speech to Text tool, this was done with the informed consent of the interviewee. The data submitted is retained for 30 days of abuse and monitoring purposes, after this point the data is deleted (OpenAI, 2023).

3. Theoretical framework

This chapter looked at the theories used throughout this thesis. It begins with a broad theory that offers a wider perspective of sustainability, the Triple Bottom Line. This is followed by a presentation of a number of theories relating to stakeholder roles, then an examination of due diligence reporting and finally looks at different types of power and their distribution within the food system.

3.1. The Triple Bottom Line

Elkington's Triple Bottom Line (TBL) states that businesses have a threefold responsibility, they have an obligation to act in a manner that is economically, socially, and environmentally responsible (Elkington, 1998). Elkington argues that a businesses ability to place itself in this framework will garner it significant advantages over its competitors, as it the relationships built between different stakeholders will be invaluable in the sustainability transition (*Ibid.*). In the years since its publication the work of Elkington has been expanded upon by a number of authors, Carter & Rogers (2008) that this three-pronged thinking naturally lends itself more towards long-term thinking as it moves businesses, beyond only seeing the short-term effects of their work. However, there are a number of difficulties inherent with shifting a business towards a TBL approach Those that do so will naturally want to place themselves in the public eye as being "green" or "sustainable" and this comes with its own dangers, while a business may want to implement a more sustainable strategy and communicate this it must first develop the tools to do so. Alongside this they must ensure that any environmental or social work it carries out fit within the culture of the organisation, is relevant to the work that they do and can be backed up finically (Wolf, 2014). There maybe additional barriers to this transition, an organisation that embarks upon the sustainable transition may not be in line with the regulations and laws of the country in which they work (Robins, 2006), a significant barrier considering a TBL approach expects organisations to exceed laws and regulations on environmental and social responsibility. Another challenge is simply drawing the focus away from the financial side of TBL, this is often most heavily emphasised at the beginning of a transition because it most closely fits within the prior framework (Angus-Leppan *et al.*, 2010). Finally, another barrier is the ability to present progress in environmental and social responsibility, each company may come to different conclusions as to which parts of its work are most quantifiable and are able to be shown to have made progress, meaning that it will be hard to show definitively how far along businesses are in their sustainability transition in comparison to one another.

Quick Service Restaurants play a growing role in people's everyday lives, both with them being a large employer in many communities and through the number of customers they serve every day. For these businesses to follow the requirements of the CSDDD they will need to address a number of sustainability issues in their work and that of their supply chain. In this case the TBL catches the two key areas in which the CSDDD emphasizes, social and environmental sustainability. These businesses will need to work with a number of human rights issues along their supply chain (social sustainability) and address the negative environmental impact of their work along their supply chain (environmental sustainability).

The TBL points to the idea that work in each of these areas will lead to greater economic sustainability through positive feedback loops. The TBL also encourages an extension of who businesses see as stakeholders, which will now be addressed.

3.2. Stakeholder roles

The existence of the CSDDD changes who companies have traditionally viewed stakeholders, as has already been discussed in the problem background, companies will now have to expand their stakeholder understanding to encompass the natural world. *Figure 2* shows a modern understanding of stakeholders.

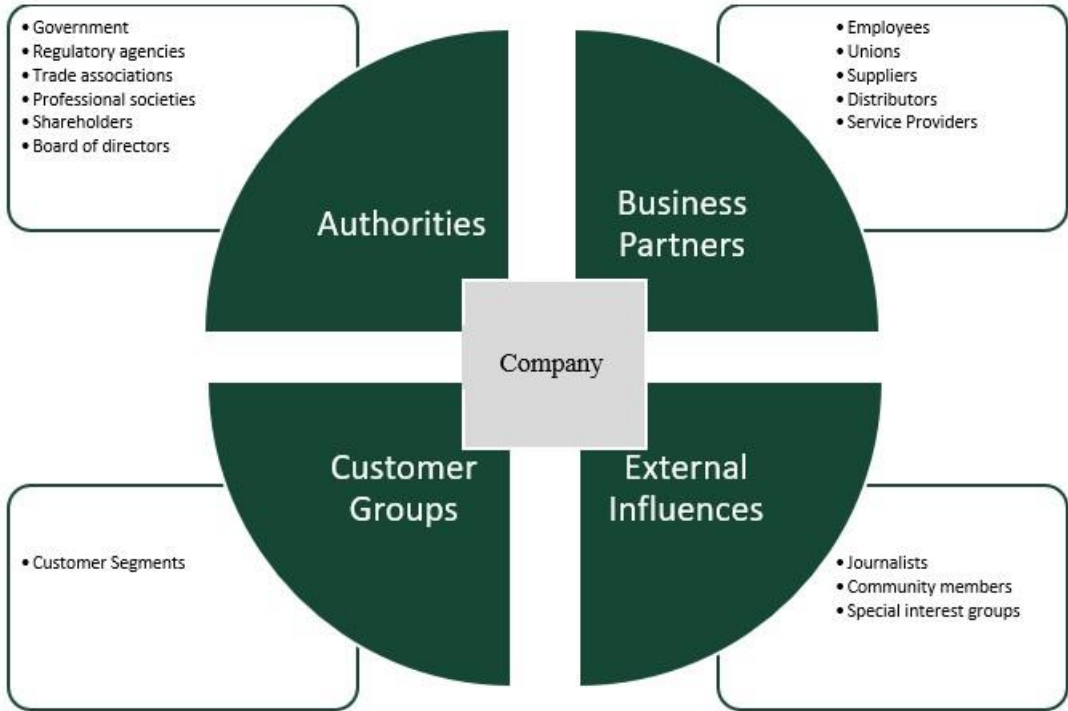


Figure 2: A stakeholder role model. (Adapted from Roberts 2003, p.162).

This figure shows the different kind of stakeholders a company has and their Corporate Social Responsibility (CSR) activities. These stakeholders are divided between the different relationship groups each holds to the company in question, rather than simply looking at internal and external stakeholders. We can see that there can be an overlap within groups in contrast to more dated understandings of stakeholders (*Ibid*, p.161-3).

While this model was adequate to explain growing stakeholder ownerships and relationships at the turn of the millennium it is still lacking a number of stakeholders, especially in the context of the CSDDD. The CSDDD does not explicitly state that the environment should be adopted within our understanding of stakeholders, however, Tak (2022) points to this being fundamental to the success of the directive. As such a theoretical model has been developed that does so, which is presented at the end of this chapter.

Kate Raworth’s 2017 model expands the stakeholder paradigm, including all 3 aspects of the TBL. This also encompasses the nine planetary boundaries of Rockström et al. (2012) Raworth’s model can be seen below in *Figure 3*.

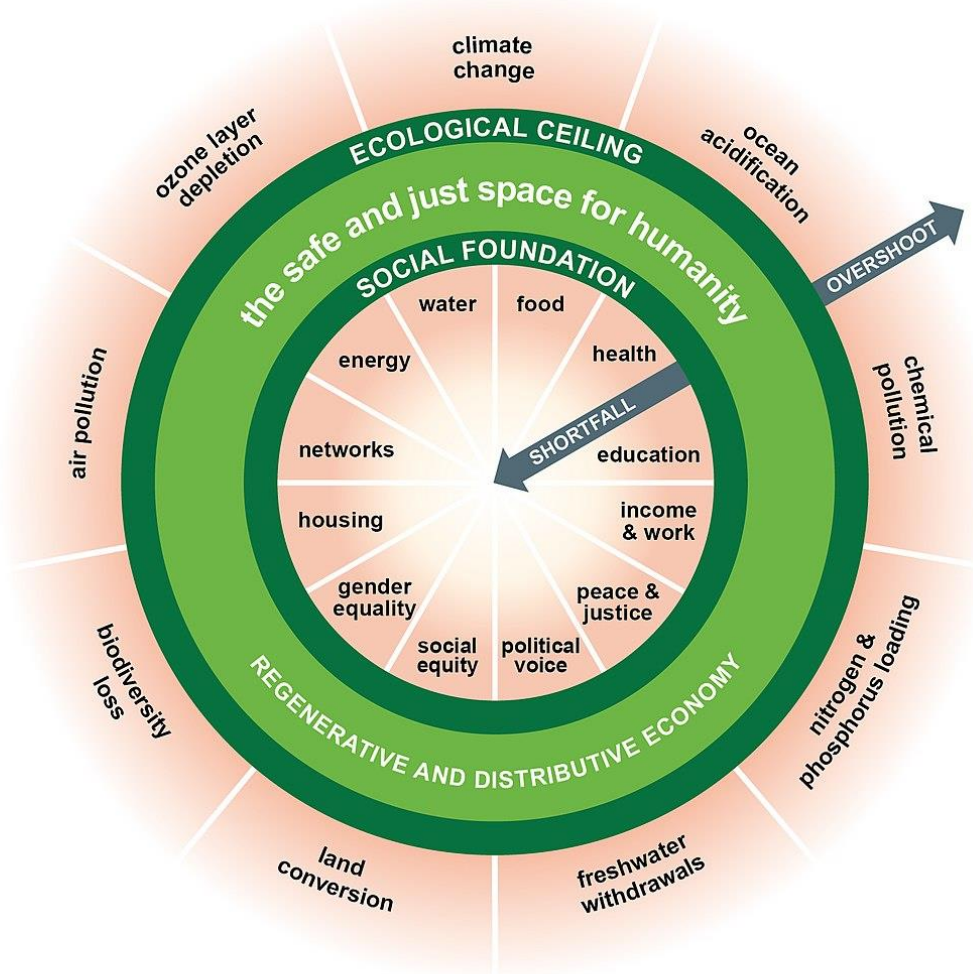


Figure 3: The Doughnut 21st Century Compass (Raworth, 2017, p. 44.) CC BY-SA 4.0.

This figure shows Raworth’s model, the inner ring of the doughnut are the social foundations that we require as human beings for a fair, equal, and sustainable society, the outer ring shows the ecological ceiling that the planet can cope with. Within these two boundaries are what Raworth sees as being a society in which both all peoples, and the planets needs are met (*Ibid.*). This theory shows where a business should place itself to achieve its aims of acting sustainably in an economic, social, and environmental way. The CSDDD requires businesses to limit their contribution to global heating to 1.5C and to prevent their activities causing undue environmental harm and/or degradation. Achieving both of these aims would place a business in the Regenerative and Distributive Economy of Raworth’s doughnut. In addition to these, meeting the human rights requirements of the CSDDD would mean that a company is contributing to the Social Foundation of the model.

3.3. Due diligence

Due diligence reporting is at the core of the CSDDD. In order to be able to carry out this study it was necessary to first understand what is meant by due diligence reporting. The CSDDD draws its human rights due diligence reporting processes from the *Guiding Principles on Business and Human Rights (GPBHR)*, (UN, GPBHR, 2011) this in turn draws on a number of international conventions on human rights (*Ibid.*).

These guiding principles say that businesses should respect human rights, avoid infringing upon the human rights of others through their activities and seek to mitigate or prevent human rights impacts that are directly linked to their operations, products, or services. These are principles that should be followed regardless of the size of the business, who should have policies and processes in place that include.

“(a) A policy commitment to meet their responsibility to respect human rights; (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; (c) Processes to enable remediation of any adverse human rights impacts they cause or to which they contribute.” (Ibid, pp.15-16)

These are policies and processes that should be ongoing within the business and their supply chain, they should be clearly communicated both internally and externally, while recognising that the risks shift as the businesses operations and operating context change. The GPBHR recognises that some parts of a supply chain maybe unreasonably difficult to conduct due diligence on, and as such a business should identify the highest risk areas and prioritize these. This is echoed in the CSDDD when it specifies the importance of looking at risks most closely associated with the sector in which the business operates. Risks can be categorised as actual or potential adverse impacts. Once these have been identified the business should take the necessary steps to prevent or cease any adverse impacts. These processes should be being tracked at all times so that a business can see if its policies are being implemented successfully if it has responded effectively and to drive continuous improvement in its approach (*Ibid.*).

4. Empirical background

Chapter 4 provides an overview of the current literature on due diligence processes, as well as giving a brief explanation of which actors in the food system are the subject of the empirical and placing them within the context of Sweden.

4.1. Empirical literature review

The empirical literature review looked at due diligence research, both in a general sense and in relation to the CSDDD as well as highlighting the key elements of the modern approach to due diligence reporting. A brief history of the QSR sector, McDonald's, Max Hamburgers and Burger King was provided to place them within the context of the global food system, this was also done for the wholesalers Martin & Servera, Menigo and Svensk Cater. Finally, each of these companies was placed within the context of the Sweden and the Swedish food system.

4.1.1. Due diligence research

Due diligence, noun:

Law: The care that a reasonable person exercise to avoid harm to other persons or their property.

Failed to exercise due diligence in trying to prevent the accident.

Business: Research and analysis of a company or organisation done in preparation for a business transaction (such as a corporate merger or purchase of securities)

(Merriam-Webster, 2023).

Due diligence is a concept that exists in both law and in business, and in the case of the CSDDD it is a concept being used legally in a business process. In a business context, due diligence is most often understood as a process that is conducted by a business to manage and identify commercial risks, most commonly in the area of mergers and acquisitions. Through the implementation of the CSDDD businesses will again be conducting due diligence to identify and manage risks (Bonnitcha & McCorquodale, 2017), however, rather than the process being undertaken being for the business themselves, due diligence will be carried out to identify and manage risks to the environment and to people (Macchi, 2020). Legal scholars and human rights experts have argued that “preventing and redressing the human rights harm deriving from manmade climate change” (*Ibid*, p. 94) falls under the United Nations Guiding Principles on Business and Human Rights, that is to say businesses who play an active role in climate change should have a legal responsibility to prevent amend their actions.

In her 2020 article Chiara Macchi looks at the emergence of climate change litigation as well as the rise of climate due diligence (*Ibid.*). She argues that not only are human rights law and environmental law compatible, but in many aspects mutually reinforcing, and that keeping the two apart will lead to ineffective or inconsistent actions where a holistic approach to human rights due diligence is needed as climate due diligence should be seen as an intrinsic dimension of human rights due diligence (*Ibid.*). Torre-Schaub echoes this feeling in an article that examines the trends in climate change litigation in France and Germany, with a court finding that climate law should limit warming to 1.5C, drawing on the legislative mandate of the Paris Agreement (Torre-Schaub, 2022).

In an article by Camoletto *et. al* the authors look at the EU's role in corporate social responsibility over the past two decades before looking at the introduction of the European Green Deal and its effects on businesses. They point out that the EU has been moving towards a CSR due diligence process for many years, and through directives such the Non-Financial Reporting Directive (**NFRD**) have been laying the groundwork for it, as well as implementing it in the Action Plan for Financing Sustainable Growth and the EU Taxonomy (Camoletto *et al.*, 2022).

While there has been much praise for the CSDDD there has also been some criticism levelled at it, Mak (2022) has questioned whether or not it will amount to more than just ticking boxes, whereas Patz (2022) points out that it deviates from a number of international standards principally in the fields of value chain scope, due diligence duty and proactive stakeholder consultation. Another criticism has come from the United Nations (**UN**), pointing out that the directive does not contain an effective accountability instrument human trafficking to counter human trafficking (UN, 2023).

4.2. Actors in the food system

This section will look at the actors in the food system who were the subjects of the empirical study.

Quick Service Restaurant

McDonald's: McDonald's was founded in 1940 by the brothers Dick and Mac McDonald as a drive-in restaurant in San Bernadino, California. In 1948 they streamlined their concept to offer only hamburgers, fries, and shakes, at this time they also introduced a system called the Speedee Service System. Their success attracted the traveling salesman Roy Kroc who in 1954 became the franchising agent for the McDonald's brothers (McDonalds, 2022). Kroc revolutionised the quick service restaurant sector by changing the way franchisers bought into McDonald's and standardisation of procedures, menus, and portions, this meant that wherever you went you knew exactly what to expect from a McDonald's franchise (McDonald's, 2021). In 1960 Kroc bought the McDonald's brothers out, the company went public in 1965 (McDonald's, 2023) and now has 36,000 restaurants around the globe (McDonald's, 2022).

MAX Hamburgers: In 1968 Curt Berfors and Britta Andersson opened the first Max Hamburgers restaurant in Gällivare, northern Sweden. Over the next 30 years Max expanded across Sweden and diversified their interests, opening not only hamburger restaurants but also hotels, discos, and solariums amongst others. In 1999 the decision was made to divest from this diverse portfolio and concentrate solely on running hamburger restaurants. In the early 2000s a greater emphasis was placed on sustainability and Max quickly became Sweden's most popular hamburger chain (Max, 2021). The company's sustainability principles still play a major part it is operations and advertising campaigns. Today Max owns 190 restaurants across Sweden, Norway, Denmark, Egypt and Poland, employing over 7000 people (Max, n.d.(b)). Their international franchising brochure also lists 10 restaurants in the UAE with more under development (Max, n.d.(c)), by 2020 Max had withdrawn from this market (Board Bia, 2020).

Burger King: The origins of Burger King are contested with the first restaurant either being opened Keith Kramer and Matthew Burns in 1953 in Jacksonville, Florida or in 1954 by James

W. McLamore and David Edgerton in Miami, Florida. By the late 1950s Burger King had become a national chain, with their first restaurant outside of the USA opening in 1963. It lagged behind McDonald's in sales and profitability until in the late 1970s a former McDonald's executive was hired who implemented many of the ideas that had made McDonald's so successful, primarily by tightening control of franchises. Over the last 50 years the company has gone through many mergers and is now owned by the company Restaurant Brands International who also own a number of other fast-food brands (Britannica, 2023). The Burger King Corporation now runs more than 18,700 locations in 100 countries (Restaurant Brands International, 2020(b)).

4.3. The Swedish context

Where the previous section provided a background and history to the actors under examination in the empirical study, this section will place them within the context of the Swedish food system.

Quick Service Restaurants

According to a 2022 report by Globaldata looking into the Swedish foodservice market the sectors profit was valued at SEK117.4 billion in 2021 and was expected to grow more than 7% by 2026. Of the Swedish foodservice market, the QSR sector was the second most popular amongst consumers of all ages, with convenience and value for money being the primary factors that drew people in (Globaldata, 2022). The three major QSR chains that were studied for this thesis make up 69% of the top 10 sales revenues (Bord Bia, 2020).

McDonald's are Sweden's largest restaurant chain and opened their first restaurant in 1973 in Stockholm, they now operate around 200 restaurants across the country, serving about 400,000 guests everyday (McDonald's, 2021).

While McDonald's is one of the world's biggest fast food operators Max Burgers is a minor player in comparison, at least on the international stage. Since their transition into being exclusively a quick service restaurant Max have been hot on the heels of McDonald's. Over the last 20 years Max have been eating into McDonald's position, even going as far as to open restaurants in locations that had been sold to them by McDonald's (Mitti, 2021). In 2023 they run slightly fewer restaurants than McDonald's across Sweden with 190, and an annual turnover of SEK4.1 billion.

Burger King opened their first restaurant in Sweden in 1976, in Malmö. Today the company King Food AB are the Swedish entity in the Burger King Scandinavian-Group (King Food, 2021), they operate over 110 locations across the country (Mynewsdesk, n.d.), with data from 2021 collected from the database Retriever Business indicating that they employ over 300 people with net sales of just over €32 million (Retriever, 2021). In a clear sign that they adapt their menu to local conditions Burger King had a limited release of a semle burger in both 2022 and 2023 (Almén, 2023).

5. Empirical results

This chapter will present the empirical results of the study from the case study of the three largest players in both the Swedish Quick Service Restaurant sector and wholesalers, The data is collected from interviews with two sustainability experts and the coding of the most recent sustainability reports and codes of conduct.

5.1. Sustainability professionals

Two sustainability professionals were interviewed for this study, one wished to remain anonymous, while the other gave their consent to be identified as an expert in their field. Both interviewees were asked the same question and their responses are shown in *Table 3* and *Table 4*.

Table 3: Kajsa Lönnroth

Kajsa Lönnroth	
Topic	Response
Due diligence processes	“I would like to summarize a due diligence process in three steps. The first is to identify and assess. The second is to prevent and mitigate. And the third is to account for whatever information that has been disclosed.”
The CSDDD in your work	“We are having to prepare companies to that. They will have to look at their own activities, but they will also have to look at their whole supply chains. And that involves their direct, but also their indirect business relationships. And what we will see is that a lot of companies now will have to take account that they do have an adverse impact on human rights, climate change, environmental impacts of their business activities across the whole value chain.”
Identifying high risks	“Overall, a more high level of vulnerability of people involved and the impact on environmental matters around. And that environmental impact can either be derived from the activities to make the product or to use the product or to when it's wasted, or it can be the lack of protection. I would argue and that equals the same for human rights.”
Actual vs potential adverse impacts	“Actual are risks that you can identify either by a stakeholder dialogue. For example, that an employee describes a health and safety situation that has occurred, and someone has been injured or been in an accident [...] Potential, risks are every other risk that might occur.”
Due diligence in sustainability reports	“So, this report, and that comes down with the CSRD, that will, again, put a more like systematic way of working with sustainability and disclose information that's found. And I also believe that the CSRD will actually establish like a network of reporting and disclosure requirements.”

Kajsa Lönnroth works for Ethos, Scandinavia’s leading sustainability consultancy, *Table 3* provides a number of her answers to questions concerning the CSDDD and due diligence processes. Kajsa’s work is focused on human rights due diligence (HRDD) and in parts on the Corporate Sustainability Reporting Directive (CSRD), two directives that work in tandem with the CSDDD in creating a more sustainable business landscape. She highlighted that the expansion from solely looking at their own workers human rights and safety to all employees along their supply chain is something that many companies are now grappling with. When asked about the role that due diligence plays in the writing of a sustainability report Kajsa highlighted the Corporate Sustainability Reporting Directive as an important piece of legislation that will give companies a better platform to present their sustainability work, with due diligence playing an important role in this.

Table 4: Interviewee 1's responses

Interviewee 1	
Topic	Response
Due diligence processes	<p>"Is more or less that internally at the approach, because I will focus a lot on the purchasing organization in our supply chains. The key is really to build a clear framework for purchasers to understand. And we are taking fact-based decisions. So, you have like this management system that steers all the processes. And after that, you need to have clear risk identification processes in place to really understand the risks that are embedded within your supply chain, understand what kind of suppliers you need to focus on [...]. From that, we need to also find a good assessment and monitoring work on how we follow up on the suppliers and monitor the risk we identify and then able to manage them and mitigate those risks. And of course, put in remediation measures when needed in that way. And I would say the last step is communication, both transparency, communication externally based on what we're doing, but also the risks we have."</p>
The CSDDD in your work	<p>"We are explaining and visualizing within the organization a lot what this will mean, how we need to prepare for it, etc. So, yeah, I come in contact with it a lot and I see it as a benefit [...] it will give more leverage in the discussions internally and you will get more resources."</p>
Other industry perspective on the CSDDD	<p>"It's also a headache for many companies because they have not focused on it before, meaning they have not been responsible or taking the appropriate actions [...] you probably [have] frustration is because you don't even know what this means because you're not doing it [...] But if you just look one year back when I was networking this in many forums, I mean, it was a lot of companies that didn't understand it [...] some people are unaware and we [who] understand the consequences are stressed."</p>
Identifying high risks	<p>"It also depends on what sustainability risks we are identifying. And it could also depend on our material</p>

	analysis and what we have described as our salient topics. It could be that we have some topics that are higher on the agenda and others, and then we for sure will identify those as potential adverse impacts. We for sure will identify those risks more than others in that way.”
Due diligence in sustainability reports	“I would say it frames it quite good, meaning that if you have a framework in place to do diligence, it's quite a clear process and then you can communicate on it. Yeah, for sure. Companies are sugar-coating most of the part of things they are communicating and that process meaning that, OK, we have identified more or less all risks now supply chain. We're taking actions. But I mean, if you start to scratch on the surface of that, it's a lot of holes in that in that report and that work.”

Table 4 presents the answer of *Interviewee 1* who has worked in sustainability for a number of years. Their explanation as to what due diligence is and how it is carried out echoes that of Kajsa Lönnroth. They made it clear that while they are prepared for the implementation of the CSDDD there are other companies and industries that are not. For those that are prepared for it they see it as a benefit, as it will give them greater opportunities and leverage to make changes within the company that they work for. They also see the CSRD as being a good tool for showing which due diligence processes a company has in place, while expecting to see a level sugar coating.

5.2. Sustainability reports

Here the results of the coding of the sustainability reports of McDonald’s Sweden, Max Hamburgers AB and King Food AB (Burger King Sweden) in the QSR sector are presented. It also presents the results of the coding of the sustainability reports of Menigo, Martin & Servera and Svensk Cater in the wholesale sector. Many of the coding *sub-themes* and *themes* deal with the three “Scopes” of the GHG protocol. Scope 1 emissions are those that come from sources that are owned or controlled by the company, Scope 2 emissions are those generated from purchased electricity used by the company, and Scope 3 are all other indirect GHG emissions (World Resources Institute, 2015, p.25). A common language was developed during the coding process to enable the evaluation of each set of sustainability reports alongside each other in the analysis stage of this thesis.

5.2.1. Quick Service Restaurant sector

Table 10 presents the results of the coding process for the sustainability reports of the three quick service restaurant chains in their most recent sustainability reports (McDonalds, 2021(b); Max, 2022; King Food, 2021).

Table 5: Themes and sub-themes of the quick service restaurant coding

Environmental due diligence process						
History of environmental due diligence	Accurate measurement of emissions	3 rd party auditing	Climate positive 3 rd party audit	Improving measurement of emissions	Supply chain auditing	
Environmental due diligence risk identification						
Scope 3 emissions identified as high risk	Market expansion leads to higher emissions		Scope 1 & 2 risks identified	Beef emissions		
Environmental due diligence risk prevention						
Workplace energy saving	Frying oil to biogas/biodiesel	Reduce food waste	Distribution innovation	Deliveries and transport innovation	Sustainable fuels	Reduce plastic consumption
Sustainable and ethical food sourcing						
Swedish produce	Biodiversity and water consumption	Alternative protein sources	Deforestation free soy	Adaptive sourcing	Free range eggs	Gestation stall free pigs
United Nations Sustainable Development Goals (SDGs), the Paris Agreement and International Standards						
Work with Paris Agreement	Scope 3 NetZero by 2050	Follow Science Based Targets		Work with all SDGs	Work with SDGs 3, 8, 12, 13	
Human Rights						
Safe workplaces		Consumer health	Workplace safety	Equal opportunities	Gender distribution	
Sustainable development and employment						
Help to work schemes	Career pathway	Franchises work with local communities		Percentage of profits go to foundation or charity	Youth employment	

Table 10 shows the compiled *Themes* and *Sub-themes* of the coding process of the quick service restaurant sustainability reports. There are three themes that deal with environmental due diligence, one that contextualises their work in the international sustainability paradigm, two that address social due diligence and one theme that looks at the uses of power within the food system. Each *Theme* has a number of *Sub-themes* associated with it that provide a deeper understanding of what contributes to each *Theme*. Each of the reports shared common *Themes*

while the *Sub-themes* differed between reports. An example of the coding can be found in *Appendix 2*.

Each of these Sub-Themes and Themes was assigned a category that correlated with the aims of the CSDDD and this thesis. The tables 6,7, and 8 show these categories for each business and which themes could be found in each.

Table 6: McDonalds Coding Results

Category	Themes					
Triple Bottom Line	Multifaceted sustainability strategy					
Alignment with environmental due diligence in the CSDDD	UNSDGs, Paris Climate Agreement and environmental standards	Env. due diligence process	Env. due diligence risk prevention	Env. Due diligence risk identification	Transport due diligence risk prevention	Sustainable and ethical food sourcing
Alignment with social due diligence in the CSDDD	Employment		Human Rights		Sustainable development	

Table 7: Max Hamburgers Coding Results

Category	Themes					
Triple Bottom Line	Multifaceted sustainability strategy					
Doughnut Economy	Decoupling profit from climate impact					
Alignment with environmental due diligence in the CSDDD	UNSDGs, Paris Climate Agreement and environmental standards	Env. due diligence process	Env. due diligence risk prevention	Env. Due diligence risk identification	Climate compensation	Sustainable and ethical food sourcing
Alignment with social due diligence in the CSDDD	Human Rights		Sustainable development			

Table 8: Burger King Coding Results

Category	Themes			
Modern definition of stakeholders	Stakeholders			
Alignment with environmental due diligence in the CSDDD	Env. due diligence process	Env. due diligence risk prevention	Env. Due diligence risk identification	Sustainable and ethical food sourcing
Alignment with social due diligence in the CSDDD	Human Rights			

Tables 6, 7, and 8 show the different forms of due diligence performed by each company, as well as their understanding of who their stakeholders are and how these relate to the theories presented in Chapter 3.

None of the sustainability reports went into great detail as to how they went about their due diligence processes. Each report was more concerned with painting the big picture, outlining what their goals are, and what previous goals have been achieved. There is little to no information provided of the methods used in their due diligence processes, an example of this can be seen on page 24 of Max’s sustainability report where they say “We have clear energy saving programmes in our restaurants. This includes schedules for turning off grills, automatic ventilation control based on the number of guests in the restaurant and heat recovery” (Max, 2022, p.24). Another example can be found on page 20, where they say that “we measure 100% of emissions* [...] according to ISO14021” (*Ibid*, p.20). A method for measuring emissions is given to the reader, but the method itself is not explained. This reliance on ISO standards is also seen again on page 21 where Max claims to conduct “the restaurant industries most comprehensive climate analysis” (*Ibid*, p.21.)

An area of focus that are common throughout all three reports is the minimizing/transition away from plastic packaging. McDonalds and Max both provide a visualisation for their packaging transition, which can be seen in *Table 9* and *Figure 4*.

Table 9: Max's Packaging Transition, (Max, 2022, p.31) with minor alterations from the author.

Packaging	Previous packaging material	Current packaging material
Cup: Premium shake	100% fossil-based plastic	93% paper, 7% Green polypropylene
Salad bowl	100% fossil-based plastic	100% bagasse
Lid: Premium shake	100% fossil-based plastic	100% bagasse
Spoon: Premium shake	100% fossil-based plastic	Discontinued
Cup: Iced latte	100% fossil-based plastic	95% paper, 5% Green polypropylene
Lid: Iced latte	100% fossil-based plastic	100% bagasse

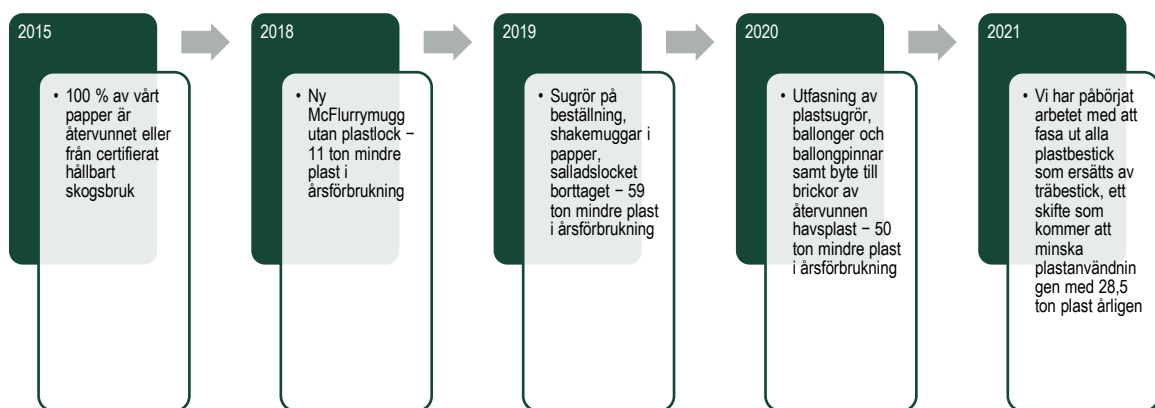


Figure 4: McDonald's packaging journey (McDonald's, 2021 (b), p.32) with minor modifications from the author.

Table 9 and Figure 4 both show the actions that have been taken by the respective companies in their transitions away from fossil-based packaging to based off of recyclable raw materials. In neither case does Table 9 or Figure 4 give us any information as to the decision making processes or methods used for making these changes, nor does the accompanying explanations which focus on the positive benefits resulting from this transition.

6. Analysis

In this chapter the findings of the empirical study of the three major players in both the Swedish Quick Service Restaurant sector and wholesale sector will be analysed through the application of the theories presented in *Chapter 3*. The findings from the interview with *Interviewee 5* were analysed separately as the interviewee was seen as being involved in the supply chain of both sectors.

6.1. Triple Bottom Line

The Triple Bottom Line approach says that a business' operations should be carried out in a manner which is economically, socially, and environmentally responsible, this can form the foundation for a business' sustainability strategy and approach. Due to the nature of sustainability reports and their use as a tool to put a company's environmental and social policies in the limelight there was often little to show in terms of economic sustainability, with this being found in their annual financial reports.

6.1.1. Quick Service Restaurant Sector

Throughout the coding of the sustainability reports from the QSR sector it quickly became apparent that there was a varying degree of uptake of the Triple Bottom Line approach.

McDonald's sustainability strategy has three pillars: Food, People and the Environment (McDonald's, 2021(b), p.10). The social and environmental aspects are clearly outlined here as being People and the Environment, we can also see Food as being a social aspect as they provide safe and increasingly healthier foods. However, we can also see Food as taking the role of the economic aspect as this is the core of their business, it is what they sell. Their TBL approach can also be seen in their commitment to working with all 17 UNSDGs with goal 8 being Decent Work and Economic Growth (*Ibid.*).

Max also show how TBL plays a role in their sustainability strategy through their commitment to UNSDGs concerning social and environmental well-being as well as economic growth (Max, 2022, p.6), they also highlight the role they believe environmental and social sustainability play in their economic growth as it has presented them with opportunities to expand into new markets (*Ibid*, p.6).

While Burger King's sustainability strategy can be found lacking in many areas, which will be addressed later on, TBL can be seen in what they do. This can be seen in their "vision for a sustainable supply chain is one that protects the environment and ensure the humane treatment of animals and responsible antibiotics use. It also supports the right and livelihoods of the farmers, ranchers, workers, and communities in the chain" (King Food, 2022, p.4), here they cover their commitment to work with environmental sustainability and social sustainability, with this being the focus of the statement. The economic aspect of the TBL can be seen in one of their goals being the need to meet the needs of their investors (*Ibid*, p.3).

6.2. Stakeholder roles

Chapter 3 presented two different interpretations of stakeholder roles. The "modern stakeholder" understanding as seen in *Figure 2* which places the business as the centre with

authorities, business partners, customer group and external influences radiating outwards from there (Roberts, 2003). The other is the Doughnut Economy of Raworth that presents the idea of there being a social foundation upon which a business must provide to society at large, and an environmental ceiling which should not be broken so that the people and planet may prosper in the long term, thus including the environment as a stakeholder (Raworth, 2017).

6.2.1. Quick Service Restaurant sector

The sustainability reports from the QSR sector were not particularly forth coming with who they identified their stakeholders to be, with none of the reports laying out a clear map of their stakeholders, as was the case in all of the reports from the wholesaler sector. In spite of this the stakeholders in *Table 12* have been identified.

Table 10: Stakeholders in the Quick Service Restaurant sector

	McDonald’s	Max Hamburger	Burger King
Investors			X
Customers			X
People	X	X	X
Franchisees	X		X
Guests	X	X	X
Owners			X
Suppliers	X	X	X
Employees	X	X	X
Authorities		X	
Sustainability Influencers		X	
Industry Partners	X		
Society	X	X	

Only four types of stakeholders were identified as being common between the three chains in *Table 12*, People, Guests, Suppliers and Employees. One group that was noticeable in their absence from two of the reports were customers, with the word never appearing in the reports of McDonald’s and Max, this clearly shows a different approach to how one of their main stakeholders was identified. When looking at the responses from the interviewees it is clear that there were mixed feelings as to what extent the interviewees were included as stakeholders by the companies they worked for, or who they understood as being stakeholders in the company they owned. For *Interviewee 4* they felt like the company had invested time and resources into them which made them feel like a stakeholder, while *Interviewee 3* gave a voice in the way some things were done to their employees. This was a sentiment echoed by *Interviewee 1* who felt like they were listened to, appreciated and their suggestions taken on board, this was not reflected by *Interviewee 2* who did not feel engaged in the company.

None of the restaurants identified the environment as being a stakeholder in their operations, though McDonald’s and Max both see society as being a stakeholder in theirs, with both operating some form of charity or development fund (McDonald’s, 2021(b); Max, 2022, McDonald’s is also well known for its support and sponsorship of grass roots sports organisations. As such the stakeholder group identified all fall under the four categories presented by Roberts (2003) Authorities, Business Partners, Customer Groups and External Influences.

6.3. Due diligence

Reporting and enacting upon due diligence will play a major role in the implementation of the CSDDD. This thesis looked at the sustainability reports as a means of identifying to what extent each company conducted due diligence in their work and that of their supply chain.

6.3.1. Quick Service Restaurant sector

Throughout the QSR there is a large amount of variation when it comes to due diligence, in the processes that are present, the risks that are identified and the actions taken to prevent risks, this is most notable in the field of environmental due diligence. In the field of social or human rights due diligence there is greater convergence.

Environmental due diligence

In terms of environmental due diligence processes there is a clear disparity between McDonald's, Max on one side and Burger King on the other. While McDonald's and Max have been publishing sustainability reports for a number of years, something that can indicate an environmental due diligence process taking place, 2022 was the first time that King Food AB had produced one. 2021 was the first year that they had measured their global Scope 1, 2 & 3 greenhouse gas (GHG) emissions and conducted a life-cycle assessment. As such they had no clear targets or goals for reducing emissions (King Food, p.5-6). Both of these factors indicate that little to no formalised environmental due diligence had been conducted in the past.

On the other hand, McDonald's and Max both had clear targets for the reduction of GHG emissions that they had been working towards for a number of years, as well as showing that they have been improving their ability to measure their emissions in a number of categories and the ability to show that they had met targets (McDonald's, 2021(b); Max, 2022).

Environmental risk identification

Each of the companies conduct due diligence on their packaging processes and have programs in place to reduce the amount of plastic used, whilst increasing the amount recycled/recyclable materials. Food waste was identified as a risk for McDonald's with a number of systems in place to prevent it. It was essentially treated as a resolved issue by Max with less than 1% food waste in restaurants (Max, 2022, p.20), whilst not being identified as an issue at all at Burger King, with no action being taken to prevent it. Both McDonald's and Max have enacted processes to transform their frying oil into biogas/biodiesels to be used in their transport operations, while McDonald's are looking at new ways to reduce their emissions from deliveries. Finally, Max have enacted a number of energy saving initiatives in their restaurants. Each of these shows that a form of due diligence has been carried out, primarily in Scopes 1 and 2.

Sustainable and ethical food sourcing

With Scope 3 emissions being identified as the major risk in each of the businesses it is important to look at their food sourcing strategies, the due diligence around them and that of their suppliers. All three businesses have supplier codes of conduct; however, this study was unable to obtain that belonging to Max. Neither code of conduct goes into specifics for their suppliers, with both saying that the supplier is responsible for managing, measuring, and minimizing environmental impact, with focus on the areas of air emissions, water use, greenhouse gas emissions and waste reduction (McDonald's, 2012; Restaurant Brands International, 2020 (a)). However, each sustainability report does present a clearer picture. McDonalds and Max focus their sourcing on Swedish produce and are placing a greater

emphasis on alternative proteins. Max and Burger King have made commitments to only use free range eggs, while Burger King look to source gestation stall free pork. Of these the focuses on alternative proteins and Swedish produce are the clearest indication of due diligence identifying these as ways of mitigating the risk in their Scope 3 emissions.

Human Rights

Where there is variance in the environmental due diligence being carried out by these companies there is clearly a mutual understanding of how and what due diligence is in terms of human rights. All three companies have policies on safe workplaces free from discrimination and harassment, workplace safety and follow up, consumer health, and being equal opportunities employers. Both McDonalds and Max have targets for gender distribution at all levels of employment, whereas as this is not an area that Burger King touch on at all.

7. Discussion

First, this chapter presents a discussion of the results in relation to other research and reports concerning the Corporate Sustainability Due Diligence Directive. Then responds to the research questions presented in Chapter 1 of this thesis.

7.1. Discussion with current literature

One of the issues within in the current literature surrounding the Corporate Sustainability Due Diligence Directive is the worry that it will become nothing more than an exercise in box ticking for large corporations and businesses (Mak, 2022), this was a sentiment that was echoed in this study through one of the interviews, in which Interviewee 1 suggested that a piece of legislation like this will lead to a larger emphasis on reporting, which is a good thing, but does mean that they may be less time and resources to actually start to address the problems that are encountered. This increased systematisation of reporting was also brought up by Kajsa Lönnroth, though she presented this in a much more positive light, emphasising that it has been a long time coming and is sorely needed.

None of the sustainability experts interviewed for this study addressed the issues brought up by Patz (2022) that the CSDDD deviates from a number of international standards in due diligence duty and proactive stakeholder consultation, each laid out a clear explanation of what due diligence is and how it is carried out, with each of these based on international standards. The issue of proactive stakeholder consultation is not one that was addressed in the interview questions, not brought up independently by the interviewees.

Camoletto *et al.* (2022) and Macchi (2020) both argue that a piece of legislation like this has been in development by the EU for a number of years, and that its integration of environmental issues into the realm of due diligence and human rights is a justified one. In spite of this both sustainability professionals saw that their clients had to some extent been caught unawares by the scope of this directive, that it will not only apply to their employees who are paid a direct salary, work in their headquarters or locations, but it will apply to all workers along their value chain.

7.2. Research questions

- How is due diligence reflected in QSR sustainability reporting?

It is clear that due diligence plays a role in the creation of the annual sustainability reports published by each of the businesses that were examined for this study. Each of the businesses have identified environmental and human rights risks along their supply chain, a clear indication that a due diligence process has taken place. They have also developed aims for reducing this impact or likelihood of these risks and set themselves clearly defined, in the case of McDonald's and Max, targets to achieve within a given timeframe. Burger King is currently at the beginning of their sustainability transition, with 2021 being the first time they published a sustainability report, and as such have yet to develop specific targets. The timeframe for these targets is inline with the Paris Agreement to reduce emissions significantly by 2030.

While it is clear that due diligence has taken place and played a role in the work behind these sustainability reports what is not clear is methods used to carry out the evaluations of risk, both environmental and social. Outside of referencing a number of ISO standards none of the reports give the reader any indication what methods were used to carry out these evaluations. As highlighted by both the sustainability specialists interviewed for this thesis, the formal assessment and documentation of risk evaluation is a large part of the due diligence process. As such the methods for making these evaluations, the reasoning behind developing the steps that have been, or will be taken to address these risks must exist. However, they are not present within the sustainability reports these companies have published, as they are clearly a tool to present the general sustainability aims and accomplishments of these businesses.

- What similarities in terms of themes are shared across Swedish QSR sustainability reports?

Several areas of sustainability, both environmental and social, are common within the sustainability reports of the three companies studied in this thesis. *Table 11* shows the common Themes and Sub-Themes of the sustainability report of McDonald's (red), Max (green) and Burger King (blue). This is an adaption of the table presented on page 45.

Table 11: Common Themes and Sub-Themes within sustainability reports

Environmental due diligence process						
History of environmental Due diligence	Accurate Measurement of Emissions	3 rd Party Auditing	Climate Positive 3 rd Party audit	Improving measurement Of emissions	Supply Chain auditing	
Environmental due diligence risk identification						
Scope 3 Emissions Identified as high risk	Market Expansion leads to Higher emissions		Scope 1 & 2 Risk Identified	Beef emissions		
Environmental due diligence risk prevention						
Workplace Energy Saving	Frying oil to To biogas Biodiesel	Reduce Food Waste	Distribution innovation	Deliveries and Transport Innovation	Sustainable fuels	Reduce Plastic consumptions
Sustainable and ethical food sourcing						
Swedish produce	Biodiversity And water Consumption	Alternative protein Sources	Deforestation Free Soy	Adaptive sourcing	Free Range Eggs	Gestation Stall free pigs
United Nations Sustainable Development Goals (SDGs), the Paris Agreement and International Standards						
Work With Paris Agreement	Scope 3 NetZero by 2050	Follow Science Based Targets	Work with All SDGs	Work with A number of SDGs		

Human Rights				
Safe workplaces	Consumer health	Workplace safety	Equal opportunities	Gender distribution
Sustainable development and employment				
Help To work schemes	Career pathway	Franchises work With local Communities	Percentage of Profits go to Foundation or charity	Youth employment

Table 11 shows the Themes and Sub-Themes present within each of the sustainability reports studied for this thesis. The themes of *Environmental due diligence process*, *Environmental due diligence risk identification*, *Environmental due diligence risk preventions*, *Sustainable and Ethical Food Sourcing* and *Human rights* were all found in all three of the sustainability reports. The themes of *United Nations Sustainable Development Goals (SDGs)*, *the Paris Agreement and International Standards*, and *Sustainable Development and Employment* were only found in the reports of McDonald’s and Max.

When it comes to the Subthemes there is clearly a greater divergence between the three reports. McDonald’s, Max and Burger King have the following Sub-Themes in common, *Scope 3 Emissions Identified as High Risk*, *Scope 1 & 2 Risk Identified*, *Improving Measurements of Emissions*, *Reduce Plastic Consumption*, *Safe Workplaces*, *Consumer Health*, *Workplace Safety*, *Equal Opportunities*. Of these 4 can be found within the *Human Rights* Theme, this is because the issues of human rights in the workplace is one that has been understood and acknowledged for longer than many of the environmental issues being discussed. Of the four environmentally based Sub-Themes the most emphasis is placed on the reduction of plastic consumption in all three reports, this is because this is an action that is clearly visible to the customer and one that is easily measurable. That all three businesses have identified scope 3 emissions as high risk could tell us that their due diligence process in doing so comprised of some kind of Life Cycle Assessment, a tool used to calculate the quantity of CO2 a product creates throughout its lifespan, e.g., from farm to waste processing. The same process was likely used to identify the risks within their Scope 1 and 2 activities. The *Improving Measurements of Emissions* was also identified as a common Sub-Theme, for the case of Burger King this is starting from a comparatively low level with this being the first sustainability report, for McDonald’s and Max it means refining their metrics to capture data and information that would have not been picked up on before.

- What gaps are there across Swedish QSR reporting compared to expected CSDDD requirements and other sustainability frameworks such as the Triple Bottom Line, and how should these gaps be filled?

The exact nature of how the CSDDD will play out in Sweden is still unknown, as it remains to be seen how the Swedish government will choose to implement the directive into Swedish law. However, this thesis does show us that there are a number of gaps when it comes to Swedish QSR sustainability reporting. This is an issue that is particularly prominent for Burger King as they fail to address one of the key pillars of the environmental aims of the CSDDD, meeting the Paris Agreement's goal to limit global warming to 1.5C. This gap in their reporting is not a surprise given that this is the first sustainability report that Burger King in Sweden have produced, with it also being the first year that they have measured their Scope 1, 2 and 3 emissions. Despite this it is disappointing to see this gap given the abundant amount of other sustainability reports to use as guides or references, in both the QSR sector as well as other high impact sectors. This gap could be filled through the hiring of an external consultant to produce or collaborate in the process of creating a sustainability report.

The largest gap identified in this study was the lack of transparency into the working mechanisms behind a sustainability report, all three businesses were able to communicate where they found problems, and the end result of their work to address these problems. However, none of them presented any method or system that brought about these changes. With the expectation from industry insiders that the CSDDD will lead to a greater amount of reporting on due diligence processes, this is something that could be added to sustainability reports. To be able to see how a business has identified and mitigated potential or actual risks would fill in this substantial gap.

Following the EU's non-financial reporting directive large businesses produce a sustainability report each year which looks at the environmental and social issues of their work, alongside this many produce a financial report on their economic dealings over the previous year. One of the gaps, that this creates in relation to the Triple Bottom Line, is the decoupling of the financial, environmental, and social impact of a business's work. Elkington's theory emphasises that these three aspects are interconnected and that improving a business's social and environmental work will lead to greater long-term financial sustainability. That these issues are addressed in separate reports with little reference to one another means that it is difficult to see how the social and environmental work carried out by these businesses affects their economic health. It is also likely that this separation deemphasises the importance of the environmental and social in the eyes of many shareholders whose primary focus will be on the economic sides of the business. To address this gap the integration of some aspects of each report into one another could reduce the space between the two.

The final chapter of this thesis will present a number of conclusions as well as suggest some further questions.

8. Conclusions

Several conclusions can be drawn from this study. Firstly, the aim and objective of this study will be addressed. Secondly, a few implications can be drawn from the study on what this means for the food system. And finally, several suggestions for further research will be made.

Aim and objective.

The aim of this study was to identify challenges in meeting the requirements of the Corporate Sustainability Due Diligence Directive. The objective of the study was to identify and describe due diligence themes in Swedish QSR sustainability reporting, and to compare them with upcoming Corporate Sustainability Due Diligence requirements.

Sweden's two largest Quick Service Restaurants, McDonald's and Max Hamburgers, have identified the challenges they face in meeting the requirements of the Corporate Sustainability Due Diligence Directive. They have identified their Scope 3 emissions as being their largest areas of risk throughout their operations. They have developed due diligence processes that allow them to accurately measure their food waste, greenhouse gas emissions of their entire value chain, and transport emissions. These are processes and measurements that are constantly under review. They have identified beef as their largest contributor to their Scope 3 emissions and have set goals to reduce the quantity of this being served in their restaurants, they have invested in alternative protein sources and will continue to do so in the future. Burger King is at the beginning of this due diligence journey with 2021 being the first year in which they measured their Scope 1, 2 and 3 emissions. As such they have work to do to improve their due diligence processes in terms of accurate measurements and setting clear and defined goals. On the social sustainability side, each of these restaurants have principles, targets and goals for how human rights and workplace safety should be carried out throughout their supply chain.

Implications

Following on from the aim and objective of the study, this thesis can point to a number of implications to the food sector and the fast-food industry. It has shown that sustainability reports are capable of capturing the environmental due diligence that these companies carry out, with them presenting a number of measurable issues. However, there are a number of gaps. One of this is the lack of transparency when it comes to their method. None of the reports under examination gave the reader details as to how actual and/or potential risk were identified or mitigated, the only presented the end result of the work as a *fait accompli*. When looking at human rights' due diligence no point in any of the sustainability reports analysed during this study was data on workplace injuries presented, either showing that the data itself is not collected, or that this is data that they are not willing to share with the public. This is in contrast with other industries that fall under the CSDDD, such as forestry with some companies reporting the number and severity of their workplace injuries in their reports. This shows that the analysis of sustainability reports of companies in the fast-food sector is unable or unwilling to capture the human rights due diligence aspect of the CSDDD and that the fast-food sector could learn from other high-risk industries.

Finally, the issues of awareness of the upcoming CSDDD were brought up in the interviews with Kajsa Lönnroth and *Interviewee 1*. Both of these interviewees saw that awareness of the upcoming legislation was an issue, with companies they have worked with being caught unaware to some extent. This implies that there is significant work to be done by the responsible authorities to make businesses in Sweden aware of this upcoming legislation.

Future research

The primary area of future research resulting from this thesis should be to discover and identify the methods and processes used by these companies in presenting the end results of their work in the sustainability reports. This could be done through closer collaboration with one of these companies enabling the researcher to achieve a greater understanding of how the data presented in sustainability reports is gathered. Interestingly the original premise for this thesis was to work with a single QSR business in the Swedish market and identify gaps in their operations in relation to the CSDDD, none of the contacted businesses were willing to take part in the study.

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Appendix 1: Interview Guide

Interview Guide: Sustainability Consultant/Professional

Interview introduction

Thank you for taking the time to talk to me today. My name is Jonathan Elliott, and I am carrying out my master thesis in sustainable food systems at Sweden's University of Agricultural Sciences in Uppsala.

My thesis project is about supply chain sustainability within the restaurant sector.

I have a few questions I would like to ask you about your role as a sustainability consultant/professional. This interview should take no longer than 45 minutes.

Before we start, I can say that there are no "right" or "wrong" answers. This is about your work as a sustainability consultant and due diligence processes.

I would like to record this interview so I don't have to take notes during our conversation and can really focus on listening to you. In addition to this I would like to use an AI assisted transcription tool to transcribe our interview. The data will automatically be deleted from the server after 30 days.

If possible, I would like to include you as the source of my interview for this research project as you are an expert in this field. Is this possible?

Do I have your consent to this interview being recorded?

Do I have your consent to use the above transcription method?

[IMPORTANT: Ask this question again when the recording has begun, there must be evidence that consent has been given]

Start

Q: *To start off, can you tell me about the company you work for and your role there. Can you tell me what they do? Could you describe your role?*

Firstly, I would like to know about due diligence processes in a general sense.

Q: Briefly, what are the steps taken when carrying out a due diligence process?

Q: Do these differ greatly across different industries?

My research is looking at due diligence within the food sector, at many different actors within the supply chain.

Q: Do you have any experience with conducting due diligence work within the food sector?

[If yes] Q: Which areas of the supply chain has this work taken place?

My thesis is about a new piece of EU legislation, the Corporate Sustainability Due Diligence Directive.

Q: Is this a piece of legislation that has come up in your work?

[If yes] Q: What can you tell me about the Corporate Sustainability Due Diligence Directive?

To look more specifically at the Corporate Sustainability Due Diligence Directive, it bases its due diligence process on the UN Guiding Principles on Business and Human Rights. This recognises that some areas of a supply chain are unreasonably difficult to conduct due diligence on and the focus should be placed on areas of highest risk.

Q: How are these areas of high risk identified?

Q: How often are similar issues along a supply chain revealed in a due diligence process?

Once an area of risk has been identified as being present, they are categorised as actual or potential adverse impacts.

Q: How are these differentiated from one another?

Q: What kind of action is taken to prevent or cease any adverse impacts?

Companies that are falling under the umbrella of the Corporate Sustainability Due Diligence Directive also have to produce a yearly Sustainability report.

Q: What role does due diligence have in producing these reports?

Q: How do you see areas of interest brought up in a due diligence process brought up in a sustainability report?

Appendix 2: Coding example

The following table is an example of the coding process that was used throughout this thesis. In total 3 sustainability reports were coded, three from the Quick Service Restaurant sector, McDonald's, Max Hamburger and Burger King. This full coding table is from the Max Hamburger 2020 sustainability report.

Meaning Unit	Condensed Meaning Unit	Sub-theme	Theme	Category
Our focus now, as then, is on health, fairness and the environment [...] Because it's together as a company, industry and society that we will move towards a more sustainable future	Sustainable is and always has been part of our strategy	Formalised sustainability strategy	Sustainability strategy	Alignment with the environmental aspects of the CSDDD
Our sustainability policy permeates the entire business with the aim of ensuring ongoing improvement by way of going beyond current legal requirements	Sustainability is in everything we do, and we want to exceed the legal requirements of it			
We want to demonstrate how successful sustainability work can be good for profitability. This can encompass everything from how a company can save money by reducing food waste,	Interconnectedness of sustainability	Triple Bottom Line		
We at MAX Burgers have taken numerous measures to reduce greenhouse gas emissions from our whole value chain, and we're constantly developing new measures and action plans.	Our environmental due diligence process is long standing and ongoing	History of environmental due diligence	Environmental due diligence process	
Nine actions that have reduced our value chains footprint: Strong focus on making low carbon food more tasty and easier to choose; Less than 1% food waste in restaurants; Food free from palm oil; 100% green electricity (in Sweden 100% wind power since 2008); Used frying oil is converted to biofuel; Energy saving programmes in restaurants; Phasing out unnecessary packaging and increased proportion of renewable packaging materials	Our environmental due diligence process has previously identified 9 areas of risk that we have addressed			
This means that we measure 100% of our value chain's emissions, reduce what we can, and plant trees that remove 110% of our emissions [...] we've gone further than the sole independent standard for climate neutrality (ISO 14021) in a number of areas.	We measure, reduce and compensate our emissions as accurately as possible and go beyond international standards.	Accurate measurements of emissions		
All greenhouse gas emissions are included. We include the entire value chain, from the farmer's land to the guest's table. We also include the guest's journey to and from the restaurant, the guest's waste, and a lot more.	We calculate the greenhouse gas emissions for our entire value chain			

In 2020, the criteria for being climate positive evolved and became tougher. At MAX Burger, we've also hired the auditing company EY as an independent auditor to ensure that we're not violating the criteria that now apply	What it means to be climate positive has changed and we are now being independently audited to ensure we comply with the new standards	3rd party auditing		
Our initiatives also include reducing the climate footprint throughout our value chain in line with the UN's 1.5-degree target while ensuring that we remove more carbon dioxide than the value chain emits	We follow international climate goals and carbon compensate	Alignment with international environmental goals	United Nations Sustainable Development Goals, Paris Climate Agreement, and environmental standards	
Reducing the climate footprint of our value chain in line with the UN's 1.5-degree target while also removing more greenhouse gases than our entire value chain emits	Bring emissions in line with the Paris agreement and compensate for them			
Our sustainability work is related to the UN's 17 global sustainable development goals. Admittedly, although we have an impact on all 17 global goals in one way or another, in order to make a real difference, we place the greatest emphasis on the following four goals: 3) Good health and wellbeing. 8) Decent work and economic growth. 12) Responsible consumption and production. 13) Climate action	We recognise we affect all UNSDGs but only actively work with 3, 8, 12, 13	Our work impacts some SDGs		
The goal is to budget 0.4kg CO ₂ e per breakfast, 0.5kg CO ₂ e per lunch, and 0.5kg CO ₂ e per dinner. This equates to total carbon dioxide emissions of 1.4kg CO ₂ e per inhabitant of the planet per day [...] However, during 2020 it was estimated to be 2.1kg CO ₂ e [...] We need to reduce our climate impact for an average meal with 76 percent to the year 2050.	We have identified an international target CO ₂ e emissions per day/capita and are currently above that target by 76% percent	Alignment with Science Based Targets		
Taste is incredibly important. If we succeed in making our plant-based alternatives taste as good as meat, we think more people will want to order them. We simply want to make it easier to choose tasty green alternatives.	To increase consumption of alternative proteins they must be as satisfying to eat as animal-based proteins	Plant based proteins availability	Sustainable and ethical food sourcing	

<p>We know that our guests care about where our ingredients come from and how they're produced. This is important for several reasons, not just because we think it makes for tastier burgers, but also because it has major implications for society and the environment. consequently, buying responsibly and locally is a priority.</p>	<p>We see that guests care about local ingredients and make this a priority</p>	<p>Focus on local produce for environmental, social and ethical benefits</p>		
<p>We still use Swedish beef, Swedish chicken, and Swedish bacon in our restaurants in Sweden. Since 2016, this cost MAX Burgers in Sweden in the region of SEK 250 million compared to what it would have cost to use corresponding meat ingredients from the EU</p>	<p>We place a higher priority on local meats than economic profitability</p>			
<p>Thanks to good animal welfare, Sweden uses the least amount of antibiotics of all EU countries [...] Sweden arguably has some of the world's most comprehensive animal welfare laws [...] Swedish meat has a low climate impact compared to the international average.</p>	<p>Swedish meat production is generally more ethical, environmentally friendly and healthy</p>			
<p>When it comes to vegetables served at MAX, these are sourced according to the season. This means, for example, that when we can no longer get hold of local beef tomatoes or onions, we make sure that what we purchase comes from locations as close to the European market as possible.</p>	<p>We understand that local produce is not available all year round and look to buy the least impactful alternative when this is the case</p>	<p>Adaptive sourcing</p>		
<p>The eggs in our products that are sold in our markets in the Nordic region come from free range hens. This includes all types of eggs, shelled eggs, egg products, and egg in composite products.</p>	<p>All our egg products in Sweden are from free range hens</p>	<p>Free range eggs</p>		
<p>We set te goal that by 2022 every other meal served at MAX Burger will be prepared with, or consist of, options other than beef [...] If we succeed, we'll have reduced our emissions by about 30% per meal within seven years.</p>	<p>We want half of our meals sold to contain protein other than beef which is reduce our emissions by almost one third.</p>	<p>Alternative protein sales</p>		

As part of these efforts, we developed another, smaller Plan Beef burger in 2020. This means that our guests can now choose a vegetarian option for all burgers on the menu [...] Our very own plant-based burger made from ingredients such as textured soy and wheat protein, developed and manufactured in Sweden	All our burgers are available as vegetarian with our plant-based burger developed and manufactured in Sweden			
Factors that increased climate emissions during 2021: Manyfold increase in marketing in Poland (which is driven by local electricity with a high climate impact.); Improved assessments on milkshake, packaging material and staff commuting.	Our emissions increased because of expansion into a market with less climate friendly electricity, and better assessment of a number of emissions	Market expansion leads to emissions increase	Environmental due diligence risk identification	
	Beef is our highest impact product	Beef emissions risk		
3 possible scenarios for MAX Burger's until 2050: All the scenarios in the table are based on MAX Burgers having an annual growth of 10%. In the last 18 years, we've grown by 15% to 20% per year, so the forecast is cautious.	We have developed 3 future scenarios to model how our work reduces emissions	Innovative futures	Environmental due diligence risk prevention	
Between 80% and 85% of all the oil that is collected from our restaurants is extracted and made into this technical base. The remaining part, food residue, emulsions and water are purified to be turned into biogas. The biodiesel product that has been manufactured from our frying oil has a CO2 footprint that is 90% to 96% lower than diesel made from mineral oil	Our frying oil is used to produce biogas and biodiesel	Frying oil to biogas/biodiesel		
We have clear energy-saving programmes in our restaurants. This includes schedules for turning off grills. Automatic ventilation control based on the number of guests in the restaurant and heat recovery [...] An increased proportion of our packaging from renewable material; We're phasing our unnecessary packaging. One example is that we no longer automatically offer lids or straws for beverage cups when dining in our restaurants	We have clear energy saving protocols in place in our restaurants and are minimizing the amount of packaging waste we create	Workplace energy saving		

All packaging must be made from renewable or recycled raw materials and all unnecessary material must be removed, but without increasing food waste or affecting food safety. The packaging material must be recycled, and our aim is that it will always be possible to sort and separate our packaging according to material	Our packaging strategy is that all packaging should be made from renewable or recycled materials and itself must be recyclable	Packaging is from renewable/recycled materials and is recyclable		
Since 2008, we have removed carbon dioxide from the atmosphere for all emissions, from the farmer's land to the guest's table. Since 14 June 2018, we have also been increasing our carbon removals to cover 110% of emissions throughout the value chain	We have a long history of climate compensating our emissions	Traditional climate compensation	Climate compensation	
The work is managed and controlled in accordance with the Plan Vivio standard. This means, among other things, that the development of the project is continually monitored and reported annually. At five-year intervals, an independent third-party audit check that the trees are removing the agreed amount of carbon	Our climate compensation follows a global standard and is subject to third-party audits	Climate compensation auditing		
We have established food safety procedures in all our restaurants based on current EU legislation [...] Our internal auditors make regular unannounced visits to our restaurants to ensure that they're following our procedures and that they always serve safe food to our guests	We have due diligence processes on food safety that are continuously updated and monitored	Food safety due diligence	Human Rights	Alignment with the social aspects of the CSDDD
At MAX Burgers, we're continually striving to offer more and better sugar-free alternatives [...] In 2021, the proportion of sugar free drinks was 39% in Sweden	We are aware of the health issues in a high sugar diet and are looking to reduce the amount of sugar our guests consume	Our food strategy addresses health issues		

<p>We work in a stressful environment, sometimes with inconvenient working hours, which is why clear policies and goals are needed where we work specifically with the following: The physical work environment: We monitor the work environment and safety on an ongoing basis. The psychological work environment: We work actively to ensure that all employees have the opportunity to evolve, collaborate, and feel involved. Gender equality and diversity: Discrimination law serves as the foundation for everything we do, and we follow up and take action on an ongoing basis using our annual employee survey as our starting point.</p>	<p>Our workplace due diligence processes encompass the physical and psychological stresses in working in a QSR and we follow the law as an equal opportunities workplace</p>	<p>Workplace safety and health due diligence</p>		
<p>At MAX Burgers in Sweden, each restaurant aims to employ at least one person with some form of functional diversity. Samhall is our partner and supports us in this regard, and we also employ staff directly through Samhall to undertake the daily cleaning of our restaurants</p>	<p>We run an inclusive workplace and ensure that there are jobs suitable to everyone</p>	<p>Equal opportunities employer</p>		
<p>At MAX Burgers, we have a zero tolerance for harassment. As an employer, we act swiftly in the event of suspected harassment or abuse.</p>	<p>We do not tolerate harassment or abuse in our workplaces</p>	<p>Workplace harassment and discrimination</p>		
<p>Today, we have an even gender distribution among our operations managers, with the ambition of achieving an even gender distribution throughout the entire organisation. Our equality and diversity plan address to discrimination laws and other relevant legislation [...] there are ongoing efforts to improve the understanding of this</p>	<p>There is an even gender distribution in our restaurant managers, we want to extend this to all positions. We follow discrimination law and are looking to improve all of the above.</p>	<p>Workforce gender distribution</p>		
<p>Equal pay for equal work is important to us, and it's a significant contributor to our gender equality goals [...] The 2021 MAX Equal Pay Index is 95.7, compared to the Swedish average of 95.8</p>	<p>Equal pay is important to us, and we still have room to improve</p>	<p>Equal pay amongst genders</p>		

<p>This insight resulted in a partnership between MAX Burgers, the Swedish Public Employment Service, and Hermod's. In 2018, we developed a joint eight-week training program for newcomers to Sweden. The programme was named "MAX-Swedish" and was tailor-made for people who had recently immigrated to Sweden and were interested in working at MAX Burgers [...] Since many words and phrases are similar in restaurant operations, the participants in the course can develop confidence in using the language.</p>	<p>We collaborated to develop programme to help immigrants into work, these skills are applicable across the whole restaurant sector and enable them to find employment after us.</p>	<p>Help to work schemes</p>	<p>Sustainable development</p>	
<p>7 to 10% of MAX Burger's net profit is earmarked for helping to reduce poverty [...] The Fair Distribution Foundation is not run as a charity or to provide assistance, but instead provides a tool to ensure fair distribution [...] The projects that the Foundation runs or supports seek to cater for the basic needs of vulnerable people. In the long term, is is also about creating fair conditions for self-sufficiency, we an emphasis on education and health and medical care.</p>	<p>A portion of MAX's profits are used to fund projects amongst vulnerable people that promote self-sufficiency, education, health and medical care around the world.</p>	<p>Profits go to charity or development funds</p>		
<p>It's also about wanting to lead by example in our sustainability work. We see sustainability not only as critical to the success of innovation, but also as an important part of long-term profitability</p>	<p>We want to lead the market in sustainable innovation to bring long-term profit</p>	<p>Position of power and influence to innovate</p>	<p>Uses of power in the food system</p>	<p>Concentration of power in the food system</p>
<p>We make sure to share the progress we make along the way with others, especially when it comes to the environment and sustainability. We strive to be a role model in collaboration with our guests, employees, suppliers, and other stakeholders</p>	<p>As a market leader we want to share how to be more sustainable with other actors in our market</p>			
<p>If we are to encourage more companies to follow suit, we need to highlight the value of the work, which we do by emphasising how sustainability is not just related to costs, but that it's an investment for the future</p>	<p>As a market leader we need to show the multiple benefits of sustainability work</p>			

Currently there is no international standard for being climate positive, which is why we've initiated several collaborations, for instance with the WWF, H&M and IKEA, all of which aim to decide how best to define "climate positive" and to create a new ISO standard that includes being climate positive	We will use our position of power and international standing to create a new ISO standard, along with other businesses.			
We've investigated the opportunities for more alternatives [...] it's unclear whether tree planting is the best method in places such as Sweden, which is why MAX Burgers has been part of the Swedish carbon storage initiative since 2020. This initiative aims to restore the climate by removing more carbon in the soil. This will be done with the help of new ploughing methods, for instance.	We see that trees are not the only way to remove carbon from the atmosphere and may not be the best way to do so. We are partnering with other actors to develop and research other ways of carbon sinking			
We strive to be a global role model when it comes to tackling the climate crisis. Although we're a small internationally, our size won't stop us from trying to be as successful as we can in our climate efforts and inspire other and bigger companies to follow in our footsteps.	We want to use our position, knowledge and expertise to help other fast-food chains tackle the climate crisis.	Position of power to influence		
Our suppliers are also important stakeholders, without them we would not be able to do any of the things we do we have high demands on and close cooperation with our suppliers [...] Our sustainability work is important in all our dialogues with different kinds of suppliers	We have close relationships with our suppliers and value the, we encourage them to work sustainably			
Our franchisees and suppliers outside the Nordic region must follow our code of conduct concerning human rights, labour laws, anti-corruption, and environmental impact	Our supply chain must follow our code of conduct	Position of power and influence to dictate		
For the first time in eight years, we increased our emissions per earned SEK (+2%) compared to the previous year. Our goal is to keep reducing our emissions in line with the 1.5-degree target from Paris which we failed to do in 2021	In the year this report covers we failed to meet the emissions target we set ourselves	Transparency in due diligence reporting		

Together with ZeroMission and U&WE, we've started to provide climate-positive training. In total, more than 200 companies and 1,000 people participated.	We are using our power and knowledge to educate others on working towards being climate positive	Position of power and influence to educate		
Transparency is a prerequisite if you are to be credible. It is also a prerequisite if you are serious about wanting to share your success factors	We believe that by being transparent we can help other in the industry	Transparency allows for greater industry collaboration		
We do the most comprehensive climate analysis in the entire restaurant industry, and we are completely transparent with the results and how we calculated. NGO's as well as competitors and guests should have the opportunity to familiarize themselves with exactly how we have proceeded.	By being transparent we are giving other in the industry and outside of it the opportunity to learn from our work			
MAX's climate impact per SEK has decreased by 22 percent from 53g CO2e per SEK in 2013 to 41g in 2020. In this way, we ensure that we separate our economic growth from our climate impact.	We have decreased our emissions per SEK sold and have decoupled economic and emissions growth	Decoupling profit and climate impact	Stakeholders	The doughnuts definition of stakeholders or growth

Appendix 3: Popular Science Summary

With the onset of the climate crisis governments and international institutions around the world have begun to introduce a swathe of new laws, regulations, and directives to slow down and ultimately prevent the environmental degradation of our planet.

The global food system plays a major role in this as it contributes up to 1/3rd of all greenhouse gas emissions. Food waste, biodiversity loss, the acidification of fresh and salt water, bodies and soils are some of the other environmental problems caused by the foods we farm and eat.

The European Union is placing itself at the forefront of this mission. In 2019 the EU came out with the European Green Deal, this set of policy initiatives draws from a number of other international agreements on development and climate change, such as the United Nations Sustainable Development Goals and the Paris Agreement of 2015. Its aim is to steer European societies and their economy on to a more sustainable path. This has resulted in the publication and eventually adoption of a number of directives to limit the social and environmental harm of large businesses.

One of these is the Corporate Sustainability Due Diligence Directive. This directive's aim is to limit the businesses' contribution to global warming to below the 1.5C outlined by the 2015 Paris Agreement, while also ensuring that the people who work there are treated in accordance with the UN Charter on Human Rights. This is to be done by carrying out due diligence on all of these businesses' activities, that is to say, to investigate how a business works and if it meets these two objectives. A key part of this directive is that it requires all businesses over a certain turnover and number of employees to do this. It also requires that all of the suppliers and smaller companies that work with the business also meet these two objectives.

This study examined the 2021 sustainability reports published by Sweden's three biggest fast-food chains, Max Hamburgers, McDonalds and Burger King. The study used a coding process to extract key themes and sub-themes from each report, these were then organised into a number of categories and analysed as to whether or not they met the objectives of the Corporate Sustainability Due Diligence Directive. This study also carried out two interviews with sustainability professionals to assess the usefulness of this directive and how businesses have, have not or are preparing for this directive.

The conclusions of this study found that both Max Hamburgers and McDonalds sustainability reporting shows that they have a number of mechanisms, systems, and structures in place to measure their environmental impact, and developed ways to bring this inline with the Paris Climate Agreements aim of reducing global warming to 1.5C. They also have safeguards in place that should ensure that human rights are not violated in their or their subsidiaries work, thus meeting the objectives of the Corporate Sustainability Due Diligence Directive. Both of these businesses are several years into their sustainability journey and have been working with these issues for some time. On the other hand, Burger King is only at the beginning of their journey, and as of 2021 have not developed the required tools to measure their climate impact let alone meet the objectives of the Corporate Sustainability Due Diligence Directive. They have however, developed and implemented principles, targets and goals that meet the social sustainability requirements of the directive.