

Candidate A – Analysis and Evaluation (extracts)

AIM - What is the impact of Mackie's CSR on itself and its stakeholders?

Arboretum

Mackie's have used over 150 acres of their farmland to create an arboretum; trees, paths and a pond were added to create a place attractive for staff and visitors to go. The trees provide natural fuel for Mackie's biomass boilers when they die¹¹.

The employees at Mackie's, as well as the local community, are allowed to walk through the arboretum and look at the trees. The sight of trees can reduce the blood pressure and the stress of the person that is observing the trees¹². This means that employees and visitors should be happier and have an improved mental wellbeing because of the arboretum.

Furthermore, arboretums have been shown to benefit people physically as it encourages them to walk around. This means that the employees and visitors of Mackie's are less likely to suffer from cardio-metabolic conditions, fight off illnesses and be overweight or obese, meaning that they are able to live longer lives. As employees are less likely to be ill, Mackie's will have lower staff absenteeism so they will have to arrange for less staff overtime to cover for the ill staff, reducing their amount spent on wages.

Mackie's use over 150 acres of their 1600 acre farm to create the arboretum, leaving Mackie's with 1450 acres, a little over 90%, of their farmland left for their other activities such as crop farming and raising their cows. This means that Mackie's are allocating land to non-

production activities. This is an opportunity cost for Mackie's - they are not using land to grow crops or graze cows, meaning they are losing capacity to generate income.

¹⁰ <https://mossgielfarm.co.uk/resources/campaigns/calf-at-foot/>

¹¹ <https://www.mackies.co.uk/about-mackies/farm/>

¹² <https://mortonarb.org/plant-and-protect/benefits-of-trees/>

New Refrigerator

Mackie's has started construction of a new low-carbon refrigerator, costing £4.5m to construct, that replaces old refrigerant gases with ammonia which does not contribute to global warming or harm the ozone layer. The new refrigeration unit should reduce the energy consumption of cooling ice cream by up to 80% and Mackie's is the first business in Scotland to make use of this technology¹³.

The cost of purchasing and installing the refrigerator totalled up to about £4.5m, which is a substantial cost considering that their operating profit for 2020 was £3.4m¹⁴. Mackie's may have had to generate the finance through an external source or use the cash that they may have had saved up. If they use an external source, it will mean that they will be in debt and the

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¹³ <https://www.mackies.co.uk/news-and-more/latest-news/low-carbon-refrigeration/>

¹⁴ <https://www.insider.co.uk/company-results-forecasts/mackies-reports-profits-up-61-23563105>

Mackie's is the first business in Scotland to utilise the low-carbon refrigerant technology which may mean that they will gain a positive reputation as being an innovator in being kind to the environment and reducing their effect on it. This means that the business may manage to get their competitor's customers to purchase their products as some customers will feel better knowing that they are not hurting the environment.

New Limited Edition Crisps Flavour for Charity

Mackie's of Scotland launched a new flavour of crisps, sausage and caramelised onion, to raise money for the charity, Muscular Dystrophy UK. The crisps are being sold in Asda stores across the country and 7 pence from each bag purchased is being given to the charity¹⁶. There were fifty thousand bags of these crisps produced to be sold.

The charity, Muscular Dystrophy UK, benefits from the donation that Mackie's have made as they can use the donation to help fund their activities of finding a cure to muscle dystrophy and helping to improve the lives of the people that have the condition. This means that the charity may become closer to completing their goal of finding a cure for the condition.

¹⁵ <https://www.mackies.co.uk/about-mackies/environment/>

¹⁶ <https://www.sundaypost.com/fp/mackies-launch-new-limited-edition-crisps-to-raise-funds-for-charity/>