Your notes

GCSE Business: revision notes

Ethics and the environment

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Ethical considerations

- **Ethics** are moral principles about right and wrong. Ethical issues for businesses include fair pay and working conditions (including in suppliers' factories), honest marketing, animal testing, **fair trade** and treating suppliers fairly.
- Benefits of acting ethically: a good reputation, loyal customers, motivated staff and attracting ethical investors. Costs: higher costs, lower profit or higher prices.

Environmental considerations

- Businesses affect the environment through pollution, waste, packaging, carbon emissions and the use of resources.
- **Sustainability** means meeting today's needs without harming future generations. Businesses can recycle, cut packaging, use **renewable energy**, reduce transport emissions and use sustainable materials.
- Customers, **pressure groups** (such as Greenpeace) and laws (such as the UK's plastic packaging tax, introduced in 2022) push businesses to act.

Trade-offs

- Ethical and environmental choices often cost more in the short term, but can help a business succeed in the long term through its reputation and customer loyalty.

Key terms

Ethics	Moral principles about what is right and wrong.
Fair trade	Trade that guarantees producers a fair price and decent conditions.
Sustainability	Meeting today's needs without harming future generations.
Carbon footprint	The greenhouse gases produced by an activity or product.

Pressure group	An organisation that campaigns to influence businesses or the government.
Corporate social responsibility	A business taking responsibility for its effects on society and the environment.
Renewable energy	Energy from sources that won't run out, such as solar and wind power.

Quick questions

Cover the answers and test yourself: remembering is what makes it stick.

1. What does 'ethical' mean in business?
2. What is fair trade?
3. What is sustainability?
4. What is a pressure group?
5. What is a benefit of acting ethically?
6. What is a cost of acting ethically?
7. What is a carbon footprint?
8. How can a business reduce its effect on the environment?

Answers

1. Acting in a morally right way
2. Trade that guarantees producers a fair price and decent conditions
3. Meeting today's needs without harming future generations
4. An organisation that campaigns to influence businesses or the government
5. A better reputation and more loyal customers
6. Higher costs, such as paying suppliers fair prices
7. The greenhouse gases produced by an activity or product
8. Use less packaging and recycle

What to do next

Practise 12 questions on this topic

Try 4 exam questions, with mark schemes

Read the lesson, one step at a time

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