ZERO DEFORESTATION
THE JOURNEY

✓ 1989 No Beef Sourcing in the Amazon
✓ 2007 Soy Moratorium
✓ 2011 Members RSPO
✓ 2014 Signature New York Declaration on Forests
✓ 2015 McDonald’s Zero Deforestation Commitment
McDonald’s Corporation Commitment on Deforestation

McDonald’s\(^1\) is committed to eliminating deforestation from our global supply chains. We expect our suppliers to operate their businesses ethically and abide by all applicable laws and regulations. Additionally, we will work throughout our supply chains to achieve the following:

- No deforestation of primary forests or areas of High Conservation Value,
- No development of High Carbon Stock forest areas,
- No development on peatlands, regardless of depth, and the utilization of best management practices for existing commodity production on peatlands,
- Respect human rights,
- Respect the right of all affected communities to give or withhold their free, prior and informed consent for plantation developments on land they own legally, communally or by custom,
- Resolve land rights disputes through a balanced and transparent dispute resolution process,
- Verify origin of raw material production and
- Support smallholders, farmers, plantation owners and suppliers to comply with this commitment.
Global Priority Raw Materials

Beef
Chicken
Fish
Coffee
Wood fibre
Palm oil
OUR CSR & SUSTAINABILITY FRAMEWORK
GROWING OUR BUSINESS BY MAKING A POSITIVE DIFFERENCE IN SOCIETY

SOURCE ALL OF OUR FOOD AND PACKAGING SUSTAINABLY

- **2020 ASPIRATIONAL GOALS**
  - **BEEF:** Support sustainable production
    - Local development of global principles and criteria by 2014
    - Develop go-to-market approach for sustainable beef by 2016
  - **100% OF COFFEE, PALM OIL AND FISH:**
    - Certified as supporting sustainable production
  - **100% OF FIBER-BASED PACKAGING:**
    - From certified or recycled sources

PROVIDE BALANCED CHOICES

- **2020 ASPIRATIONAL GOALS**
  - **SERVE 100% MORE FRUIT, VEGETABLES, LOW-FAT DAIRY OR WHOLE GRAINS:**
    - Top 9 Markets
  - **REDUCE SALT/SODIUM, SUGAR, SATURATED FAT OR CALORIES ACROSS THE MENU:**
    - Top 9 Markets
    - Develop goals by 2015

CORE VALUE

- **COMMITTED TO OUR PEOPLE**
  - **CREATE OPPORTUNITY:**
    - Provide learning, skills and career opportunities for our global workforce
  - **PROMOTE DIVERSITY AND INCLUSION:**
    - Foster a work environment that values the unique contributions of all

OUR JOURNEY TOGETHER. FOR GOOD.

DEVELOP AND OPERATE THE MOST ENVIRONMENTALLY EFFICIENT McDONALD’S RESTAURANTS

- **2020 ASPIRATIONAL GOALS**
  - **20% INCREASE IN ENERGY EFFICIENCY OF COMPANY-OWNED RESTAURANTS:**
    - Top 9 Markets, excluding Brazil and Japan
    - Develop franchisee goal in 2016
  - **INCREASE ENERGY EFFICIENCY THROUGH RESTAURANT STANDARDS:**
    - Top 9 Markets
    - Develop goals in 2014
  - **INCREASE AMOUNT OF IN-RESTAURANT RECYCLING TO 50% AND MINIMIZE WASTE:**
    - Top 9 Markets

CORE VALUE

- **GIVE BACK TO OUR COMMUNITIES**
  - **IMPROVE THE LIVES OF CHILDREN AND THEIR FAMILIES:**
    - Through support of Ronald McDonald House Charities and other organizations
  - **STRENGTHEN COMMUNITIES**
    - By addressing needs such as education and physical activity
SOURCE ALL OF OUR FOOD & PACKAGING SUSTAINABLY

2020 ASPIRATIONAL GOALS

BEEF: SUPPORT SUSTAINABLE PRODUCTION
Lead development of global principles and criteria in 2014
Develop targets and begin purchase of verified sustainable beef by 2016

100% OF COFFEE, PALM OIL* & FISH
Verified as supporting sustainable production
*Primary and secondary use

100% FIBER-BASED PACKAGING
From certified or recycled sources
MAY 2016

McDonald’s Journey Towards Sustainable Fiber-Based Packaging

WE'RE HALF WAY THERE

Learn more about our restaurant sustainability and waste efforts on our website, WWW.ABOUTMCDONALDS.COM/MCD/SUSTAINABILITY
Progress Toward Our 2020 Aspirational Goal

ASPIRATIONAL GOAL: 100% of fiber-based packaging from certified or recycled sources by 2020

9.3% 2012
13.9% 2013
23% 2014
53% 2015
GOAL 100% 2020

In 2015, we continued to make progress, and we are on track to meet our goal. As of the end of 2015, 53% of McDonald’s fiber-based packaging is certified (FSC, PEFC™ or PEFC-endorsed) or recycled, up from 23% in 2014.

McDonald’s
Fiber-based Packaging
Deforestation-Free Target:

By 2020 we will have FSC certification in all high risk countries protecting our fiber-based consumer packaging supply chain from deforestation.
MCDONALD’S JOURNEY TOWARDS SOURCING SUSTAINABLE COFFEE

OCTOBER 2016
In 2015, 37% of our coffee globally was from certified sustainable sources—increasing our total volume of certified coffee purchased by 63% in 4 years. Of this coffee, 80% is Rainforest Alliance Certified."

- 100% of beans used for our espresso in Canada is sustainably grown on Rainforest Alliance Certified™ farms.
- 100% of beans used for our U.S. espresso is sustainably grown on Rainforest Alliance Certified™ farms.
- All of our coffee drinks in Brazil are Rainforest Alliance Certified™.
- All of our restaurants in Australia and New Zealand serve coffee from farms that are Rainforest Alliance Certified.
- With the exception of decaffeinated coffee, our European restaurants all serve coffee from farms that are Rainforest Alliance, UTZ or Fairtrade Certified.
PALM OIL

✓ 2015 99.7% palm oil RSPO-certified sustainable or covered by GreenPalm Book and Claim certificates
✓ 2020 continue encouraging suppliers to move toward full traceability to their plantations and mills as a way to ensure no deforestation and deep peat development

FISH

✓ 100% of the whitefish for our Filet-O-Fish is sourced from sustainably managed fisheries, and we have achieved MSC certification in North America, Europe and Brazil
McDonald’s Canada
Sustainable Beef Pilot

Ryan Cartwright, Canada
McDonald's unveils results of 'sustainable beef' pilot project

The conclusion of a two-year pilot project by McDonald's aimed at sourcing "sustainable beef" for its restaurants in Canada has brought the beef industry one step closer to a system that could go a long way toward satisfying consumers who want to know more about the food they eat.

"We did it! We did it," exclaimed Francine Delbou, chief supply-chain and sustainability officer for McDonald's, as she celebrated the official launch of the company's Verified Sustainable Beef (VSB) Pilot in Canada.

"Several years ago, McDonald's supply chain made a really interesting discovery," Delbou explained. "And that discovery was that 'big' does not have to be equal 'bad'. 'Big' can be good."

Wanting to use their size and scale to make a positive difference in the world, the company committed to a goal of sourcing all of their food and packaging sustainably.
Celso Crespim Beviláqua, Brazil
THOUGHTS

✓ We all share the same goals...Collaboration...
✓ Other biomes: Cerrado, Chaco...
✓ Definitions, areas, cut off dates...
✓ Indirect suppliers
✓ Creating solutions, multi-stakeholder forums
THANK YOU