McDonald’s Sustainable Beef Pilot Project

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Pilot Objectives

1. Begin purchasing a portion of our beef from verified sustainable sources in 2016

2. Bring the Principles and Criteria of the GRSB to life in a locally relevant way

3. Support and accelerate an industry-led beef sustainability framework
How did we structure the pilot?

- Multi-stakeholder engagement
- Indicator development
- Verifications
- Chain of custody
- Initiatives
Indicators Aligned with GRSB

What are we trying to accomplish?

What are the standards by which we will hold ourselves?

What conditions need to be met?

What are we going to measure?

Verify operations

Track cattle to operation

Global

Local

Chain of custody

Verification

Indicators

Community & people

Animal health & Welfare

Food

Efficiency & Innovation

Natural resources

Objectives

Principles

Criteria

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

CRSB
Critical Indicators*

<table>
<thead>
<tr>
<th>Segment</th>
<th>Indicators</th>
<th>Critical indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cow-calf/Extensive</td>
<td>31</td>
<td>14</td>
</tr>
<tr>
<td>Fed cattle/Intensive</td>
<td>29</td>
<td>11</td>
</tr>
<tr>
<td>Processing plant</td>
<td>28</td>
<td>9</td>
</tr>
</tbody>
</table>

*Defined as being critical to maintain and enhance the Canadian beef community’s social license to operate
## Verification Performance Scale

<table>
<thead>
<tr>
<th>Score</th>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Excellence</td>
<td>Processes are in place to measure, monitor, verify and report outcomes toward goals</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Achievement</td>
<td>Demonstrated performance toward goals related to the outcomes</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Entry</td>
<td>Awareness and commitment to the outcomes</td>
</tr>
<tr>
<td></td>
<td><strong>Barrier to entry</strong></td>
<td><strong>Negative outcomes. No awareness or plan for improvement specific to the outcomes</strong></td>
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</tbody>
</table>
Chain of Custody

Verification Status
- Enrolled
- Verified

Blinded Reporting

BIXS
BEef INFoEXCHANGE SYSTEM

Verified Cow-calf & Back grounder
Verified Feedlot
Verified Packer
Verified Patty Plant
Fully-Verified Supply Chain

- 121 verified cow-calf and backgrounders
- 20 verified feedlots
- 2 verified packers
- 1 verified patty plant

8,967 head from a fully-verified supply chain
General Lessons Learned

- Lead and Listen
- Build Community
- Champion Progress over Perfection
www.mcdvsb.com

- Final Report
- Participant profiles
- Youth beef club videos