Corporate Social Responsibility in franchise chains: Specificities, insights from French franchise chains' CSD, and avenues for future research

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Abstract

Although franchise chains are increasingly committed to environmental, social, and societal transitions, only a few researchers have focused on Corporate Social Responsibility (CSR) in the specific case of franchising. The aim of our paper is to discuss the specificities and challenges of CSR in franchising, explore how franchisors report on their sustainable practices, and emphasize subsequent directions for future research. In order to do so, we focus on the Corporate Social Disclosure (CSD) practices of twenty-two retail and service franchisors operating in the French market where regulations of non-financial information disclosures exist for large companies. Our findings show that these franchisors disclose rich and diversified information about their CSR activities. However, franchisors' disclosures can vary significantly, especially depending on their chain size and whether they are subject to reporting regulations. Our research contributes to the literature on CSR in franchise chains, as well as the practice.

Keywords

Franchising, Corporate Social Responsibility, Sustainable Development, Corporate Social Disclosure, Environmental, Social and Governance information.

1. Introduction

> I made the decision to remove plastic wherever possible, and we have invested a lot to innovate with answers that are relevant for our customers and for the environment', explains McDonald's France CEO, Nawfal Trabelsi. […] This approach is therefore part of McDonald's France's progressive positioning in terms of environmental transition, which began more than ten years ago. After changing its logo from red to green in 2010, the fast-food giant in France has made a series of eco-responsible commitments: organic milk in its milkshakes, delivery fleets fueled by used frying oil from its French restaurants, packaging designed to minimize waste, a waste sorting system for restaurants, and even an 'energy plan' implemented throughout the production chain, highlighted in particular by the installation of heat pumps. (*Le Parisien* [French newspaper], 10 February 2021[1])

The above is an example – among many others across various industries – of how franchisors are committed to Corporate Social Responsibility (CSR) actions. Indeed, franchise chains – along with most companies outside the franchise sector (Chuah et al., 2020; Iglesias et al., 2020; Nguyen & Pervan, 2020; Yuan et al., 2020) – are becoming increasingly committed to ecological and social transition (Jell-Ojobor, 2019; Meiseberg & Ehrmann, 2012; Perrigot et al., 2015; Utgård, 2018). CSR typically stands for corporate responses to ethical, environmental, and social issues. A few years ago, Perrigot et al. (2015) showed that more than 85% of their 136 sampled French franchisors disclosed non-financial information, communicating at least one of their CSR activities on their websites.

[1] https://www.leparisien.fr/environnement/environnement-fini-les-jouets-en-plastique-chez-mcdonald-s-10-02-2021-8424323.php

Despite this growing trend in the franchise sector over the last decade, research on CSR in the specific case of franchising remains limited (e.g., Jell-Ojobor, 2019; Meiseberg & Ehrmann, 2012; Perrigot et al., 2015; Utgård, 2018). Some scholars have highlighted several determinants of franchise chains' CSR actions, addressing either chain characteristics (e.g., Choi & Lee, 2018; Kaufmann et al., 2008) or management-related characteristics (e.g., Meiseberg & Ehrmann, 2012; Sebastiani et al., 2014). Other studies have focused on franchise chains' reporting on environmental and social issues (Corporate Social Disclosure – CSD) and franchisors' motivations for communicating about their CSR activities (e.g., Perrigot et al., 2015; Utgård, 2018). Various consequences of CSR practices on franchise chains have also been identified at the brand image level (e.g., Jell-Ojobor, 2019; Jeon & Gleiberman, 2017) as well as the managerial level (e.g., Lee et al., 2012; Meiseberg & Ehrmann, 2012).

The aim of our paper is to discuss the specificities and challenges of CSR in franchising, explore how franchisors report on their sustainable practices, and emphasize subsequent directions for future research. In order to do so, we focus on CSD, following most seminal works which are based on the assumption that the level of CSD correlates with a company's socially responsible behavior (Cowen et al., 1987; Perrigot et al., 2015; Roberts, 1992; Ullmann, 1985). Despite the increase of mandatory non-financial disclosures, the relationship between CSD and CSR is still a topic of discussion (Jackson et al., 2020), as the growing literature on corporate hypocrisy (Cho et al., 2015; Wagner et al., 2009) and greenwashing attests. As Cho et al. (2015, p. 78) state, "… a significant gap persists between corporate sustainability talk and practice", and the adoption of discretionary standards by companies (Berliner & Prakash, 2015; Vigneau et al., 2015) contributes to this gap.

Delmas and Burbano (2011, p. 65) who define greenwashing "as the intersection of two firm behaviors: poor environmental performance and positive communication about environmental performance", argue that one key driver of these practices is the current state of lax and uncertain regulations, despite the increase of mandatory non-financial disclosure (Jackson et al., 2020). Moreover, they point to the growing role of consumers, mass media coverage, investors, NGOs or anticorporate websites who are able to reveal the "deviations between public CSR statements and business practices disclosed by other sources [that] can have dramatic effects on firms' image and sales" (Wagner et al., 2009, p. 78).

In the French context, with the high level of regulations combined with social and political visibility of companies, CSD and CSR tend to be aligned. Furthermore, mandatory verification carried out by external auditors (Gillet-Monjarret, 2014; Gillet-Monjarret & Rivière-Giordano, 2017; Martinez et al., 2021) reinforces this convergence (see section 3.1.). Montecchia et al. (2016) state that "CSD is not limited to financial information but involves such areas as climate change abatement, human rights, employee relations, product liability, philanthropy, and corporate governance. Firms usually disclose such kinds of information in their annual reports, press releases, websites, or in separate social reports". While several authors have used this CSD-based approach towards CSR (e.g., Perrigot et al., 2015; Utgård, 2018), they have not focused on the content of franchisor messaging. Instead, they have centered their studies on the presence (or lack) and the number of occurrences of information regarding specific CSR activities on franchisors' websites. In this research, we go further by interpreting, from an in-depth qualitative perspective, the content of the information disclosed by franchisors. Since franchisors can signal their quality through CSD (Utgård, 2018), we expect the content of the information disclosed to provide a thorough understanding of their CSR strategies. As such, we collect data posted by franchisors on the Internet, and therefore accessible to their stakeholders. Moreover, we do not limit our observations to franchisor websites but include the content of the non-financial information included in their annual reports, when published, as well as information released in the press.

Our empirical study deals with the French market where regulations on non-financial information, or ESG, i.e., environment, social and governance, information disclosure, are mandatory for large companies. It is based on a multiple case study approach, with the examination of CSD by twenty-two franchise chains operating in retail and service industries in the French market.

Our findings show that franchisors regularly disclose information covering a wide range of CSR activities related to environmental, social, and societal challenges. In doing so, they have developed highly structured approaches based, for example, on committees dedicated to CSR. Our research also emphasizes that franchisors rely on various stakeholders to achieve their sustainable goals (e.g., franchisees, employees, customers). Moreover, in line with regulation theory (Perrigot et al., 2015; Posner, 1974), we note that franchisors' CSD can be influenced by the fear of future coercive measures, in spite of some of their activities demonstrating a strong commitment to CSR and a willingness to exert a positive corporate impact (Depoers & Jérôme, 2017; 2019). In addition, we observe that chain characteristics (i.e., chain size and chain resources) and management-related characteristics (i.e., CSR experience) tend to impact the extent of CSR actions and CSD, which is consistent with prior research (e.g., Choi & Lee, 2018; Meiseberg & Ehrmann, 2012; Perrigot et al., 2015). In fact, franchisors operating large and/or multiple chains tend to be much better equipped for developing CSR initiatives and communicating efficiently about them.

Our research contributes to the literature on CSR in franchise chains and, more specifically, the stream dedicated to franchisors' CSD (Flores Villanueva & Gaytán Ramírez, 2018; Kaufmann et al., 2008; Perrigot et al., 2015; Perrigot et al., 2021; Utgård, 2018). More specifically, our paper provides new insights into franchise chains' CSD, based on a multi-industry content analysis rather than mere counting of occurrences of disclosures. Our research also has managerial implications. Our findings may help franchisors enrich their

CSR communication on their websites and also engage in various CSR actions. The findings may additionally help them target and select franchisee candidates who share their values, in order to maximize the efficiency of their CSR approach. Finally, our findings can serve to encourage franchisors to develop organizational know-how related to CSR and codify part of it as business know-how.

Our paper is organized as follows. In the second section, we introduce CSR in the franchising context. We present the methodology in the third section. We describe and discuss the findings of our multiple case study in sections 4 and 5, successively.

2. Franchising, CSR, and CSD

2.1. Specificities of CSR in franchising

CSR in franchising can be viewed from a dual perspective; not only is franchising relevant to the wider dissemination of CSR practices, but also CSR practices are relevant for franchise chains. On the one hand, franchising – through the duplication of a business-format in tens, hundreds, or thousands of locations – is a way to maximize the impact of CSR practices at local, regional, national, and even international levels. On the other hand, CSR can be beneficial to franchisors in several ways, including stakeholder management and brand image. All franchisors seek a strong brand image for their chains in order to attract customers, franchisee candidates, employees for the units, etc. (Nijmeijer et al., 2014; Nyadzayo et al., 2011; Roh & Yoon, 2009). If a franchise is known for its CSR practices, customers may become more loyal and more willing to spend money in their stores, potential franchisees may be more willing to join the chain as franchisees, and there may be an increase in potential employees for stores and at headquarters (Flores Villanueva & Gaytán Ramírez, 2018; Meiseberg & Ehrmann, 2012; Perrigot et al., 2015). CSR practices, and above all the disclosure of CSR practices, provide a means for franchisors to reinforce their chain brand image (Cha & Jo, 2019; Jell-Ojobor, 2019; Jeon & Gleiberman, 2017; Perrigot et al., 2015).

This positive impact on brand image can also improve chain performance (Jeon & Gleiberman, 2017; Kim & Lee, 2020; Meiseberg & Ehrmann, 2012), as demonstrated by many management studies exploring the link between CSR, value creation, and competitive advantage (Frynas, 2015).

Moreover, franchisors engaging in CSR actions can enhance their relationships with employees (Lee et al., 2012) and, above all, with franchisees, in particular regarding franchisee trust and satisfaction and prospective franchisees (Lee et al., 2016). According to these authors, such "activities [can] help franchisors not only retain current franchisees but also attract prospective franchisees by enhancing corporate image and solidifying the relationship with the franchisees" (Lee et al., 2016, p. 57). Costas and Kärreman (2013) have demonstrated how CSD and CSR practices serve to build an idealized image of a socially, ecologically, and ethically responsible company. CSR can work as a form of aspirational control that ties employees' – and in our context franchisees and other stakeholders – aspirational identities and ethical consciences to the organization.

2.2. Challenges associated with CSR in franchising

Engaging in CSR activities is particularly challenging in the franchising context (Meiseberg & Ehrmann, 2012). As franchisees are independent entrepreneurs (Dant & Gundlach, 1999; El Akremi et al., 2011), franchisors cannot impose CSR activities on their franchisees. For instance, if franchisees are not interested in CSR initiatives, franchisors cannot force them to invest in new waste sorting systems or materials that are more eco-friendly or specific local sponsorship. Therefore, it is essential that franchisors attempt to convince them – conveyed through headquarters staff and on-field consultants – to engage in CSR. Franchisors' explanations entail stating the rationale behind such actions, the practices to be implemented, and the potential impact on franchisees' businesses in terms of image, customer relationship management, competitive advantage, performance, etc.

Moreover, when franchisees are committed to CSR activities, franchisors must pay close attention to the consistency of their implementation. For CSR actions to be impactful, franchisors and franchisees must both be consistent: franchisors at the global level (international, national, or regional) and franchisees at the local level. For instance, if franchisors are committed to the inclusion of disabled people in their workforce, they should implement specific processes to accommodate disabled employees at the chain headquarters and partner with an international or national charity organization dedicated to disabilities. They should also have to ensure that this action plan is being relayed at the local level. For example, franchisees can be encouraged to employ disabled people in their units and sponsor local associations dedicated to children, teens, or adults with disabilities. This scaling mechanism is relevant since consumers are specifically sensitive to CSR initiatives targeting local communities (Rahman & Norman, 2016). Another example involves franchisors committed to environmental preservation through working with an international or national NGO. Their franchisees will have to pursue the same strategies by using, for example, recyclable products in their units and participating in local events such as city or river cleaning days. Franchisor and franchisee CSR actions must be aligned, both emphasizing a set of consistent commitments.

Finally, franchisors cannot succeed on their own in implementing CSR throughout their chains; they require the involvement of their main stakeholders, which of course includes their franchisees (as mentioned above) as well as their suppliers, store employees, customers, etc. (Perrigot et al., 2021). For example, fast-food suppliers can contribute to environmental preservation through an improved waste management system (e.g., supply of recyclable packaging), grocery suppliers can promote local products, and clothing suppliers can be attentive to working conditions inside the factories. Employees in direct contact with customers are an especially decisive point, since they are the ones who do or do not apply the right practices in terms of waste management in the units. In addition, they (among other stakeholders) can encourage customers to participate in these minimization and sorting efforts.

2.3. CSD as a tool for CSR assessment

As evidenced by Perrigot et al. (2015), franchise chains can engage in a wide range of CSR and sustainable actions. Studying franchisors' CSR practices thus requires finding or adapting a precise analysis grid that is as exhaustive and objective as possible, which can prove to be a complex task. Within the scope of franchising studies, several classifications developed by scholars and consulting firms have been used. Carroll's (1991) prominent pyramid of CSR, composed of economic, legal, ethical, and philanthropic responsibilities, has been favored by various authors (e.g., Cha & Jo, 2019; Jell-Ojobor, 2019; Lee et al., 2012). However, as pointed out by Kim and Thapa (2018), this classification neglects the environmental dimension, which also merits consideration, especially with the ecological transition and the strengthening of environmental legislation (Boyer-Allirol & Barbu, 2017). Kaufmann et al. (2008) used a four-dimensional grid – i.e., philanthropy, sponsorship, cause marketing, and volunteerism – that focuses on the nature of CSR actions rather than their outcome. Meiseberg and Ehrmann (2012) based their study on the six dimensions of the grid developed by KLD Research & Analytics, Inc., a social rating agency, that was slightly adapted to franchising specificities – support for the community, franchisee/employee relations, environment, human rights, products and services, corporate governance. As for Perrigot et al. (2015), they adapted a grid from Ernst and Ernst (1978) to assess the disclosure of franchisors operating in the

French market; they distinguished seven categories of practices – environment, human resources, products, fair business practices, community involvement, ethics, and other practices. These categorizations are not accurate enough regarding the recent evolutions of the economic, social, and ecological context. Researchers could improve data gathering by identifying the dimensions exposed by the "Grenelle II" Law (42 items described by the French regulator) and by more thoroughly investigating disclosure quality (Baalouch et al., 2019; Chauvey et al., 2015).

3. Methodology

3.1. Context

Our empirical study deals with franchising in France. France has 2,049 franchisors and 78,218 franchised units, generating an estimated 757,852 jobs and 67.80 billion euros of total sales (French Franchise Federation, 2021). Franchisors in the French market are especially committed to CSR. Indeed, an empirical study showed that 86.03% of 136 sampled franchisors disclose information on at least one CSR-related action (Perrigot et al., 2015), which is much higher than results from similar studies conducted in other markets, for example, 29% in the American market (Kaufmann et al., 2008) and 22.9% in the Mexican market (Flores Villanueva & Gaytán Ramírez, 2018).

Moreover, in Europe, under NFRD (Non-Financial Reporting Directive – Directive 2014/95/EU), since 2014, all large companies have to publish reports on the policies they implement in relation to ESG concerns: environmental preservation, social responsibility and treatment of employees, respect for human rights, anti-corruption, and diversity on company boards (in terms of age, gender, educational, and professional background). The directive offers flexibility for companies to disclose information in the way that they consider most useful. Nonetheless, they are obliged to give a description of their policies and results, the risks related to these matters, and how they intend to address them. Subsequently, companies may use international, European framework or national laws. Thus, reporting can be a complex process regarding the choice of accurate guidelines (Vives, 2016). In France, the process can be considered easier because of more stringent and older requirements. Indeed, many regulations require companies to both disclose non-financial information (Social Report Law, 1977 and New Economic Regulation Law, 2001) and audit this information (225 Art. Grenelle II, 2010). Consequently, large companies in France have a high level of experience regarding CSD. Specifically concerning environmental data, disclosures have become more technical and precise (Albertini, 2014). In addition, despite the change in regulations due to NFRD, 225 Art. Grenelle II is still structuring ESG reporting by French companies. In fact, several studies show that the quality of non-financial disclosures is positively related to the intensity of regulations (Barbu et al., 2014; Delmas & Burbano, 2011; Gillet-Monjarret & Lafont, 2020; Jackson et al., 2020; Senn & Giordano-Spring, 2020).

3.2. Multiple case study approach

We adopted a multiple case study approach to study franchisors' CSD practices. This method has been used in the franchising literature (e.g., Bradach, 1997; Doherty & Alexander, 2006; Perrigot, 2018) and is particularly relevant for topics which have received scarce academic attention (Perry, 1998). To gain an extensive understanding of franchisors' reporting practices, we focused on eleven different industries (including both retailing and services) where franchising is particularly well developed and CSR is an important practice (see Table 1).

For each of the selected industries, in an attempt to get diversified illustrative cases, we selected two distinct companies, franchisors operating large chains and/or several chains, those subject to a reporting obligation and which therefore published an annual report containing non-financial information, and another chain which is not affected by any reporting requirements. We selected franchise chains with varying characteristics in terms of chain size, chain age, percentage of company-owned units, and international dimension.

<< Table 1 to insert here >>

3.3. Data collection

The growing tendency towards non-financial reporting has led to the generation of many documents (Montecchia et al., 2016). We collected data from multiple and complementary sources that provide a holistic view of franchisors' CSD: the chains' websites, the groups' websites when chains belonged to a group, as well as non-financial information in their annual reports, if published.

In order to be as exhaustive, reliable, and precise as possible, we relied on an analysis grid originating from the French government. Indeed, Article 225 of the "Grenelle II" Law establishes the rules for producing reports and the information to be included in these reports. Companies over a certain size (i.e., more than 500 employees and 40 million euros in sales or 20 million euros in total assets for publicly listed companies, and more than 500 employees and 100 million euros in sales or total assets for non-listed companies[2]) have to issue non-financial reports and "comply or explain" why they cannot disclose such information. Article 225 lists 42 items split into three main categories in favor of sustainable development: environmental information, social information, and societal information (see Table 2). Although there are a great variety of reporting standards (Vives, 2016), most companies in France use this grid as a guideline, which is particularly appropriate for franchisor disclosures

[2] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0095

in the French market. All data collected were classified in this analysis grid by two of the researchers to limit interpretation bias.

<< Table 2 to insert here >>

4. Findings

Franchise chains are increasingly well structured to address CSR-specific challenges. Some franchisors have developed committees dedicated to this particular purpose. For instance, the Mobivia Group, operating the Midas and Norauto brands, appointed a "Sustainable Development Committee […] to ensure that the actions and projects of companies in the Mobivia ecosystem are in line with an ambitious Sustainable Development strategy leading to the creation of shared economic value and a positive social, environmental and societal contribution".[3] This example highlights the multifold nature of franchise chains' CSD, which can focus on either environmental, social, or societal aspects. We found information related to all 42 items of our grid, which confirms this diversity of franchisors' CSR practices.

4.1. Environmental information

Our sampled franchisors disclosed a large amount of information related to their environmental impact and, in particular, to how they attempt to minimize it. In fact, we found information on all 14 environmental items from the grid, thus highlighting the wide range of environmental activities in which they are involved.

Some franchisors, like Midas and Norauto belonging to the Mobivia Group, seek to promote their commitment and continuous improvement by obtaining high environmental value certifications, such as the ISO 14001. They assess environmental management through cross

[3] https://www.mobivia.com/assets/uploads/2021/01/DPEF-2019-2020.pdf

internal audits in every Norauto center.[4] This emphasizes that franchisors tend to exceed legal requirements in terms of environmental commitment.

Moreover, we observed that the success of franchise chains' environmental practices relies on the education and involvement of various stakeholders, which is consistent with previous research on CSD (e.g., Perrigot et al., 2015; Perrigot et al., 2021). First of all, franchisors can educate their customers in order to sensitize and inform them about sustainable practices. For instance, the Beaumanoir Group's brands "are making their customers aware of the role they can lay to better preserve water when they wash their products". To this end, they provide "recommendations for taking care of products while preserving the planet"[5] on their care labels. This education purpose can also be achieved through responsible events, such as the annual *Odysseys* organized by L'Eau Vive, in order to "put eco-gestures into practice, but also to have fun and challenge each other around sporting events between the general public and sports personalities".[6]

In addition, and as highlighted by franchisors' CSD, getting employees on board appears to be key to reducing resource consumption and contributing to the chain's sustainable strategy. This includes training front-line employees who serve as the brand's ambassadors towards customers, but also back-office staff who will have to carry the brand's CSR commitments in the various departments of the chain head office. In this regard, the Beaumanoir Group has developed a training program specifically for purchasing teams.[7]

Franchisors also put a strong emphasis on the involvement of their franchisees with respect to the chain's sustainable strategy. For instance, Bureau Vallée reports training their future

[4] https://www.mobivia.com/assets/uploads/2021/01/DPEF-2019-2020.pdf
[5] https://www.groupe-beaumanoir.com/wp-content/uploads/2020/06/DPEF-2019-20_VF-allégée.pdf
[6] https://entreprise.eau-vive.com/decouvrir-eau-vive/nos-actions/
[7] https://www.groupe-beaumanoir.com/wp-content/uploads/2020/06/DPEF-2019-20_VF-allégée.pdf

franchisees “at the head office but also in store”. Besides, “this environmental awareness that [their] network demonstrates is one of the qualities [they] look for in [their] future franchisees”.[8] Recruiting franchisee candidates who share common values with the franchisor appears, indeed, to be a strong factor in facilitating the implementation of a chain’s CSR strategy in franchised units (El Akremi et al., 2012). Moreover, much as Dessange, franchisors can promote a sustainable-oriented chain culture by constantly looking to improve their practices at all levels, in particular in their units where they diffuse “good environmental practices”.[9] Experimenting with these practices in company-owned units and implementing them in franchised units once they have proven successful is also relevant. For instance, there is the Le Duff Group which “launched a pilot test of the *Too Good To Go* mobile application in Brioche Dorée units in France to combat food waste by selling baskets filled with the day's unsold items at reduced prices”.[10] In light of its success, this practice was then extended to all company-owned units and probably to numerous franchisees attracted by the *Too Good To Go* concept.[11] In this respect, franchisees are considered the cornerstones of a chain’s sustainable actions, as pointed out by the Accor Group which has made a series of commitments “the achievement of which depends largely on its partners, particularly hotel owners”.[12] As such, franchisors must set an example, which is why 75% of Au Bureau’s “company-owned units will be sorting bio-waste by the end of 2021”, while “the remaining 25% have no nearby spillway or are located in a shopping center”.[13]

Finally, franchise chains can engage in collective actions with other companies, sometimes even competitors, sharing common interests in the area of CSR. This can be illustrated by the

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[8] http://portail.bureau-vallee.fr/rejoindre-le-mouvement-des-entrepreneurs-engages/
[9] https://www.dessange-international.com/actualite/saviez-lexigence-environnementale-dessange.html
[10] https://www.groupeleduff.com/app/uploads/2019/08/DPEF_2019_LEDUFF_FR.pdf
[11] https://www.groupeleduff.com/app/uploads/2019/08/DPEF_2019_LEDUFF_FR.pdf
[12] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf
[13] https://www.aubureau.fr/politique-rse/

Beaumanoir Group, which decided to sign the Fashion Pact along with more than 60 other companies in the fashion industry, thus committing "to curbing global warming, restoring biodiversity and protecting the oceans, as well as to implementing concrete actions in their respective organizations".[14] Some of these visible actions can, in fact, be explained by regulation theory, since franchisors' motivations may stem from a willingness to promote their chain's commitment and, therefore, avoid future coercive regulations (Leung & Snell, 2017; 2021; Perrigot et al., 2015; Perrigot et al., 2021).

4.2. Social information

The second category of CSR-related information disclosed by franchisors refers to social practices. The franchisors in our sample appear very concerned with conveying a good corporate image. They report on a variety of practices that cover all 18 items in our grid.

First, our sampled franchisors emphasize the quantity of jobs stemming from the development of their chain and, in particular, from the duplication of their concepts in territories where their units are located. Some of these jobs are, hence, generated by franchised units. The Accor Group, for example, overwhelmingly relies on partnerships (i.e., franchising and management contracts) rather than company ownership to expand its chains, given that partners employ about 94% of the group's total workforce (280,000 employees).[15] This is of interest since franchisors cannot legally interfere with their franchisees' employees and situations where franchisees do not follow the franchisor's social policy can be damaging to chain consistency. This paradox can be illustrated by the Accor Group which mentions "an e-

[14] https://www.groupe-beaumanoir.com/wp-content/uploads/2020/06/DPEF-2019-20_VF-allégée.pdf
[15] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf

learning course on non-discrimination and inclusion […] which will be distributed to all Group employees, excluding franchisees”.[16]

Second, franchisors insist on the quality of opportunities provided to employees working in their chains. In fact, the franchise business model can be a source of evolution and career advancement. For example, Casino explains that “the diversity of the Group's businesses, its international presence and the multi-format nature of its brands offer employees numerous opportunities for mobility and professional development”. As such, the group intends “to fill 50% of management positions through internal development”.[17] This internal mobility can be fostered through training, which allows the franchisor to transfer part of its know-how. In this regard, “all Biocoiff' professionals receive training in order to […] become familiar with the products they use and sell in their hair salon. It's also a time to share the ‘home-made’ secrets” of the chain.[18]” In some cases, chain employees can even constitute a pool of prospective employees like, for example, at La Mie Câline where 20% of the franchisees “come from the network”.[19]

Third, several franchisors insist on good working and living conditions for both their employees and franchisees’ employees. With this in mind, the Accor Group has “defined a global compensation policy for employees at its headquarters and in its company-owned and under management contract hotels”, which “is adapted to the specific practices of each country”.[20] Moreover, these adaptations to local culture and customs are essential to employee well-being. As an example, Kamps (the Le Duff Group’s chain located in Germany) allows employees to work remotely and has flexible hours, as well as “special days dedicated to

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[16] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf
[17] https://www.groupe-casino.fr/wp-content/uploads/2020/04/CASINO_URD_2019_VF_2904.pdf
[18] https://www.biocoiff.com/coiffeur-bio/
[19] https://www.lamiecaline.com/fr/enseigne-restauration-rapide/environnement
[20] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf

health, paid for by the company's mutual insurance company".[21] Another major challenge for franchisors is the safety of employees working within their chain. This concern is of paramount importance since franchisors must ensure that the safety of employees working in their units, regardless of the organizational form (i.e., franchised, under a management contract, company-owned), is not compromised. For this purpose, the Accor Group has set up an alert line "accessible 24/7 in 29 languages and […] scheduled to be opened to employees of other under management contract and franchised hotels".[22] This safety can also stem directly from the franchisor's concept. Bearing that in mind, the Mobivia group has been "reviewing [its] processes with the implementation of adequate equipment to prevent musculoskeletal disorders as much as possible" and they "have deployed exhaust gas extractors in [their] new concept".[23]

Fourth, franchisors report on the implementation of equal treatment policies within their chains, in particular for recruiting and including people with disabilities. Feu Vert insisted on maintaining "a 3.5% hiring rate of disabled personnel, above the national average in the private sector", while accompanying each new employee with a disability through a dedicated mentorship.[24] However, not all franchisors are as successful as Feu Vert in including workers with disabilities. Indeed, the Accor Group disclosed employing 2,094 individuals with a recognized disability in its company-owned and under management contract hotels, which accounts for only 1% of its total workforce.[25] As for the Beaumanoir Group, it participates twice a year in the *Hello Handicap* virtual recruitment fair and each time recruits several disabled personnel[26]. Although this approach has positive implications, it merely offers

[21] https://www.groupeleduff.com/app/uploads/2020/09/DPEF_2019_LEDUFF_FR.pdf
[22] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf
[23] https://www.mobivia.com/assets/uploads/2021/01/DPEF-2019-2020.pdf
[24] https://www.feuvert-entreprises.fr/a-propos/developpement-durable-et-responsable/
[25] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf
[26] https://www.groupe-beaumanoir.com/wp-content/uploads/2020/06/DPEF-2019-20_VF-allégée.pdf

temporary work contracts that do not provide long-term employment for disabled personnel. These equal treatment policies can also be oriented towards other populations, such as ethnic minorities. This is notably the case for Accor, where “each country in which the Group operates is implementing an action plan based on local discrimination issues. In Australia, for example, specific programs have been implemented to promote the inclusion of Aboriginals”.[27]

4.3. Societal information

The franchisors selected for the purpose of our study reported on various governance actions implemented within their chain. Indeed, their commitment to addressing societal challenges seemed to be particularly strong, as evidenced by the fact that we found information covering all the items on our grid (i.e., 9 out of 9).

Through their geographic expansion, franchise chains can exert a positive impact on the dynamism and economic activity of the territories they choose to locate their units. In fact, franchising facilitates a virtuous scaling mechanism that magnifies the impact of CSR actions at both the franchisor and franchisee levels. As an example, regarding Del Arte (belonging to the Le Duff Group), “for each franchisee or company-owned restaurant opening (between 10 and 25 openings per year), an average of 20 jobs are created locally, for which the company favors permanent contracts”.[28] According to Fnac Darty, their development through franchising “contributes to the creation of jobs that cannot be relocated, and therefore to the development of economic and social activity in the medium-sized towns in which stores are opened”.[29] As well, the Casino Group explains that they offer several “retail formats adapted

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[27] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf
[28] https://www.groupeleduff.com/app/uploads/2020/09/DPEF_2019_LEDUFF_FR.pdf
[29] https://www.fnacdarty.com/wp-content/uploads/2020/04/FNAC_DARTY_URD_2019_VF_PDFinteractif.pdf

to the specific characteristics of each region" and develops relationships with local actors to facilitate their implementation.[30] As for Bureau Vallée, their "downtown and suburban stores participate in the local dynamic by sponsoring sports teams, financing certain associations and donating equipment".[31] In fact, agency theory has demonstrated that franchisees usually have a better knowledge of their local territory and are more committed than company-owned unit managers to expanding their businesses (Combs & Ketchen, 2003). Franchisors, therefore, have an incentive to give some autonomy to their franchisees regarding their local CSR policy.

Franchise chains' societal-oriented actions can also play out on a broader level, i.e., nationally or internationally through philanthropy, for instance. This is indeed the case for Feu Vert, which initiated a partnership with the NGO "Children of the Mekong," for donating some of its profits to finance the education of young children in South Asia.[32]

Furthermore, franchisors seem to be particularly cautious regarding the societal impacts associated with their purchasing policies. Ekyog is particularly adamant about the origin of its raw materials for which they "know precisely the conditions of culture and harvest".[33] For its part, the Beaumanoir Group requires suppliers to sign their "Ethics Charter and therefore to commit to respecting [their] code of conduct and the social and environmental standards contained therein".[34] In some cases, franchisors also support suppliers' efforts towards improving their social practices. In this regard, the Le Duff Group works with its suppliers "to build channels where animal welfare is a top priority".[35]

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[30] https://www.groupe-casino.fr/wp-content/uploads/2020/04/CASINO_URD_2019_VF_2904.pdf
[31] https://www.bureau-vallee.fr/rse/relations-durables.html
[32] https://www.feuvert-entreprises.fr/a-propos/developpement-durable-et-responsable/
[33] ekyog.com/la-marque/tracabilite.html
[34] https://www.groupe-beaumanoir.com/wp-content/uploads/2020/06/DPEF-2019-20_VF-allégée.pdf
[35] https://www.groupeleduff.com/app/uploads/2020/09/DPEF_2019_LEDUFF_FR.pdf

Franchisors also strongly communicate their willingness to respect their customers' safety. For instance, the Bertrand group deployed new tools in its Hippopotamus company-owned and franchised restaurants, including Sato "a printer that makes it possible to print labels to date all cooked, opened or defrosted products".[36] As a matter of fact, franchisors' must also ensure the safety of their franchisees' customers, as any issue could jeopardize the brand image. Hence, "Pitaya has put in place very strict hygiene standards and a dedicated team ensures compliance with these standards through permanent controls in each of [their] restaurants" while "regular audits are carried out by an external and independent body".[37] This is also illustrated by the Casino group which appointed "anti-sexual harassment coordinators" and established a set of procedures in case of reports of sexual harassment or gender-based violence.[38] These safety commitments can also relate to the protection of their personal data. As such, the Accor Group implemented new measures in 2019 in response to the European General Data Protection Regulation (GDPR). These included a "review of the clauses governing the use of personal data in franchise and management contracts", the "deployment of an 'e-learning GDPR'" as well as the creation "of a toolkit for hotels to develop and deploy their compliance programs".[39] In fact, franchisors have a responsibility to inform their franchisees about the rules they must follow with respect to GDPR at the store level. However, the Accor Group makes stronger commitments in this regard by training its franchisees and providing them with all the processes they need to manage their guests' data. This last point is of interest since it implies franchisor know-how which can be codified and transferred to franchisees. This know-how transmission can also be illustrated by the Accor

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[36] http://www.groupeflo.com/fichiers/Groupe%20Flo%20DPEF%2031%2012%202019.pdf
[37] https://www.pitayaresto.fr/discover/?lang=en
[38] https://www.groupe-casino.fr/wp-content/uploads/2020/04/CASINO_URD_2019_VF_2904.pdf
[39] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf

Group's commitment to providing "all hotels with awareness-raising kits including web series, e-learning and video learning" in order to protect human rights.[40]

5. Discussion

5.1. Contributions to the theory

Our research builds on the literature on CSR in franchise chains, more specifically from the CSD viewpoint. Our findings show that our twenty-two sampled franchisors disclose extensive information on their CSR activities. For instance, some of them have developed highly structured approaches by creating committees dedicated to CSR activities and extra-financial disclosures. Contrary to Sebastiani et al.'s (2014) findings that suggested that most franchisors were *traditionalist* franchisors, i.e., paying limited attention to sustainable issues and engaged in a few sustainable actions with their franchisees, most of our sampled franchisors can be considered *True Blues*, i.e., franchisors engaged in a wide range of social and environmental sustainable practices and seeking to develop sustainable relationships with both internal (including franchisees) and external stakeholders.

However, we observed a significant difference between small and large chains' CSD. Part of this disparity can be explained by the impact of regulations on non-financial reporting which are particularly constrictive in France. Larger chains – those which are affected by reporting obligations – disclose information related to more CSR indicators and this information is usually more accurate (i.e., output-oriented information) and easier to verify. Moreover, these chains communicate all their CSR-related content in the non-financial reports – primarily aimed at institutional authorities – and they use their corporate websites to promote some of these commitments to customers. In comparison, smaller chains – those which are not

[40] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf

affected by any reporting requirement – mainly disclose CSR information through their corporate websites and do not publish any report. Their communication is also limited, less quantified and sometimes vague regarding the achievement of their goals, making it difficult to assess whether they are merely complying with existing regulations or engaging in genuine CSR activities.

Bearing in mind the positive impact of CSR on brand image and performance (e.g., Jell-Ojobor, 2019; Jeon & Gleiberman, 2017; Meiseberg & Ehrmann, 2012), it should be noted that chains' voluntary disclosures may be less sincere than they appear and constitute a form of "greenwashing" or strategy to avoid new coercive regulations (Leung & Snell, 2017; 2021). The use of regulations and the institutional framework can mitigate this practice and make large chains more accountable by having them define their reporting standards and verify their claims through external auditors (Gillet-Monjarret, 2014; Gillet-Monjarret & Rivière-Giordano, 2017; Martinez et al., 2021). In this regard, larger chains have to disclose factual and output-oriented information in their reports. They would not necessarily gather such information if they were not compelled to do so. However, the existence of reporting regulations ultimately allows them to gather factual and quantified information related to chain headquarters or chain units (i.e., company-owned or franchised units) which they can communicate to consumers through their corporate websites. As such, the use of regulations can have a positive impact on chains' voluntary disclosures. Although smaller chains are not – or not yet – subject to such regulations, they can still take inspiration from these standards and larger chains' CSD to improve their own reporting practices, and disclose more factual information as well as more indicators reflecting the achievement of their goals.

Nevertheless, engaging in CSR practices and efficiently reporting on these actions is costly and smaller chains with a reduced staff at headquarters do not always have the resources to structure a strong CSR strategy or collect output-oriented data stemming from their actions. In contrast, larger chains and chains belonging to a group can dedicate one or more employees to this specific purpose and, hence, it is easier for them to disclose more output-oriented content than other chains. These findings are consistent with Resource Theory (McWilliams & Siegel, 2001), according to which franchisors' resources will condition their commitment to CSR (Choi & Lee, 2018; Flores Villanueva & Gaytán Ramírez, 2018; Meiseberg & Ehrmann, 2012).

In addition, we observed that chains that have CSR at the core of their businesses, e.g., Ekyog, disclose a considerable amount of CSR-related information, thereby confirming that aside from chain characteristics, other management-related characteristics may be major determinants of chains' CSR activities (Sebastiani et al., 2014). Indeed, franchisors with substantial experience in CSR issues will tend to increase their chains' CSR actions, as argued by Meiseberg and Ehrmann (2012). Such chains also tend to be more precise in their reporting compared to chains of similar size whose concept is not as much centered on CSR.

We also found that franchisors often mention their franchisees in their disclosures. This observation is consistent with a recent study conducted in the fast-food industry by Perrigot et al. (2021) which emphasized the central role of franchisees in the implementation of green practices within franchise chains. Indeed, to implement CSR activities consistently, franchisors need the commitment of their franchisees. To do so, they can involve them through committees or pilot actions dedicated to CSR actions. They can also develop operational processes that franchisees will have to follow.

However, in some cases, franchisors can be tempted to communicate on commitments that are only followed by company-owned units and chain headquarters without specifying that such information does not include franchised units. For instance, the percentage of disabled employees communicated by franchise chain headquarters usually does not include disabled employees working in the franchised units, since franchisees, as independent owners, have their own HR policies over which the franchisor has no control. In fact, gathering such information is often difficult for franchisors and thus require an information system designed to do so, as well as franchisees' cooperation. In addition, reporting regulations do not require franchisors to include franchisees in their disclosures since the latter are financially and legally independent from their franchisors. Although chains such as the Accor Group clearly state in most of their disclosures whether figures relate to their own units or those of their franchisees, many chains do not make it explicit. As a result, it is difficult to assess whether a chains' CSD reflect commitments equally followed within all the chain's units. Besides, CSR includes very diversified topics, most requiring a strong expertise. As such, we encourage future research to focus on specific topics related to the implementation of CSR within franchise chains rather than focusing on CSR as a whole.

5.2. Contributions to the practice

Our research contributes to the practice by showing that all franchisors within our sample are actively pursuing CSR initiatives. Our findings can encourage other franchisors to set up and implement CSR activities in their own chains and then communicate these activities. CSR is no longer an option; it has become critical for franchise chains to reinforce their brand image, differentiate their brands, and build long-term relationships with their stakeholders, i.e., franchisees, employees of franchisees, customers, suppliers, etc.

Our findings can also help franchisors enrich the CSR-related content on their websites, while strengthening their commitment to other CSR-related activities. Our illustrations of the 42 grid items, employed by eleven different industries, serve as suggestions for franchisors who are at the beginning of the CSR engagement process and, in particular, for smaller chains that are not compelled to publish a non-financial report. In this regard, they can draw on the institutional framework and on reports published by other chains in order to define their own reporting strategy. For example, they can use a grid derived from regulations to categorize their actions, such as the one in this study which stems from the “Grenelle II” Law. Another way to accomplish this could be to disclose mainly output-oriented information. This would emphasize the veracity and efficacy of a chain’s CSR commitments and thus avoid being associated with “greenwashing” practices. Furthermore, smaller chains can make the decision to publish their non-financial information in a report, even though they have no obligation to do so. In that case, the report could be lighter and have a different designation (e.g., CSR report, sustainable development report).

Our findings suggest that franchisors seek to involve all their stakeholders in their CSR activities, in particular their franchisees at the local level. For instance, the Accor Group “has decided to set up a hotline dedicated to Ethics, Compliance, Health and Safety, Human Rights and the Environment […] scheduled to be opened to employees of other under management contract and franchised hotels in 2020”.[41] To obtain the support of franchisees in implementing CSR activities at the local level, franchisors must “think CSR” from the very beginning of the franchise relationship, that is, from the time of franchisee candidate selection. Franchisors usually select new franchisees according to several criteria, including financial resources, previous experience, and knowledge of local markets (e.g., Clarkin & Swavely, 2006; Jambulingam & Nevin, 1999). In addition to these factual indicators, shared values should be taken into consideration (El Akremi et al., 2012). If franchisee candidates are found to have an interest in environmental preservation, diversity, and inclusion, it will then be easier to collaborate on CSR projects over the whole period covered by the franchise contract and to possibly pursue the contractual relationship in the long run. The plural form

[41] https://group.accor.com/-/media/Corporate/Investors/Documents-de-reference/DEU_ACCOR_2019.pdf

organization is also an asset to CSR implementation, as the experimentation and improvement of CSR actions in company-owned units make it easier for franchisors to convince their franchisees to implement these CSR actions at their local levels.

Moreover, CSR practices can be integrated into franchisor know-how, both organizational and business know-how. Franchisors can develop organizational know-how, i.e., capabilities and competencies (Perrigot et al., 2020) over time through different ways: recruitment of CSR experts at the chain headquarters, conduction of benchmarks of best practices, cooperation with stakeholders. This organizational know-how will indirectly benefit the franchisees and directly benefit them if franchisors are able to transfer a part of it as business know-how (Perrigot et al., 2017). Franchisors can also insert into the operations manual a number of processes that, for instance, deal with waste management and use of local products in the restaurant industry, incentivize customers to return empty perfume bottles in the cosmetics sector, or respond to the specific needs of disabled employees. This codification of CSR know-how would serve to facilitate implementation in the units.

5.3. Limitations and tracks for future research

Our research has some limitations and open avenues for future research. First, we focused on CSD only, i.e., franchisor communication regarding their CSR actions but not the actions themselves, as they are implemented in practice at the chain headquarters as well as in the franchised units and company-owned units (if any). Although this approach provides an accurate overview of the CSR information accessible to franchisors' stakeholders, further research could explore CSD or CSR practices through in-depth interviews conducted with franchisors, franchisees, franchisee candidates, employees, and consumers. In particular, more research is needed on the implementation of CSR activities across three dimensions: environment (e.g., green practices), social (e.g., diversity), and governance (e.g., relationships with suppliers). Such research is currently underway: green practices and waste management in the fast food sector (Perrigot et al., 2021). Future research should be extended to other industries, such as clothing, cosmetics, and homecare services, where franchising is also widespread.

Second, our empirical research is based on a multiple case study approach, hence, findings cannot be generalized. Examining the website content of all chains within the same industry might prove to be a relevant approach. Third, even though we used a grid to analyze the content of franchisor websites and reports, interpretation issues could be raised. Last, we focused on France where there are many regulations concerning CSR and CSD (NER Law, "Grenelle II" Law, PACTE Law – 2019 - allowing companies to define a "raison d'être" and to change status in a "benefit corporation"). Comparing franchisor CSD across several countries could help assess the specific impact of regulations (Jackson et al., 2020).

To conclude, our findings show that franchisors report rich and diversified information on their sustainable practices, in response to regulation and society pressures. Given the large scope of CSR-engagements and actions considered in this study, as well as the regulations, it is difficult to assess the prevalence of these strategies. More research is, therefore, needed on CSR reporting, as well as CSR practices, in the specific case of franchising.

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Tables

Company	Industry	Year first chain started	Total number of units in France	International dimension Yes/No)	Non-financial reporting obligation (Yes/No)
Group: Bertrand (Au Bureau, Flo Group, Hippopotamus, Burger King France, etc.)	Restaurant	1968	750-800	Yes	Yes
Chain: Pitaya	Restaurant	2010	50-100	Yes	No
Chain: La Vie Claire	Organic food and products retailing	1946	350-400	Yes	Yes
Chain: L'Eau Vive	Organic food and products retailing	1979	50-100	No	No
Group: Fnac Darty (Fnac, Darty)	Cultural, electronical and office supplies retailing	1957	600-650	Yes	Yes
Chain: Bureau Vallée	Cultural, electronical and office supplies retailing	1990	350-400	Yes	No
Group: Rocher (Yves Rocher, Sabon, etc.)	Cosmetics	1959	650-700	Yes	Yes
Chain: Adopt'	Cosmetics	1986	150-200	Yes	No
Group: Savencia (De Neuville, La Maison du Chocolat, etc.)	Chocolate	1977	250-300	Yes	Yes
Chain: Yves Thuriès Chocolatier Récoltant	Chocolate	1991	50-100	No	No
Group: Casino (Casino, Spar,	Food retailing	1898	4500-4550 (only for Casino,	Yes	Yes

Vival, Monoprix, Franprix, etc.)			Spar, Vival, Monoprix and Franprix units)		
Chain: Ecomiam	Food retailing	2009	0-50	No	No
Group: Eurazeo (Dessange, etc.)	Hairdressing	1975	150-200 (only Dessange units)	Yes	Yes
Chain: Biocoiff	Hairdressing	2005	0-50	No	No
Group: Le Duff (Brioche Dorée, Fournil de Pierre, Del Arte, etc.)	Bakery	1976	650-700	Yes	Yes
Chain: La Mie Câline	Bakery	1985	200-250	No	No
Group: Beaumanoir (Bonobo, Bréal, Cache-Cache, Vib's, etc.)	Clothing	1947	700-750 (only Bonobo, Bréal, Cache-Cache, Vib's units)	Yes	Yes
Chain: Ekyog	Clothing	2005	0-50	No	No
Group: Mobivia (Midas, Norauto, etc.)	Automotive repair	1970	750-800* (only Midas and Norauto units)	Yes	Yes
Chain: Feu Vert	Automotive repair	1972	350-400	Yes	No
Group: Accor (Ibis, Ibis Budget, Ibis Style, Mercure, Novotel, Sofitel, etc.)	Hotel	1697	2300-2350	Yes	Yes
Chain: BnB Hôtels	Hotel	1990	250-300	No	No

Table 1: The 22 chains selected for the purpose of the study[42]

[42] The data in this table were gathered from the corporate websites of the companies, the FFF website, and websites specialized in franchising (toute-la-franchise.com; observatoiredelafranchise.fr; franchise-magazine.com; ac-franchise.fr).

Categories	**Sub-categories**	Items
Environmental information	General environmental policy	Company's efforts to take into account environmental issues and, where appropriate, assessments or environmental certifications
		Employee training programs on environmental preservation
		Resources devoted to the prevention of environmental risks and pollution
		The dollar amount of provisions and guarantees for environmental risks, provided that such information is not likely to cause serious harm to the company in ongoing litigation
	Pollution and waste management	Measures to prevent, reduce, or compensate for air, water, and soil emissions severely affecting the environment
		Measures to prevent, recycle, and dispose of waste
		Acknowledgment of noise and other forms of pollution
	Sustainable use of resources	Water use and water supply based on local constraints
		The consumption of raw materials and steps taken to make their use more efficient
		Energy consumption, measures to improve energy efficiency, and percentage of renewable energy used
		Land use
	Climate change	Greenhouse gas emissions
		Adaptation to climate change impacts
	Preservation of biodiversity	Measures taken to preserve or enhance biodiversity

Social information	Employment	The total number and distribution of employees by gender, age, and geographic area
		Hiring and firing of employees
		Current salaries and wage scale
	Work organization	Working hours
		Absenteeism
	Social relations	Labor relations efforts, including procedures for informing, consulting, and negotiating with staff
		Collective bargaining agreements
	Health and safety	Health and safety conditions
		Agreements signed with trade unions or staff representatives on health and safety
		Occupational accidents (incl. frequency/severity) and occupational diseases
	Training	Training policies
		Total training hours
	Equal treatment	Policies and measures taken to promote gender equality
		Policies and measures taken to promote the employment and integration of disabled persons
		Policies and actions taken to prevent discrimination
	Promotion and enforcement of the International Labor Organization's basic conventions	Respecting freedom of association and collective bargaining
		Elimination of discrimination in employment and occupation
		Elimination of forced or compulsory labor

		Effective abolition of child labor
Governance information	Company's territorial impact and economic and social activity	Employment and regional development
		Neighboring and local populations
	External relations with individuals or organizations interested in the company's activities	Opportunities for engaging in dialogue with these individuals or organizations
		Partnerships or corporate philanthropy
	Subcontracting and suppliers	Incorporation of social and environmental issues in purchasing policies
		Importance of subcontracting and the consideration of their social and environmental responsibility in relation with suppliers and subcontractors
	Loyalty practices	Actions taken to prevent corruption
		Measures taken to promote consumer health and safety
	Human rights	Actions taken to promote human rights

Table 2: The 42 items as displayed in Article 225 of the *Grenelle II* Act