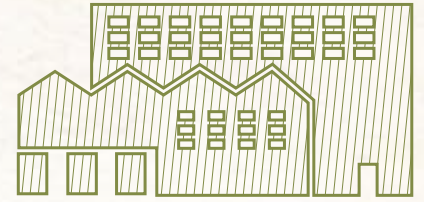
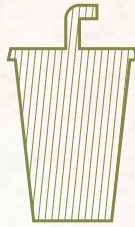
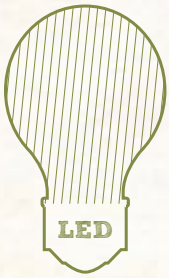




GLOBAL BEST OF GREEN 2014



BUILDING A BETTER BUSINESS THROUGH
EFFECTIVE ENVIRONMENTAL PRACTICES
AROUND THE WORLD



WELCOME TO THE BEST OF GREEN

BUILDING A BETTER BUSINESS THROUGH EFFECTIVE ENVIRONMENTAL PRACTICES AROUND THE WORLD

89 case studies highlighting environmental innovations with tangible business benefits

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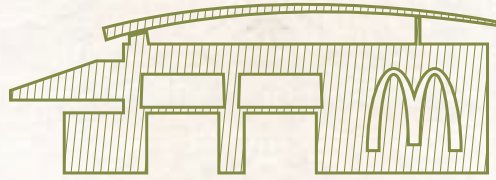
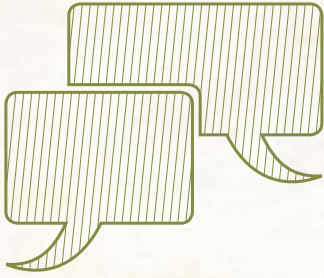
Environmental pressures present both challenges and opportunities for the future of the planet. As a company and brand with a large global footprint, we have a responsibility to take meaningful action as environmental stewards to address the impacts of the McDonald's system.

McDonald's Global Best of Green recognizes environmental best-practice innovations with tangible impacts for our business and our brand. These environmental innovations, taking shape at multiple levels throughout the McDonald's system, illustrate that positive change can originate from anywhere and that we all have a role to play in improving our environmental performance.

McDonald's Corporation, together with its majority-owned subsidiaries worldwide (what we refer to collectively as the "company"), operates in a wide range of geographies. Some McDonald's markets are further along than others. This is natural. The strength of the McDonald's system is that we can leverage approaches from around the world to drive innovation and use our scale and scope to make a positive difference. It is our hope that markets across the McDonald's system can leverage these activities and use them as a catalyst for similar improvements toward advancing progress against our Planet Pillar goals.

If you would like to learn more about McDonald's and our corporate social responsibility and associated environmental efforts, take a look at the sustainability section of AboutMcDonalds.com.

www.aboutmcdonalds.com/mcd/sustainability.html



“We have an obligation to give something back to the community that gives so much to us.”
–Ray Kroc

At the very heart of what we value as a system, we give back to the community that, in the words of Ray, “gives so much to us.” Now more than ever, we’re giving back to our local community, as well as to the global community through our improved focus, sustainability.

As chief restaurant officer, I believe our ongoing success as a system depends on our ability to meet our customers’ expectations by continuously improving everything we do. Through our CSR & Sustainability 2020 aspirational goals, as introduced in the Global CSR & Sustainability Framework, we’re extending our impact by focusing on specific and tangible environmental impacts for our restaurants. These goals are in our favor...they’re bold, and they show what’s possible and inspire us toward deeper innovation in sustainability. Our history reveals that when we face a challenge, we repeatedly find solutions through innovation. We’re confident that our global environmental sustainability efforts will be no different.

Over my more than 25 years at McDonald’s, I have seen firsthand how we can capitalize on the power of the system – across our 35,000 restaurants – to drive shared value across our business, franchisees and suppliers. We have plans to apply practical and positive environmental solutions to our operations, our packaging, our equipment and our construction practices by leveraging relationships with our suppliers and franchisees.

In the following pages, Best of Green shines a light on how we’re already leading environmentally sustainable practices across the McDonald’s system, areas of the world and supplier partners.

I believe our collective efforts present an immense opportunity for McDonald’s to leverage our scale and brand to make a positive impact on environmental performance. I’m proud of the progress to date and confident in meeting our goals, as they are good for the brand and good for the planet.

KEN KOZIOL
EXECUTIVE VICE PRESIDENT, GLOBAL CHIEF RESTAURANT OFFICER

“Over my more than 25 years at McDonald’s, I have seen firsthand how we can capitalize on the power of the system – across our 35,000 restaurants – to drive shared value across our business, franchisees, and suppliers.”



2014 PLANET CHAMPIONS

As in 2012, we collaborated with key external stakeholders to recognize “best of the best” actions by selecting “Planet Champions” for each category.

The selection committee included representatives from McDonald's Corporation as well as Business for Social Responsibility, Conservation International, Foresight Design and World Wildlife Fund.

2014 SELECTION COMMITTEE

Jeff Malcolm
World Wildlife Fund

Peter Nicholson
Foresight Design Initiative

Eric Olson
BSR

Sonal Pandya Dalal
Conservation International

Steve Cirulis, Vice President
Corporate Strategy, McDonald's Corporation

Bridget Coffing
Senior Vice President, Corporate Relations, McDonald's Corporation

Ken Koziol
Executive Vice President, Global Chief Restaurant Officer,
McDonald's Corporation

Bob Langert
Vice President, Global CSR & Sustainability, McDonald's Corporation

The committee made its selections based on the level of innovation, environmental and business impacts, scalability and business integration. Congratulations to the 2014 winners!

2014 PLANET CHAMPIONS SELECTIONS

APMEA (ASIA/PACIFIC, MIDDLE EAST AND AFRICA)

- 1 Diversey Water Less Urinal Program (Greening Our Restaurants, India)
- 2 Australian Packaging Covenant (Recycling & Waste/Subcategory: Packaging, Australia)

EUROPE

- 3 Innovative Power Purchase Agreements (Energy, U.K.)
- 4 Developing a Common Framework for Sustainable Beef (Sustainable Sourcing, Europe)
- 5 Recycling Uniforms (Sustainable Sourcing, U.K.)

LATIN AMERICA

- 6 Geo-Spatial Mapping of the Beef Supply Chain (Sustainable Sourcing, Brazil)

NORTH AMERICA

- 7 McDonald's Canada Introduces Uniforms with Recycled Content (Sustainable Sourcing, Canada)
- 8 Recycling and Composting in California Restaurants (Recycling & Waste/Subcategory: Waste Management, USA)
- 9 Distributors Collaborate to Reduce Waste (Recycling & Waste/Subcategory: Waste Management, USA)

LEADING SUSTAINABILITY COMMUNICATIONS AND ENGAGEMENT INITIATIVES

- 1 TrackMyMacca's (Australia)
- 2 McMission App (Germany)
- 3 Our Food. Your Questions. (Canada)



McDONALD'S CORPORATION GLOBAL ENVIRONMENTAL COUNCIL

The Global Environmental Council (GEC) brings together McDonald's environmental leads from around the world to share and align global guidelines, policies and initiatives that can be adapted within McDonald's markets to address local issues while meeting the global goals.

(Pictured above Left to Right)

NORTH AMERICA: Jeffrey Fitzpatrick-Stilwell, Senior Manager, Sustainability and Government Relations, McDonald's Canada

Ian Olson, Director, U.S. Sustainability, McDonald's USA

EUROPE: Else Krueck, Director, Environment & CSR, McDonald's Europe

ASIA/PACIFIC, MIDDLE EAST AND AFRICA (APMEA): Brian Kramer, Director Sustainable Supply Chain, McDonald's APMEA

LATIN AMERICA: Leonardo Lima, Corporate Sustainability Director, Arcos Dorados SA

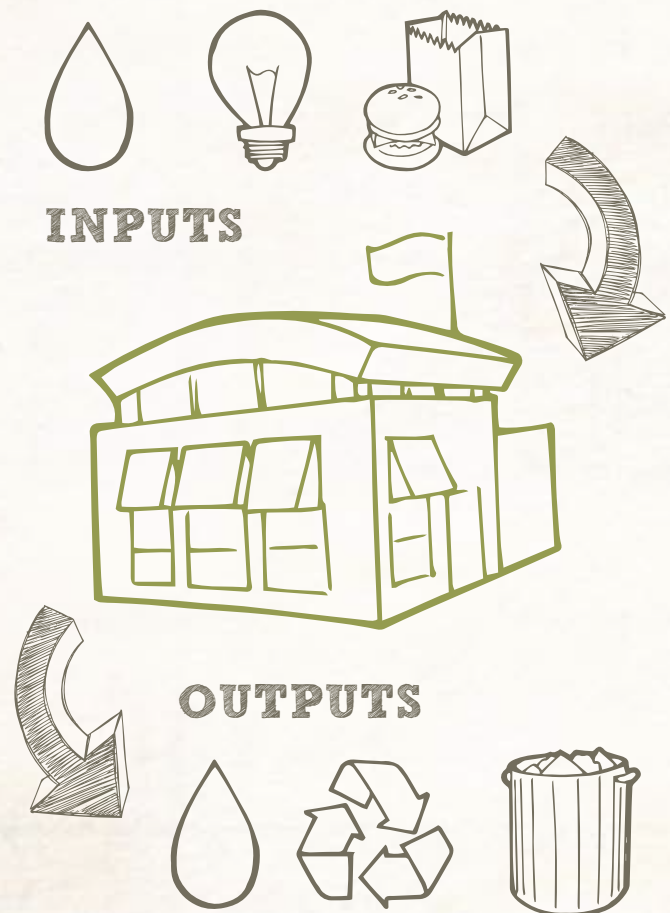
GLOBAL: Roy Buchert, Energy Director, Restaurant Solutions Group, McDonald's Corporation

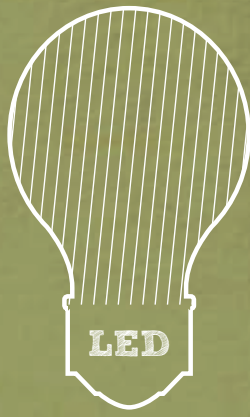
Jeffrey Hogue, Senior Director, Global CSR & Sustainability, McDonald's Corporation

Jenny McColloch, Manager, Global CSR & Sustainability, McDonald's Corporation

Jerry Sus, Senior Director, Chief Engineer, McDonald's Corporation

RESTAURANT ENVIRONMENTAL IMPACTS





ENERGY

Now more than ever, opportunities for shared value are clear for our business and society, and energy efficiency is an important focus. As we increase energy efficiency in McDonald's restaurants, we reduce our environmental impact in the communities where we operate. As we look to 2020, we aspire to meet two energy goals in our top nine markets:

- 1) a 20% increase in energy efficiency of company-owned restaurants (excluding Brazil and Japan) and
- 2) an increase in energy efficiency through restaurant standards.

This means adopting best practices, investing in energy-saving equipment and exploring options for using renewable sources.



INNOVATIVE POWER PURCHASE AGREEMENTS



Peter Schroeder

Environment Manager

McDonald's Restaurants Ltd., McDonald's U.K

OPPORTUNITY McDonald's U.K. strives to ensure long-term cost certainty for electricity and to reduce carbon emissions, while also supporting the further development of a renewable energy infrastructure.

SOLUTION McDonald's U.K. signed long-term contracts to purchase the electricity generated by renewable energy plants before they were built and committed to buy all of the electricity generated for an agreed price for 15 to 20 years. The contracts enabled the developers to secure financing to build three wind farms and one waste gasification plant.

RESULTS McDonald's U.K. took an innovative approach to buying renewable electricity, and achieved anticipated savings in the range of £75 million to £100 million. The four power purchase agreements will provide McDonald's U.K. and its franchisees with almost 70 percent of their annual electricity for the next 15 years.

Four Power Purchase Agreements will provide McDonald's U.K. and its franchisees with almost **70 PERCENT** of their annual electricity for the next **15 YEARS.**"



ENERGY MANAGEMENT GUIDELINES



Stephen Douglas
Europe Restaurant Development & Design Studio
McDonald's Europe

OPPORTUNITY By identifying energy-saving potential and providing customized recommendations, McDonald's Europe aims to reduce restaurant energy consumption.

SOLUTION McDonald's Europe designed and released a cross-functional tool that assists managers and environmental leads at the country or regional levels in establishing energy efficiency measures for their markets and allows for structured advice to restaurant managers and franchisees. The web-based tool helps assess the status quo and provides an instant, personalized action plan with four key priorities: 1) people, 2) operational best practices, 3) monitoring and reporting tools and 4) automated energy controls.

RESULTS Depending on the current status in individual McDonald's Europe restaurants, applying the recommended solutions in the energy management guidelines can help reduce energy consumption by up to 20 percent.



EFFICIENT ENERGY CONSUMPTION CAMPAIGN



Aurelio Galvez
General Director
Arcos Dorados Venezuela

OPPORTUNITY Over the years, the electrical system in Venezuela has deteriorated. To address energy consumption needs, Arcos Dorados, the company's developmental licensee in Latin America and the Caribbean, implemented energy efficiency programs at various levels of its operations, all without affecting production and service indicators.

SOLUTION Arcos Dorados implemented energy efficiency measures, such as the installation of 44 power plants that provide autonomous power supply; a gradual on/off switch plan for equipment; and replacement of menu board bulbs and other lamps in the lobby with LED lighting to reduce overall energy demand. In conjunction with these initiatives, Arcos Dorados launched a media campaign in collaboration with local governments to share best practices and encourage residents to conserve energy in their homes.

RESULTS Since the inception of Arcos Dorados' energy efficiency programs, the measures that have been implemented thus far have helped reduce consumption by 157,073 megawatt hours, in comparison with 2009 figures from Corpoelec, a state power corporation in Venezuela. Local authorities recognized the media campaign and encouraged other companies to follow this example.



FACTORING IN EFFICIENT ENERGY USE IN THE RESTAURANTS



Brad McMullen
Sustainability Manager
McDonald's Australia Limited

OPPORTUNITY McDonald's Australia has undertaken some innovative ways to reduce the amount of energy lost through normal equipment use.

SOLUTION McDonald's Australia has installed power factor correction (PFC) equipment into select new and existing restaurants. The PFC equipment reduces transmission losses and ensures that every kilowatt of energy consumed produces useful work. PFC is also effective as a cost saver for restaurants that are charged on a kilovolt-ampere (kVa) demand tariff.

RESULTS Average energy demand in the McDonald's Australia restaurants employing this technology has decreased as a result of this equipment, with an average per-restaurant savings of \$1,800 to \$3,300 (in Australian dollars) per year.



McDONALD'S USA INVESTS IN RENEWABLE ENERGY AND EDUCATES CUSTOMERS



Steve DePalo
 Director of Energy
 McDonald's USA

OPPORTUNITY McDonald's USA has efforts in place to help continually reduce energy requirements in its buildings and restaurants and to find technical innovations to minimize energy consumption. An opportunity to augment these efforts is by supporting the development of renewable energy through renewable energy credits (RECs). Additionally, McDonald's USA wanted to engage customers in important issues such as efficient energy use and renewable energy sources.

SOLUTION McDonald's USA made a national commitment to match 30 percent of its electricity use at company-owned restaurants in 2011, 2012 and 2013 with RECs from U.S. wind sources. This represented more than 300,000 megawatt hours of electricity per year.

RESULTS After two years of participating in the U.S. Environmental Protection Agency (EPA) Green Power Partnership program, McDonald's USA stood at #13 on EPA's Fortune 500 list, and was ranked #18 nationally on EPA's National Top 100 list, as of April 2014. Additionally, McDonald's USA received a Green Power Leadership award from EPA in 2012 for its efforts to promote customer education on the importance of investing in renewable energy sources. Nationally, McDonald's USA featured Arch gift cards promoting its Green Power Partnership, and in company-owned restaurants it featured information on tray liners and posters.

ON THE ROAD TO RENEWABLE ENERGY



Rolf Huwyler
 Senior Manager Environment & CSR
 McDonald's Europe

OPPORTUNITY Though reducing and optimizing energy consumption is McDonald's Europe's first choice when it comes to improving the McDonald's Europe carbon footprint, purchasing renewable energy is an additional option in pursuing the greenhouse gas reduction strategy.

SOLUTION Purchasing energy from renewable sources such as photovoltaic, wind, biomass and hydropower helps to improve environmental performance, as well as supporting the further development of such resources. Therefore, McDonald's Europe encourages markets to develop a roadmap to integrate renewable energy into their overall sustainability plans. Aspects for consideration include availability, quality, and the associated costs of energy from renewable sources, as well as buying renewable energy from electricity suppliers, supporting direct developments or generating renewable energy onsite.

RESULTS McDonald's U.K. has committed to purchasing renewable energy for a 20-year period from new infrastructure, including an innovative waste-to-energy plant. By enabling the development of renewable energy-generating infrastructure in this manner, McDonald's U.K. anticipates saving on energy costs over the long term. Eight other European markets – Austria, Belgium, France, Ireland, Germany, the Netherlands, Sweden and Switzerland – have achieved, or are working toward, purchasing 100 percent renewable energy for their restaurants.



Open: 05:00, Regular Menu 10:30, Close: 23:00			
Gas Rate: 1.50, Electric Rate: 0.10			
Restaurant Settings	Equipment Inventory	Reports	Restaurant Info
oven Blacuit H_m	On: 03:45 On2: 23:00	On2: OMR2:	Fry Station (Primary) Vat 1
orno Hobart	On: 04:00 On2: 23:00	On2: OMR2:	Fria la estacion primario lva 1
Freezer Meat double	On: 04:00 On2: 23:00	On2: OMR2:	Freezer Ovhd double
Congelador carne doble	On: 04:00 On2: 23:00	On2: OMR2:	Congelador de arriba doble
Freezer Ovhd single	On: 04:00 On2: 23:00	On2: OMR2:	Toaster Bagel/Muf
Congelador de arriba solo	On: 04:25 On2: 23:00	On2: OMR2:	Grill 36 3 R section 2
Grill 36 3 R section 1	On: 04:25 On2: 23:00	On2: OMR2:	Parrilla 3' section 2
Parrilla 3' section 1	On: 04:25 On2: 23:00	On2: OMR2:	Heated Landing Zone
Heated Landing Zone	On: 04:30 On2: 23:00	On2: OMR2:	Pie Merchandiser
Bagging 36"	On: 04:30 On2: 23:00	On2: OMR2:	Coffee Brewer drip
Coffee Brewer drip	On: 04:45 On2: 23:00	On2: OMR2:	UHC Full
UHC Full	On: 05:00 On2: 23:00	On2: OMR2:	UHC repleto
UHC repleto	On: 05:00 On2: 23:00	On2: OMR2:	Chicken / Filet Station Vat 1
UHC Full	On: 05:00 On2: 23:00	On2: OMR2:	

FIRE-UP SCHEDULES AND ENERGY SURVEYS IMPROVE RESTAURANT CASH FLOW



Steve DePalo
Director of Energy
McDonald's USA

OPPORTUNITY Following an equipment fire-up schedule and using an energy survey tool in the restaurants is a great way to reduce electrical demand during peak times, control overall gas and electric use and provide a significant opportunity to reduce direct operating costs in the restaurants.

SOLUTION McDonald's USA developed the restaurant equipment fire-up tool and restaurant energy survey. These have become widely accepted energy efficiency tools in U.S. restaurants. The fire-up tool includes the flexibility to provide 24-hour locations with the ability to have multiple on/off times, and to identify the optimum times to turn kitchen equipment on or off. Restaurant managers conduct the energy survey, which is weighted based on known savings opportunities, with the goal of identifying possibilities for additional ways to improve energy efficiency and reduce operational costs. The energy survey quickly focuses restaurant managers and crew on the greatest opportunities to save utility costs, resulting in net benefits to the bottom line.

RESULTS Through the consistent use of the fire-up schedule and associated tools, the average McDonald's USA restaurant can save up to \$1,500 per year. By using the energy survey and identifying and acting upon additional energy-saving opportunities, McDonald's restaurants in the U.S. can experience estimated savings of up to \$3,000 to \$6,000 per year.

McDONALD'S INDIA EMBRACES SUSTAINABILITY THROUGH ENERGY-SAVING INITIATIVES



Shivaprasad Bale

General Manager, Maintenance & Repairs
McDonald's India, Hardcastle Restaurants Private Ltd.

OPPORTUNITY Rising energy costs, concern for the environment and quickly depleting fossil-fuel sources prompted McDonald's India to review conventional practices and develop sustainable and eco-friendly ways to meet the needs of its restaurants. While it is necessary to comply with regulations for prevention and control of pollution, McDonald's India believes it is imperative to go beyond compliance by adopting clean technologies and improvements in management practices.

SOLUTION Over the years, McDonald's India has undertaken various initiatives that have had positive impacts on the environment, as well as the industry at large. Energy-saving technologies used at McDonald's India restaurants include:

- LED lighting technology
- Super heat recovery systems: This initiative helps to collect hot water from air conditioning waste heat, which results in significant energy savings at the restaurant level.

RESULTS Due to the effective use of these energy-saving technologies throughout its restaurants, McDonald's India has reduced its environmental impact and operational costs. The combined use of all the technologies has helped McDonald's India to substantially reduce its energy consumption, decrease CO2 emissions and lower annual operational costs.



POWERED BY THE SUN



Nuno Cabanas
Environment Manager
McDonald's Portugal

OPPORTUNITY McDonald's Portugal aimed to reduce CO2 emissions by investing in renewable energy sources.

SOLUTION Besides purchasing green energy, McDonald's Portugal is generating green energy from solar power. In cooperation with its franchisees, McDonald's Portugal is outfitting its restaurants with photovoltaic panels. In 2012, photovoltaic installations were implemented at 14 McDonald's Portugal restaurants, contributing to national renewable energy production goals.

RESULTS Each McDonald's Portugal restaurant equipped with solar panels is expected to produce 6,000 kilowatt hours of electrical energy per year. This energy can be used by the restaurants or sold to energy suppliers at a rate higher than the purchasing price, as energy from renewable resources is subsidized by the government. Currently, the restaurants sell the electrical energy they generate. The payback period for the investment is seven years.

DEMONSTRATING LEADERSHIP



Henrik Nerell
Environment Manager
McDonald's Sweden

OPPORTUNITY By engaging with relevant stakeholders, McDonald's Sweden aims to further reduce carbon emissions and to demonstrate environmental leadership.

SOLUTION McDonald's Sweden joined the national "Haga Initiative," a cross-industry network of leading companies in the environmental space whose goal is to reduce carbon emissions from the business sector.

RESULTS Joining the Haga Initiative is part of McDonald's Sweden's broad-based, long-term and ambitious climate strategy. McDonald's Sweden contributes valuable know-how to the network.



MCDONALD'S CANADA DISCOVERS ITS FOOTPRINT



Jeffrey Fitzpatrick-Stilwell
Senior Manager, Sustainability & Government Relations
McDonald's Canada

OPPORTUNITY McDonald's Canada saw carbon footprinting as an opportunity to identify ways to reduce its environmental impact, learn from efforts underway in other markets – such as McDonald's Europe – and align with McDonald's global sustainability strategy and Planet Pillar goals. In creating an accurate baseline inventory, McDonald's Canada sought to measure the impact of its carbon reduction and mitigation efforts.

SOLUTION McDonald's Canada worked closely with McDonald's Europe, as well as global representatives, to complete an inventory analysis. The process served as a prototype to determine if other areas of the world would be able to perform carbon inventories using similar metrics and tools, thereby generating similar output data to enable comparisons and benchmarking.

RESULTS McDonald's Canada was able to complete an inventory for 2009 to 2012 that will now form the basis for future carbon mitigation and reduction activities.





HIGH-EFFICIENCY HVAC



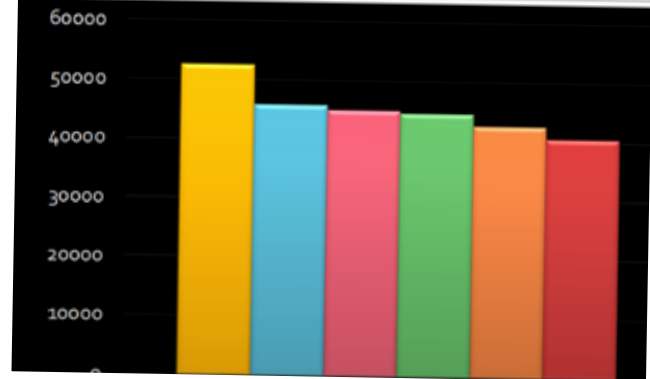
Brad McMullen
Sustainability Manager
McDonald's Australia Limited

OPPORTUNITY Heating ventilation and air conditioning (HVAC) consumes as much as one third of a restaurant's electricity in Australia. Therefore, any efficiency improvements have a large impact on overall restaurant electricity usage.

SOLUTION McDonald's Australia has worked closely with a local HVAC manufacturer to incorporate the latest technologies into the HVAC units for restaurant installation. These units feature tri-capacity technology, variable speed EC plug fan, direct drive motors and economy cycle options. New control systems are also being developed to ensure that the HVAC runs as efficiently as possible.

RESULTS McDonald's Australia has rolled out over 70 of these units, with an average savings of 4 percent of total electricity per unit installed. The savings have been calculated and verified by an independent consultant using temperature and transaction correction. Live metering is currently underway at a number of restaurants to further validate the savings.

Utility Consumption Trend



ENERGY CONSERVATION LEADS TO REAL SAVINGS IN CHINA



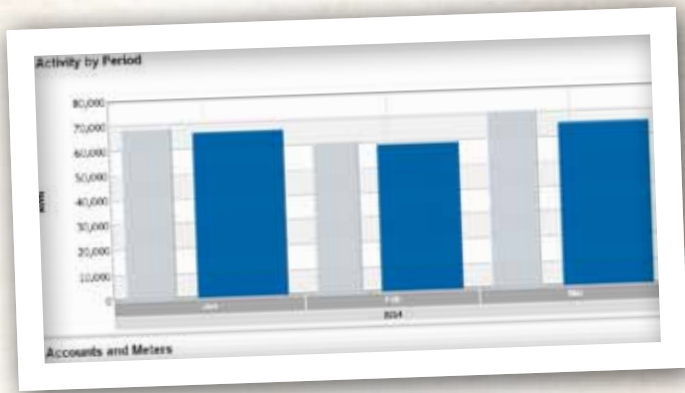
Doni Ma
Senior Construction Manager
McDonald's China

OPPORTUNITY Energy management can lead to increased profit for restaurants, saving thousands of dollars annually. In addition, consumers are aware of, and concerned about, corporate practices and ethics. For these reasons, McDonald's China is committed to improving energy use efficiency and reducing greenhouse gas emissions.

SOLUTION McDonald's China established a cross-functional team to develop a range of energy management initiatives – from operations and construction to equipment. LED lighting; LED signage; and high-efficiency heating, ventilation and air conditioning (HVAC) and kitchen equipment were the primary approaches to saving energy in 2013. LED interior and exterior lighting has led to about 75 percent energy savings. Compared to signs with fluorescent lamps, signs with LED lamps lead to energy savings of over 50 percent. Similarly, high-efficiency HVAC equipment can reduce energy use by up to 20 percent.

RESULTS McDonald's China's overall energy consumption decreased by 4.82%. The utility percentage of profit and loss was up from 5.52% to 5.78%, due to sales declines leading up to December 31, 2013, compared with the same period in 2012.

LED interior and exterior lighting has led to about **75 %** energy savings.



ELECTRICITY BILL VALIDATION AND REPORTING



Brad McMullen
Sustainability Manager
McDonald's Australia Limited

OPPORTUNITY With significant increases in electricity bills over the past five years, McDonald's Australia conducted a detailed analysis of restaurant-level energy reporting. Bill verification services were required to ensure the accuracy of bill statements to drive better performance measurement and continuous improvement.

SOLUTION McDonald's Australia engaged a consulting firm to analyze every electricity bill monthly and produce a benchmark report that ranks restaurants according to their restaurant type and energy intensity. A web-based reporting dashboard also allows for comparisons between restaurants and performance from year to year. The consulting firm also liaises directly with the electricity company to ensure that any identified billing errors are rectified and credited back to McDonald's.

RESULTS Since 2013, more than \$290,000 (in Australian dollars) in billing errors were identified. The electricity benchmark report has become an integral part of sustainability communications and supports the evaluation of the success of electricity reduction trials. Further trials are being investigated to include temperature and transaction correction to allow for energy use alerts.



LIGHTING THE RESTAURANTS



Vinay Halambi
General Manager, Construction
McDonald's India, Hardcastle Restaurants Private Ltd.

OPPORTUNITY Rising energy costs and concern for the environment encouraged McDonald's India to review conventional practices and develop sustainable ways of meeting the needs of its restaurants. Reduction of lighting power consumption within McDonald's India restaurants was identified as an area of opportunity.

SOLUTION McDonald's India converted traditional lighting in the dining area to LED-based lighting, which helped reduce the electrical load for lighting. Starting in 2012, LED lighting technology was implemented in new restaurants in India.

RESULTS The lighting load for every McDonald's India restaurant has decreased from 6 kilowatt hours (kWh) to 4 kWh, resulting in a savings of 10,220 kWh per restaurant annually. Due to the reduction in lighting load, the associated heating, ventilation and air conditioning load is also reduced.



TO KNOW IS TO SAVE



Peter Schroeder
Environment Manager
McDonald's U.K.

OPPORTUNITY McDonald's U.K. strives to support franchisees' efforts to save energy and costs by providing information and guidance.

SOLUTION Since 2007, McDonald's U.K. has published an energy savings initiative booklet. It contains details about the latest energy efficient equipment choices available or being tested in the U.K. It also details best practice in managing energy. In addition, since 2009, monthly electricity benchmarking and ranking reports have been sent to franchisees, and daily graphs detailing electricity consumption by the half hour have been sent directly to restaurants.

RESULTS The booklet, reports and graphs have received unanimous positive feedback and have been regularly updated and further improved. They have helped franchisees to significantly reduce their restaurants' energy consumption. In 2013, McDonald's U.K. used 25 percent less electricity per customer than in 2007.



CALCULATE YOUR CARBON FOOTPRINT



Rolf Huwyler
Senior Manager Environment & CSR
McDonald's Europe

OPPORTUNITY McDonald's Europe wanted to identify key restaurant CO₂ reduction potentials and to set and monitor greenhouse gas reduction targets.

SOLUTION As part of the greenhouse gas reduction strategy, McDonald's Europe has provided its markets with a unique toolkit to calculate an individual country's restaurant carbon footprint. The methodology of this tool is based on the pan-European model and was verified by SGS Group. It is linked with the existing web-based corporate responsibility reporting system and provides pre-filled-in data from Europe, where useful and applicable. Each market simply enters its actual key usage figures, such as the total electricity usage and the volume of products sold. The toolkit then automatically calculates the CO₂ impacts using system data and the agreed-upon methodology.

RESULTS The easy-to-use web-based toolkit is currently implemented in 26 European markets. It enables the markets to generate a representative country carbon footprint to help them identify and measure the key reduction potentials. It will also let the market set and monitor its country reduction targets going forward.



LED RETROFIT CASE STUDY

 **Leo Coates**
Managing Director
Coates Signco Pty Ltd

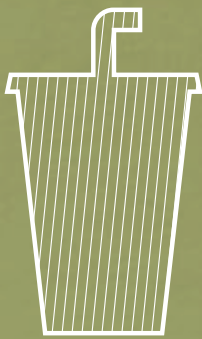
OPPORTUNITY LED lighting has become an important part of the value engineering program developed by McDonald's Australia supplier, Coates, over the past six years. Coates identified this technology as a fundamental step to improve efficiencies and reduce environmental impacts. Coates set out to design LED lighting that consumes less energy, requires less maintenance and lasts longer than the traditional substitutes, such as fluorescent tubes, which are widely used in Australia.

SOLUTION Coates developed an LED retrofit solution for pylon signs to significantly reduce the energy consumption and service requirements. This initiative provides significant cost savings and has an average return on investment (ROI) of two to three years. The ROI calculations are based on actual data from 39 pylon retrofits completed since May 2012.

RESULTS Coates' LED retrofit initiative demonstrates successful innovation through value engineering, strong partnerships and the use of modern technologies that ultimately achieve a win for all stakeholders.

Some of the key features of the LED retrofit include:

- Three- or five-year warranty, depending on the pylon sign
- Two- to three-year return on investment for all pylon sizes
- 50 percent reduction in service and access cost
- High-quality LEDs for superior lifespan and brightness
- Lifespan approximately nine times longer than fluorescent lights
- Approximately 60 percent less energy consumption (compared to T8 fluorescent lamp)
- Brighter and more even illumination



RECYCLING AND WASTE PACKAGING

McDonald's is committed to protecting valuable ecosystems, promoting resource efficiency and supporting the economic viability of responsible land management. To bring this commitment to life, the company has set priorities to optimize the amount of packaging we use and to use only sustainably sourced materials that are recyclable or compostable. In collaboration with our suppliers, we pursue packaging priorities in three critical areas: design, sourcing and recovery. We've set a 2020 aspirational goal for 100% of fiber-based packaging to be derived from certified or recycled sources.



AUSTRALIAN PACKAGING COVENANT



Brad McMullen
Sustainability Manager
McDonald's Australia Limited



Susie Craig
Sustainable Supply Chain & Quality Assurance
McDonald's Australia and New Zealand



Grant Evans
Director Australia and New Zealand, Pacific Islands & Southeast Asia
HAVI Global Solutions

OPPORTUNITY Packaging is one of our customers' main concerns related to our impact on the environment. McDonald's Australia is a signatory to the Australian Packaging Covenant, an industry-led body that publicly reports packaging reduction initiatives and action plans.

SOLUTION McDonald's Australia has released its second action plan for public review. Key actions from the plan include:

- Reviewing current packaging against McDonald's Eco-Filter, a packaging design evaluation tool
- Reviewing point of purchase recycling opportunities
- Recovering pallet wrap
- Investigating moving to fully certified fiber
- Reviewing recycled content in distribution packaging
- Introducing recycled component into two products where none currently exists
- Removing a component from multi-part packaging

RESULTS McDonald's Australia was recently recognized for achieving the highest score in the retailers/quick-service restaurant (QSR) category for its work in devising and reporting against an action plan.

Achievements include:

- Fiber board reduction for folding cartons resulted in savings of 187 tons of raw material
- Reduction in wrap weights from 33 grams to 30 grams saved 81 tons of raw material
- Transitioning the double cheeseburger from a clamshell to a wrap saved 760 tons of raw material
- Retrieving pallet wrap from the restaurants prevented 7.8 million tons of plastic wrap from disposal in landfills, as part of a reverse logistics trial with distribution company Martin Brower



LIGHTWEIGHT RECYCLED DOUBLE WALL CUP



Jacqui Macalister

Senior Manager, Sustainable Sourcing
McDonald's Europe



Armando Mariano

Research & Development Materials and Product Director
Seda

OPPORTUNITY McDonald's Europe is working to meet its goal to reduce the environmental impact of its packaging.

SOLUTION In 2012, Seda, a McDonald's packaging supplier in Europe, started a project for McDonald's Netherlands to introduce a new-generation double-wall hot cup that is lighter and has an outer sleeve made from recycled fibers, while maintaining the premium appearance and performance of the existing cup.

RESULTS The production of the double-wall hot cup with a lightweight inner and recycled outer shell started toward the end of 2012. The new cup specification maintained the thermal insulation of the cup, while:

- Reducing weight
- Reducing non-renewable content of the cup
- Introducing recycled fibers

As an example, for the 0.3-liter double-wall cup:

- The total cup weight has been reduced by approximately 6 percent versus the previous version
- The non-renewable material content has been reduced by more than 20 percent versus the previous product
- More than 40 percent of the total fiber content is derived from recycled fibers, of which more than 30 percent is derived from post-consumer material



REDUCTION OF CO₂ EMISSIONS THROUGH MORE EFFICIENT PLASTIC PACKAGING



東商化学株式会社

Masashi Moriyama

Assistant Manager

Tosho Chemical Co. Ltd., Japan

OPPORTUNITY Tosho Chemical Co. Ltd. (Tosho) is Japan's leading manufacturer of plastic cutlery. Tosho has succeeded in reducing costs and meeting the demands of its customers, such as McDonald's, while implementing environmentally friendly policies. Tosho provides four types of cutlery for McDonald's Japan: coffee spoons, salad forks, knives and spoons.

In order to improve these products, Tosho starts by examining its materials, then selects the materials to use after gaining a good understanding of their characteristics.

SOLUTION The raw material that Tosho had been using for the four types of cutlery for McDonald's Japan was polystyrene. This was replaced with polypropylene. Compared to polystyrene, polypropylene emits less CO₂ per unit of production and is lightweight. As a result, it is possible to use fewer resources in the development of the cutlery.

In addition, cutlery is produced with an injection molding machine, and Tosho has developed new design molds and achieved optimal conditions for production.

RESULTS By switching from polystyrene to polypropylene in cutlery for McDonald's Japan and other customers, Tosho has succeeded in reducing the volume of raw material used in production by approximately 40 metric tons per year and reduced the amount of energy consumed during the molding process. As a result, Tosho's volume of CO₂ emissions from raw materials has dropped to 185 metric tons per year. Similarly, the volume of CO₂ emissions from energy consumption has fallen to 30 metric tons per year. The lower levels of CO₂ emissions represent a 21 percent reduction in total emissions (215 metric tons) per year.



COLD CUP LIGHTWEIGHTING



Jacqui Macalister
Senior Manager, Sustainable Sourcing
McDonald's Europe



Mats Hägerström,
Head of Group Environment, Health & Safety
Huhtamaki Oyj

OPPORTUNITY Huhtamaki, a McDonald's Europe packaging supplier, set a goal to continuously reduce the environmental impacts of its products. One way to do this is to find new ways to decrease the amount of raw materials used in Huhtamaki's products without deteriorating the operational performance of the product or affecting the customer experience.

SOLUTION With continuous work on new product development with its raw material supplier, Stora Enso, Huhtamaki introduced a new structure for paper board used in paper cold cups. This is a multilayer board with chemi thermo mechanical pulp (CTMP) in the middle layer and chemical pulp on the outside layers. The board combines the high strength and yield of mechanical pulp and the taint neutrality of chemical pulp. By using CTMP board, Huhtamaki was able to apply lower board weight in its products compared to the regular board it used.

RESULTS As a result of this project, Huhtamaki reduced the weight of the 400-milliliter cold cup by more than 6 percent on average, compared to other cold cups supplied to the McDonald's system. In addition to applying lightweighting, the new material solution supported Huhtamaki's efforts to provide price stability. Using fewer materials creates less waste and reduces the overall impact on the environment.



WHIPPING UP A MILK SHAKE CUP WITH LESS ENERGY



Yesim Gocer
Key Account Manager
Sem Plastik, Turkey

OPPORTUNITY Due to rapid decline and high consumption of natural resources, it is vital to protect energy and natural resources for a sustainable future. With this in mind, minimizing electricity consumption during the production process of milkshake cups has significant ecological and social benefits.

For plastic packaging, the consumer associates high-quality products with greater stiffness or thickness of the product. However, unnecessarily over-weighted products reflect a misuse of natural resources and result in additional waste. Therefore, creating products with high stiffness, without increasing the weight, has the potential to increase both consumer satisfaction and ecological benefits.

SOLUTION Producing more rigid products with less electricity consumption and less waste is made possible by transitioning the production process from traditional thermoforming technology (offline) to innovative thermoforming technology (inline).

The thermoforming process consists of three basic sub-processes:

- Extrusion
- Thermoforming
- Grinding (for recycling)

In traditional thermoforming (offline thermoforming), the three sub-processes are performed in separate workstations as different operations. With the help of innovative inline technology, the whole thermoforming process is performed as a single operation within a single workstation. By converting the whole process into a single operation, the inline process enables Sem Plastik to save energy and water and leads to more efficient recycling.

RESULT The inline system is a more environmentally friendly, energy-saving and efficient system compared to the offline system. Over a period of one year, the enhanced production process for milk shake cups through the inline production system results in a:

- 20 percent (approximately) reduction in raw materials
- Decrease in total CO2 emissions by up to 9,207 tons
- Decrease in total electricity consumption by up to 2,680 kilowatt hours



KEEPING SCORE: SUSTAINABLE PACKAGING FROM THE OUTSET



Jacqui Macalister
Senior Manager, Sustainable Sourcing
McDonald's Europe



Jennifer McCracken
Director, Sustainability
HAVI Global Solutions



Jessica Droste Yagan
Former Director of Sustainable Supply, Supply Chain Management
McDonald's USA



Amy Zettlemoyer-Lazar
Development Director, Packaging Technology Integrated Solutions
HAVI Global Solutions

OPPORTUNITY McDonald's aims to continually improve the overall sustainability of its packaging by working with suppliers to evaluate the design during the development phase. By establishing a framework for evaluating the key environmental metrics, HAVI Global Solutions (HGS) and McDonald's will be able to make more sustainable packaging for products. They can also prioritize opportunities for improvement across a market's full packaging portfolio.

SOLUTION McDonald's worked with HGS to develop a framework for a packaging design evaluation tool, the Eco-Filter 3.0, which is used to assess packaging and drive alignment with McDonald's vision for sustainable supply. HGS leveraged the expertise of Environmental Packaging International (EPI), a consultant that specializes in design for environment tools, to assist with building the tool. The tool builds on McDonald's key packaging performance indicators, best practices from the European and North American markets, and advice from outside experts and non-governmental organizations, such as the Environmental Defense Fund.

The tool's framework focuses on key environmental priorities for packaging, such as optimizing weight, increasing the use of recycled or renewable materials from certified sources, minimizing harmful chemicals used in production and maximizing "end-of-life" options such as recycling. Leveraging the platform of the Eco-Filter packaging design tool, HGS directed EPI in developing a portfolio tool called the Eco-Filter Portfolio Assessment Tool (EFPAT), which incorporates sales volume to yield an environmental performance indicator of the packaging portfolio used in a market.

RESULTS European packaging suppliers are focused on continual improvement by challenging the current technology to enable future lightweighting. The McDonald's Europe packaging system identified lightweight projects, targeted for implementation at the end of 2014 and early 2015, in the following areas:

- Lightweight fry cartons (from 250 to 230 grams per square meter board for an 8 percent weight savings) with an estimated resource savings of 987 metric tons annually in 2015.
- Lightweight clamshells to deliver up to 20 percent in weight savings (6.5 percent reduction compared to current clamshell; 28.55 to 33 percent reduction compared to standard recycled solid board, pending size) with an estimated resource savings of 275 metric tons annually in 2015.

In 2012, the McDonald's USA napkin was optimized, resulting in an annualized material savings of 2,630 metric tons (5.8 million pounds). Similarly, optimizing the large beverage cup resulted in an annualized material savings of 2,222 metric tons (4.9 million pounds).



MCDONALD'S AUSTRALIA REDUCES CHEMICAL USE AND PACKAGING



Susie Craig

*Sustainable Supply Chain & Quality Assurance
McDonald's Australia and New Zealand*



Andrew Hampton

*Area Manager – Australia and New Zealand
Ecolab*

OPPORTUNITY McDonald's Australia strived to reduce the use of chemicals for cleaning and sanitation in the restaurants, while ensuring consistency in cleaning standards and maintaining food safety.

SOLUTION McDonald's Australia has rolled out the KAY® SolidSense™ program to all restaurants in Australia and New Zealand. This next generation of cleaning and sanitation systems was designed to make a bigger impact on restaurant operations through simplified operations, enhanced cleaning and sanitation and an improved impact on the environment. The system utilizes solid blocks of concentrated cleaning products that are automatically mixed with water for washing and sanitizing wares at the back sink and for floor cleaning.

RESULTS McDonald's Australia and New Zealand restaurants have maintained their stringent sanitation standards, while improving overall sustainability. The KAY® SolidSense™ products require less storage space in the restaurants and distribution centers. Based on 2012 usage of equivalent liquid-form products in their restaurants, it is estimated that equivalent use of the same products distributed in solid form through the KAY® SolidSense™ product range will result in a reduction of 364 pallets. This equates to a weight reduction of 231 metric tons and an associated reduction in carbon emissions related to transport. In addition to storage and distribution benefits, the program will produce less packaging waste and result in a packaging reduction of 42 metric tons.



COMPOSTABLE PACKAGING FOR 2012 LONDON OLYMPIC GAMES



Jacqui Macalister

Senior Manager, Sustainable Sourcing
McDonald's Europe



Armando Mariano

Research & Development Materials and Product Director
Seda

AN INNOVATIVE AND SUSTAINABLE PACKAGING SOLUTION



Ratha Kerisnan Ramiah

CEO & Director

Interpress Printers, Malaysia

OPPORTUNITY Working very closely with HAVI Global Solutions, Singapore, Interpress Printers, Malaysia, identified an opportunity to provide a responsible and sustainable packaging solution for flatbread sandwiches (such as the Chicken Foldover for McDonald's restaurants in Malaysia, and McArabia Flatbread sandwiches for McDonald's restaurants in the Middle East) through its sister company RAP Asia, Malaysia.

SOLUTION Interpress Printers and HAVI Global Solutions developed flexible food wrap (FFW) packaging with a single piece of paper wrap and a band of board. The packaging uses less material compared to a clamshell. The raw material savings are even more significant for markets that use a paper wrap and clamshell for the sandwich to enhance customer experience, especially for items with a lot of filling and sauce.

RESULT There was a material savings of 30 percent as the new flatbread packaging requires less paper. Interpress Printers compared the FFW board and paper combination with a clamshell or a clamshell and paper wrap. Using the new FFW board and paper combination also reduces packaging waste from the consumer and minimizes the overall footprint of the packaging.

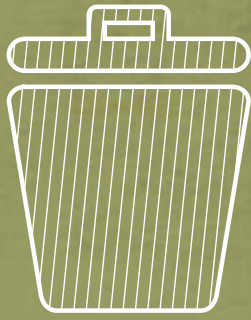
With regard to transporting and shipping the goods, Interpress Printers was able to pack the FFW packaging flat, thereby saving space and loading four times more packaging into each outer case. This enabled the shipping of more FFW packaging than clamshells in each cargo load to minimize transportation costs and the Interpress carbon footprint.

As a result, this initiative has led to a packaging solution that ensures sustainability across the value chain and throughout the product's life cycle.

OPPORTUNITY For the London 2012 Olympic Games, the London Organising Committee of the Olympic and Paralympic Games (LOCOG) set standards requiring that all food packaging products used must be biodegradable and compostable according to the European standard EN 13432. To meet the event's environmental standards, McDonald's Europe supplier, Seda, spent more than two years in research and development working to achieve EN13432 compostability standards for its packaging.

SOLUTION Seda has been developing a full range of biodegradable and compostable packaging certified EN13432 called NaturellySeda, where the non-renewable plastic material is replaced by a biopolymer. This product helps reduce the consumption of petrol-based materials and the overall carbon footprint of the packaging. For the London 2012 Olympic Games, cold drink cups and lids, double-wall loyalty cups (with biodegradable label), McFlurry cups, clamshells and salad bowls were produced and supplied for all the restaurants in the Olympic park.

RESULTS Seda was selected as a foodservice packaging provider to the London 2012 Olympic Games as part of the Olympic Committee's "food vision" program, an integral part of its overall efforts to improve sustainability at the Summer Games. Millions of meals were served with compostable packaging at the Olympics, with beverages and meals-on-the-go in this new Seda packaging.



RECYCLING AND WASTE

WASTE MANAGEMENT

McDonald's customers have told us that one of the most important environmental issues in McDonald's restaurants is waste and recycling. We recognize the importance of this issue as well, and are working together with our customers and with restaurant staff to tackle this issue. By 2020, we aspire to increase the amount of in-restaurant recycling to 50 percent and minimize waste. Our ultimate vision is to avoid waste in the first place. When we do generate waste, we want it to be recycled into valuable resources. We will not meet our vision without learning together and engaging our customers and crew, along with the broader community and the waste hauling industries that we rely upon.



RECYCLING AND COMPOSTING IN CALIFORNIA RESTAURANTS



Becky Gallagher
Communications Manager, Pacific Sierra Region
McDonald's USA



Laura Vansant
Sustainability Manager
The Coca-Cola Company



Stephanie Olson
Business Development Leader
The Coca-Cola Company

In partnership with franchisees Jason Goldblatt and Cosmo Fagundo.

OPPORTUNITY McDonald's USA is seeking ways to minimize waste sent to landfill. Based on a 2011 restaurant waste audit of 11 restaurants in the McDonald's USA Pacific Sierra Region, it was estimated that approximately 75 percent of restaurant waste in these restaurants could be diverted through a comprehensive mixed and organics recycling program.

SOLUTION Working in partnership with The Coca-Cola Company, the Pacific Sierra Region of McDonald's USA created a waste diversion execution manual designed to guide potential implementation in other McDonald's restaurants throughout the United States. The guide enables restaurants to deploy mixed recycling, organics recycling or both, by providing checklists, shift huddles and restaurant staff/customer engagement and education materials. The manual was piloted in 11 restaurants using multiple waste haulers to determine effectiveness. The manual then served as the road map for deployment region-wide, with an initial focus on Alameda County, California.

RESULTS Following the pilot and communication with restaurant franchisees in the region, 99 percent of Pacific Sierra Region restaurants now recycle cardboard (an increase of 14 percent), 33 percent recycle pre-consumer waste (an increase of 82 percent), 11 percent recycle post-consumer waste (an increase of 60 percent), 11 percent recycle pre-consumer organic waste (an increase of 73 percent), and 7 percent recycle post-consumer organic material (+28 percent). StopWaste Business Assistance Team of the Alameda County Waste Management Authority recognized McDonald's with the 2013 Business Efficiency Award for Waste Reduction Excellence in Fast Food Recycling and Composting. StopWaste estimates that participating McDonald's restaurants in Alameda County are diverting 70 cubic yards of waste from landfill each week.



DISTRIBUTORS COLLABORATE TO REDUCE WASTE



Jessica Droste Yagan

Former Director of Sustainable Supply,
Supply Chain Management McDonald's USA

*Current Contact: Rachael Sherman, McDonald's USA



Steve Kinney

Sustainability Sub-team Chair
North American Logistics Council

OPPORTUNITY From 2010 to 2012, McDonald's USA distribution centers (DCs) generated an average of more than 1,200,000 pounds of waste sent to landfill per month. The objective of the DCs and the North American Logistics Council is to achieve zero waste to landfill by 2020.

SOLUTION A cross-company sub team was formed to identify the steps necessary to get to zero waste to landfill. The team identified a six-step process that, when implemented, will yield an estimated 90 percent diversion of waste from landfill at each distribution center. The program was piloted in Stockton, California, and resulted in a "Guide to Zero Waste to Landfill."

The six steps include:

- **Waste Analysis:** Evaluate what is currently in your dumpster.
- **Diversion Programs:** Take the results of your analysis and determine how and where to divert it. Consider available infrastructure, local regulations and individual restaurant characteristics.
- **Physical Environment Set-Up:** Set up facilities for ease of waste separation and collection.
- **Change Management:** Engage management to commit to creating a culture of reusing and recycling.
- **Training:** Train associates on the proper disposal of waste.
- **Measurement:** Collect data, post results and accentuate the positive.

RESULTS McDonald's USA has reduced waste to landfill by 17 percent, down to 998,000 pounds per month (versus 1.2 million pounds). Individual distribution centers' performance has improved as well:

- Two facilities have reached zero waste to landfill: The distribution center in Waipahu, Hawaii, and TC Distribution in Stratford, Connecticut.
- The distribution center in Dickson, Tennessee, has reduced waste to landfill from an average of approximately 30,000 pounds per month before 2013 to less than 13,000 pounds per month in 2013, which represents a 57 percent reduction.

During the summer of 2013, McDonald's USA published a newsletter to share preliminary learnings with the field to enable DC facilities to get a jumpstart on implementing the six steps. The "Guide to Zero Waste to Landfill" was then shared with all DCs via webinar in August 2013, with the hopes that all DCs would put the six-step process in place by the end of the first quarter of 2014. Once all DCs participate in the zero-waste-to-landfill initiative, we anticipate that 90 percent of DC waste can be diverted from landfill.



PARTNERSHIP WITH MAYORS AND MANUFACTURERS



Sophie Boucher

Environment Manager
McDonald's France

OPPORTUNITY In the fight against litter, McDonald's France is aiming for a comprehensive solution and ways to permanently change peoples' attitudes.

SOLUTION In 2007, McDonald's France decided to engage in a large-scale project involving associations, customers and manufacturers of packaging and garbage cans. In a two-year process of work and dialogue supported by the Ministry of Environment, promising measures were identified and tested in the cities of Dijon and Albert. The anti-littering plan includes the introduction of easily crushable carry-out bags, an update of the carry out assembly orders that led to the reduction of bags, the design of an easily accessible "garbage can drive-thru" that allows customers to dispose of waste without leaving the car, and indoor and outdoor posters to raise customer awareness of the actions taken by McDonald's and actions they can take themselves. This was done in cooperation with the French Mayors' Association (AMF), which encourages the partnership between restaurants and communities.

RESULTS The solutions tested in Dijon and Albert proved to be a real success. They received very positive feedback from customers and led to a significant decrease in the amount of litter. To spread the program, McDonald's France signed a national agreement with the AMF and the National Labour Syndicate for catering and quick service industries. As of April 2014, 143 formal partnerships have been forged between McDonald's France restaurants and local communities.



McDONALD'S AUSTRALIA & MARTIN BROWER FEEDING THE HUNGRY WITH FOODBANK



Susie Craig
Sustainable Supply Chain & Quality Assurance
McDonald's Australia and New Zealand



Michelle James
Quality Systems Manager Australia and New Zealand
Martin Brower

OPPORTUNITY Foodbank is a non-denominational, non-profit organization that acts as a pantry to the charities and community groups that feed the hungry in Australia. Foodbank has established distribution centers in all state capitals, as well as a number of regional centers. Foodbank is a conduit between the food industry's surplus food and the welfare sector's need.

SOLUTION McDonald's Australia, in partnership with Martin Brower, has integrated food rescue into its supply chain management procedures, resulting in regular donations of a variety of surplus items to Foodbank warehouses around the country for distribution to welfare agencies preparing food for people in need.

RESULTS During 12 months between July 2012 and June 2013, McDonald's Australia and Martin Brower donated 47,262 kilograms (figure includes weight of packaging) of food—the equivalent of 63,000 meals—product which would have previously been sent to landfill.



REVERSE LOGISTICS



Howard Gray
Head of Environment
McDonald's U.K.

OPPORTUNITY McDonald's U.K. is working toward a long-term objective to send zero waste to landfill, and recycling is an important element of achieving this objective. Used cooking oil, cardboard, milk bottles and uniforms are collected and sent for recycling.

SOLUTION The delivery trucks collect materials for recycling when they drop off supplies. Cardboard and milk bottles are recycled into their original components; used cooking oil is recycled and converted into biodiesel, which is then used by the delivery fleet; and unwanted uniforms are sent for down-cycling into furniture stuffing.

RESULTS There are a number of benefits to recycling these materials. For McDonald's U.K., recycling has reduced each restaurant's waste to landfill by over 20 percent and 4.5 million liters of cooking oil are recycled into biodiesel every year. In turn, the biodiesel supplies over 50 percent of the fuel used by the delivery fleet and saves the company over £650,000 per year in fuel costs. The reverse logistics system saves 5,000 additional truck trips and reduces annual vehicle-related CO2 emissions by 43 percent.



SAVINGS THROUGH McENVI

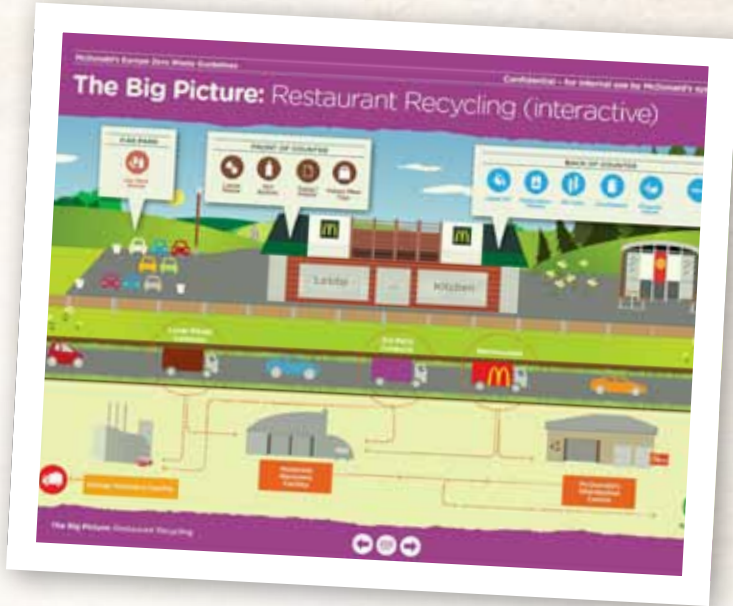


Gréta Nagy
Environmental Manager
McDonald's Hungary

OPPORTUNITY McDonald's Hungary strives to optimize waste management through software.

SOLUTION McDonald's Hungary is managing the waste of its 51 company-owned restaurants with the help of McEnvi, software specifically designed for the company. McEnvi is a tracking software program with filtering options that support planning and tracking of waste quantities and costs. With McEnvi, environment coordinators can forecast the amount of waste for the coming period and easily monitor data, such as the frequency of grease trap cleaning or income from the sale of used cooking oil.

RESULTS McEnvi has helped reduce work time, waste amounts and costs. Local authorities and waste collectors have also provided positive feedback.



ZERO WASTE GUIDELINES



Else Krueck
 Director Environment & Corporate Social Responsibility
 McDonald's Europe

OPPORTUNITY McDonald's Europe has developed a long-term zero waste vision that aims to 1) send all waste from McDonald's Europe restaurants to material recycling, thereby diverting waste from landfill or incineration; and 2) purchase packaging from 100 percent sustainable and renewable resources, a valuable post-consumer resource for recycling.

SOLUTION In 2013, McDonald's Europe released its zero waste guidelines. The e-brochure details the company's zero waste vision and its waste reduction and recycling goals. It features McDonald's minimum recycling standards and measures to achieve results above those standards. The guidelines were a step toward establishing roadmaps for each European market to address its own individual recycling challenges.

RESULT Twenty-four European markets have established three-year roadmaps addressing waste reduction and recycling. McDonald's Europe aspires to drive the European recycling quota to 57 percent recycled waste from total restaurant waste by 2016.

OIL RECYCLING PROGRAM



Sheila Rodríguez
 Supply Chain Coordinator
 Dorados Caribbean Region

OPPORTUNITY Arcos Dorados (the company's developmental licensee in Latin America and the Caribbean) Caribbean Region made a commitment as part of its sustainability mission to identify and develop new ways to expand its green operations and reduce its carbon footprint. One area of improvement identified by the Caribbean Division was the disposal of used cooking oil in the McDonald's restaurants operated by Arcos Dorados.

SOLUTION Arcos Dorados created, designed and deployed an oil recycling program in its restaurants. The program was developed with the support and collaboration of a local partner and provider that collects the used oil and processes it for proper recycling and further use outside the food supply chain. In doing so, the local partner helps ensure that used oil from McDonald's restaurants in the Caribbean Region doesn't end up in local waterways and that it is recycled for other uses in compliance with local and federal regulations.

RESULTS With its oil recycling program, Arcos Dorados and McDonald's have become market pioneers in sustainable efforts to protect water resources in Puerto Rico and the Caribbean. Water cleanliness and purity is one of the planet's toughest environmental challenges, and programs like this will protect water resources so they can be enjoyed by future generations.



WASTE MANAGEMENT WITH McRECYCLE



Ursula Riegler
 Department Head, CSR Communications
 McDonald's Austria

OPPORTUNITY With McRecycle, McDonald's Austria seeks to avoid, reduce and recycle as much waste as possible.

SOLUTION More than twenty years ago, McDonald's Austria developed and implemented McRecycle, a waste-management concept that focuses as much on the input of materials as on the output. The simple hierarchy of this initiative is to first avoid and reduce as much waste as ecologically and economically viable and then to recycle what is left. For McDonald's Austria, packaging represents the largest group of materials made from renewable and recyclable resources. Therefore, materials used for packaging were streamlined. Specially trained employees guarantee correct waste separation in the restaurants, where the waste is then compressed and finally collected by a recycling company.

RESULTS In 2012, 90 percent of the restaurant's waste – both from the kitchen and from the dining room – was recycled. Only 10 percent goes to the incinerator. Ninety percent of the packaging material is from renewable resources and 62 percent of used fresh fiber is certified by sustainable forestry management. Used plastic foil is granulated for the production of waste bags. Food waste is collected and composted. All used cooking oil is recycled into biofuel for the company's trucks.



GIVE WASTE A PLACE FOR DISPOSAL



Birgit Hoefler-Schwarz
 Environmental Specialist
 McDonald's Germany

OPPORTUNITY Proper management of the environment does not stop at the restaurant door. In addition to litter patrols, providing litterbins and displaying anti-litter slogans, McDonald's Germany has a long-term campaign called Give Waste a (Place For) Disposal that is addressed to customers.

SOLUTION In 2010, McDonald's Germany started to refresh its anti-litter efforts by launching the long-term, customer-focused campaign Gib Müll eine Abfuhr (Give Waste a Place For Disposal). It started with an online video contest through which customers were able to produce and submit videos that showcased their freestyle soccer talent by kicking waste into a bin. In 2011, this campaign was continued with redesigned stickers for outside waste bins, anti-litter printing on carry-out bags and a tray liner. In 2012, McDonald's Germany continued its efforts by joining the "DFB Umweltcup" (environmental competition of the national soccer association) where soccer clubs conducted cleanup campaigns with the assistance of McDonald's Germany.

RESULTS McDonald's Germany shows its responsibility for the neighborhood and for the environment and tries to raise awareness among its customers to keep the landscape tidy.

FROM BANNER TO BAG



Heinz Hänni
 Environment Manager
 McDonald's Switzerland

OPPORTUNITY Turned into fashionable bags, advertising banners carry a new, indirect message of eco-consciousness. McDonald's Switzerland found an innovative way to say, "We are a company well aware of the importance of protecting the environment."

SOLUTION McDonald's Switzerland thought of a way to increase the comparatively short lifetime of the plastic banners used to advertise special offers. The company repurposes and recreates the banners into fashionable bags that are given as an environmentally friendly and awareness-raising gift to new staff members and other stakeholders.

RESULTS The bags are a fun and sensible accessory and very much appreciated by the recipients. Turning the banners into bags also helps save waste disposal costs.





ON THE RIGHT TRACK WITH GREEN TRUCKS



Bart Vermassen

Director, Finance and Franchise & Supply Chain
McDonald's Netherlands

OPPORTUNITY McDonald's Netherlands sought to reuse and recycle a large percentage of the waste coming from its restaurants.

SOLUTION In 1992, McDonald's Netherlands started its own recycling system. Currently, paper and cardboard, plastics, food remains, vegetable frying oil and minor chemical waste are separated and recycled. The employees separate the waste in the restaurants, and the waste is collected once a week by the company's own Green Trucks. The complete process is being tracked and monitored by an independent organization.

RESULTS In 1992, McDonald's Netherlands was one of the first Dutch companies to practice the "reduce, reuse and recycle" waste system on a large scale. Currently, the McDonald's Netherlands reuses and recycles more than 98 percent of the waste the restaurants produce.

All of McDonald's Netherlands' waste is recycled or recovered. Paper and cardboard are processed into napkins and placemats. Cooking oil is used as material for biodiesel. Food waste is used to make biogas. Green electricity can be generated from this biogas. Plastic is processed into garbage bags and roadside poles. Fuel granules are created from the remaining residual waste.

The system is continually optimized and reflects positively on McDonald's Netherlands' sustainability efforts. In 2009, the Dutch system was also implemented in Belgium.



Green Yatra

Be the Change, Bring the Change...
(Regn. No. E/6392-Thane)

Carbon Offset Certificate

This Certificate is awarded to

"McDonald's"

In Recognition & Appreciation

ROAD TO SUSTAINABILITY: WORKING TOGETHER FOR OUR FUTURE



Aditya Kharwa

General Manager, Restaurant Solutions Group
McDonald's India, Hardcastle Restaurants Private Ltd.



Ritika Verma

General Manager, Corporate Communications
McDonald's India, Hardcastle Restaurants Private Ltd.

OPPORTUNITY Keeping the environment around our restaurants clean has been one of the key focuses for McDonald's India. Paper and plastic waste generated at McDonald's India restaurants is estimated at approximately 105,285 kilograms on average per month in 57 restaurants across Mumbai, Pune and Ahmedabad.

SOLUTION McDonald's India partnered with a local non-governmental organization in early 2012 to run a waste management audit of restaurants in Mumbai and its suburbs, and to initiate a pilot to collect the paper and plastic waste from McDonald's restaurants in Mumbai. After a successful pilot, McDonald's India now recycles paper waste for reuse.

RESULTS McDonald's India, through its initiative of recycling paper waste for reuse, is taking a step toward obtaining green restaurant certification. By developing a systematic waste management process, McDonald's India is moving toward zero greenhouse gas emissions. After a successful pilot in Mumbai, McDonald's India has introduced the systematic waste management process in restaurants in Pune (Maharashtra) and Ahmedabad (Gujarat).



NEW LIFE FOR ORGANIC WASTE



Heinz Hänni
Environment Manager
McDonald's Switzerland

OPPORTUNITY Organic materials represent a large portion of the waste in an average McDonald's restaurant. For McDonald's Switzerland, finding a cost-effective and environmentally sound way to recycle them was a priority.

SOLUTION Since 2001, McDonald's Switzerland has collaborated with Kompogas, a company specializing in the process of fermenting organic waste to produce biogas. This biogas is used to fuel the company's four biogas trucks. The volume of biogas that can be produced with the organic waste from all Swiss McDonald's restaurants is even higher than the amount needed to operate the vehicles.

RESULTS All McDonald's Switzerland restaurants recycle organic waste into biogas. The biogas trucks each save about 5,000 liters of diesel annually.



LEADING THE WAY TOWARD CLEANER STREETS IN AUSTRALIA



Brad McMullen
Sustainability Manager
McDonald's Australia Limited

OPPORTUNITY Litter is an issue of concern for Australian consumers. McDonald's Australia has worked to establish a leadership position by proactively engaging restaurant employees and customers in efforts to control the impacts of litter around existing restaurants across the country.

SOLUTION McDonald's Australia has a nationwide Clean Streets program to keep restaurant grounds and nearby streets clear of litter. Crew members participate in litter patrols as a regular part of their work day. Messages on packaging, tray liners, trash bins and parking lot signage remind consumers not to litter. McDonald's Australia is also a founding partner of Clean Up Australia, the organization behind Clean Up Australia Day, and marked its 24th year of partnership in 2013.

RESULTS Since the first Clean Up Sydney Harbour event in 1989, McDonald's Australia's support of Clean Up Australia has enabled this initiative to grow and flourish. Clean Up Australia Day is now a community icon and the country's biggest annual volunteer event. Results for 2013 showed that some 16,243 tons of waste were collected, with an estimated 553,412 volunteers across Australia taking part at 7,383 registered Clean Up sites. In 2013, McDonald's Australia continued its support of Clean Up Australia Day with 413 restaurants participating.



OPTIMIZED SORTING MAXIMIZES RECYCLABLES



Melanie Kuemmel
 Manager, Environment
 McDonald's Germany

OPPORTUNITY McDonald's is often viewed as generating a lot of waste. McDonald's Germany set out to disprove this misconception by adopting exemplary recycling practices. The goal is to maximize the share of recyclable material through an optimized sorting system.

SOLUTION In the past, McDonald's Germany encouraged customers to sort what was left on their trays after a meal. The results were disappointing. After switching to separation of customer waste by employees, the volume of non-recyclables has been minimized. Customers are invited to leave their trays with packaging and food waste in a tray cart placed in the lobby. Employees take the tray cart to the specially designed sorting room, where the waste is separated into color-coded bags for paper and cardboard, plastics, food and residuals. The same sorting process takes place in the kitchen, where the used oil, foil and corrugated delivery boxes are also collected for recycling. Well-trained employees can sort rapidly and efficiently, and collect large amounts of packaging appropriate for recycling, helping the restaurants to reach high recycling quotas.

RESULTS Now that all McDonald's restaurants in Germany use this system, the mandatory recycling quotas for packaging are exceeded regularly.



LOVE WHERE YOU LIVE



Howard Gray
 Head of Environment
 McDonald's U.K.

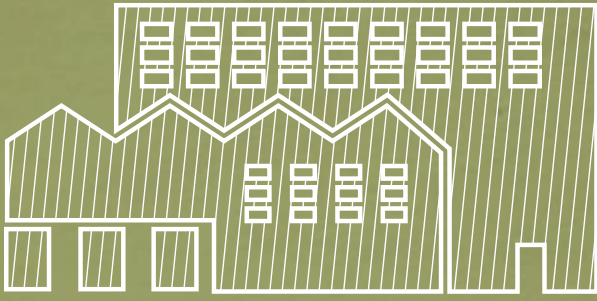


Helen McFarlane
 Environment Consultant
 McDonald's U.K.

OPPORTUNITY To effectively communicate McDonald's commitment to anti-littering, McDonald's U.K. sponsored the Love Where You Live campaign from Keep Britain Tidy. Love Where You Live is a national campaign designed to encourage people to think more positively about their local communities and to raise awareness about litter. As a founding sponsor of Love Where You Live, McDonald's U.K. wanted to build awareness by involving as many restaurants as possible. Hundreds of events were organized around the U.K. by McDonald's restaurant teams in partnership with their local communities.

SOLUTION McDonald's U.K. developed a competition for its restaurant teams to showcase events that have had the most positive impact on the local community – either through education, stakeholder engagement or the event's legacy.

RESULTS Since its launch in 2011, McDonald's restaurant teams in the U.K. have organized over 1,000 Love Where You Live events across the country, with more than 30,000 volunteers taking part. Each year the number of participants has increased significantly. In 2013, 13,674 volunteers took part in over 430 events. This increase is largely due to the involvement of McDonald's Planet Champions. Eighty percent of the McDonald's Love Where You Live events were either organized or coordinated by Planet Champions.



SUSTAINABLE SOURCING

McDonald's journey toward sustainable sourcing begins with our direct suppliers and extends to thousands of indirect suppliers that source ingredients for our products. We recognize that the impacts of a global supply chain like ours are significant. In fact, the majority of our environmental impacts occur beyond our own operations, through the McDonald's supply chain. To gain alignment around our efforts, we've set 2020 aspirational goals for beef, coffee, palm oil, fish and packaging. For beef, we aspire to support sustainable production, lead the development of global principles and criteria in 2014, and develop goals and begin purchase of verified sustainable beef by 2016. For coffee, palm oil and fish, we aim to source 100 percent of these products verified as supporting sustainable production by 2020. For fiber-based packaging, we aspire to purchase 100 percent from certified or recycled sources by 2020.



PLANET CHAMPION

GEO-SPATIAL MAPPING THE BEEF SUPPLY CHAIN



Daniel Boer

Director, McDonald's Worldwide Quality Systems
McDonald's Corporation



Breno Felix

Operations Director
AgroTools

OPPORTUNITY For over 20 years, McDonald's has had a policy prohibiting the sourcing of beef from within the Amazon Biome. We have asked all of our suppliers who purchase beef from Brazil to sign a statement confirming their compliance with this policy. Still, we look to build more transparency and traceability into our supply chain to provide greater assurance of compliance with our policy and to better enable us to play a more constructive role with regard to the sustainability of the Brazilian beef production system.

SOLUTION In 2013, McDonald's launched a pilot project with AgroTools to map all of the Brazilian cattle farms in the McDonald's beef supply chain using satellite imagery and GPS devices. The web-based platform developed by AgroTools provides McDonald's with access to the name of the farm and city and state where it is located, as well as the quantity of animals, date of the slaughter and the specific McDonald's-approved abattoir in which those animals were slaughtered.

RESULTS As a result of this project, we were able to map beef cattle farms in Brazil that supply our system (between July 2013 and December 2013) and see where the cattle are coming from on a monthly basis in order to confirm that the beef from Brazil to the McDonald's system complies with our sustainable sourcing goal. The pilot will continue to be evaluated until the end of 2014 and can then be expanded for use in other markets, as appropriate.



QUALITY VEGETABLES AT 3,000 METERS



Leonardo Lima

Corporate Sustainability Director
Arcos Dorados SA - Qorichacra, Cusco, Perú

OPPORTUNITY Arcos Dorados, the company's developmental licensee in Latin America and the Caribbean, identified an opportunity to integrate smallholder farmers in Peru into its supply chain through the pilot project Qorichacra.

SOLUTION Qorichacra was created in 2010 and funded by Arcos Dorados and the Syngenta Foundation to improve the livelihoods of vegetable farming families in the communities of Ccorimarca and Sequeraccay, in the Department of Cusco. Here the farmers have limited resources, but great development potential, farming good land with access to clean water and nearby, dynamic markets.

The pilot project began with the formation of a business network and two years of technical support and training to the region's smallholders to help them meet stringent quality and safety protocols required for McDonald's suppliers. HELVETAS Swiss Intercooperation and Centro Bartolomé de las Casas, two nonprofit organizations with extensive experience in rural development, handled local management of the pilot project.

Before the pilot project began, local production did not meet quality standards for the Arcos Dorados supply chain. Qorichacra is an innovative partnership between organizations to train and support smallholder farmers and link them to high-value markets.

RESULTS The pilot project created a network of vegetable producers with 14 members who installed 14 greenhouses for the technical production of vegetables that meet the quality standards of McDonald's, which also opens doors to other segments of the market.

The families participating in the project enjoyed a significant increase in their total revenues. As evidence that the project benefits the farmers and the local residents, the condition of community houses where pilot programs took place also improved by 41 percent. Organizers also noted an overall increase in self-esteem and improved farming skills and quality of life.



PLANET
CHAMPION



MCDONALD'S CANADA INTRODUCES UNIFORMS WITH RECYCLED CONTENT



Jeffrey Fitzpatrick-Stilwell

Senior Manager, Sustainability & Government Relations
McDonald's Canada

OPPORTUNITY To continue to increase recycled-material content in crew uniforms and outerwear as technology around durability increases.

SOLUTION McDonald's Canada partnered with ECO///® Apparel to introduce a new crew program with uniforms and outerwear made from recycled materials.

RESULTS In 2011, McDonald's Canada made some significant advances against its goal for more sustainable uniforms by introducing:

- A new crew program with uniforms made from 100 percent polyester with a portion from recycled content. The fact that McDonald's Canada uniforms are now 100 percent polyester rather than a poly/cotton blend means that they are also fully recyclable for the first time.
- A new management program that included 100 percent recycled polyester fabric suiting – both jackets and pants.
- New outerwear items that were also made from recycled content. These items are clearly identifiable by a recycle logo and have a quick response (QR) Code so the crew can scan and go to a website that explains the process and McDonald's Canada's goal.

McDonald's Canada's plan moving forward is to:

- Introduce additional recycled content into the crew program without jeopardizing overall durability, comfort or cost.
- Look at using recycle bins or a customer return service for Cintas, a uniforms supplier, to collect used garments to send to ECO///® Apparel for conversion into textiles for other uses, such as in the automotive industry.
- Identify whether any of the uniforms or outerwear can be classified as sourced from a "closed loop," meaning that used McDonald's garments can be repurposed and made into new McDonald's uniform components.



RECYCLING UNIFORMS



Howard Gray
Head of Environment
McDonald's U.K.

OPPORTUNITY To recycle used staff uniforms as part of McDonald's Europe's zero waste vision.

SOLUTION McDonald's U.K. aims to take back all uniforms once they become unwearable. Nationwide, this represents thousands of garments. When restaurants receive new uniforms, staff members are asked to return the old ones to their restaurant, rather than throwing them away at home. The old uniforms are then returned to the distribution center and collected by textile recyclers to be recycled or down-cycled – shredded and used as mattress stuffing. The long-term aim is for all McDonald's U.K. uniforms to be designed for closed-loop recycling into new garments.

RESULTS The London 2012 Olympics provided a great platform for McDonald's U.K. and its partner, "Worn Again," to show the world the look of the new uniforms, as well as these pioneering steps taken by the company.



MEASURING AND MANAGING ENERGY AND CARBON EMISSIONS IN McDONALD'S APMEA LOGISTICS



Jacqui Pratt
Senior Director, Supply Chain Management
McDonald's APMEA



Warren Morris
ALC Sustainability Lead
APMEA Logistics Council

OPPORTUNITY In 2011, the Asia Pacific, Middle East & Africa (APMEA) Logistics Council (ALC) worked with their sustainability partner, The Neutral Group, to build a web-based tool for collecting energy and carbon emissions data from distribution centers and their truck fleets serving McDonald's across the APMEA region. The aim was to benchmark operations and drive energy reduction targets in support of the ALC's 2020 Sustainability Strategy.

SOLUTION With input and direction from the ALC, The Neutral Group developed web-based software for the ALC, Lead Logistics Providers and their distribution centers (DCs), called the Sustainability Footprint Assessment (SFA). The SFA collects energy consumption, refrigerant use and waste data from DCs and applies a unique benchmarking model to produce reports containing energy efficiency scores, carbon footprint and financial information. Reports extend from individual DCs and their truck fleets through country and company groupings to the regional level. Registered SFA users include personnel in all 56 subscriber DCs, their regional management and McDonald's market and APMEA zone-level staff.

RESULTS In 2011, using the data collected by the SFA, the ALC established the APMEA energy consumption baseline for DC operations. The ALC then set electricity and fuel reduction targets of 5 percent for 2012 for the 33 largest DCs. This target was supported by a program of energy efficiency assessment and retrofit measures at selected DCs. At the end of 2012, even though the 5 percent overall target was narrowly missed, the SFA recorded savings of US\$534,000 through cost avoidance in energy and fuel usage across participating DCs. This reflects savings of 2,383,000 kilowatt hours of electricity and 175,000 liters of diesel, representing a little less than 2,000 metric tons of carbon dioxide equivalent (CO₂e) saved, or 1.54 kilograms of CO₂e per metric ton of McDonald's product delivered. The program was continued in 2013, with renewed goals for DCs and targeted investment in equipment retrofit and employee engagement.



SIMPLE, SAFE AND SUSTAINABLE CLEANING SUPPLIES KEEPS THEIR PROMISES



Florence Subrin Dodille
International Accounts Director
Diversey Care, a division of Sealed Air

OPPORTUNITY Diversey Care provides more than 5,000 metric tons of cleaning supplies to the McDonald's system. The idea behind the Triple S (Simple, Safe, Sustainable) project was to reduce the impact of cleaning chemicals by concentrating the product itself, using less plastic and cardboard packaging, while enhancing user safety and simplicity through a full lockout system for product containers and bottle filling.

SOLUTION Diversey Care worked to concentrate actual product chemicals for six main products. Within these products, concentration levels vary between double and quadruple compared to the previous concentration levels. Packaging was converted into low-density polyethylene (LDPE) pouches, all with a physical lockout to avoid product confusion in the dispensers. Diversey Care also designed new dispensers, allowing the current cleaning solution packaging to be removed from the restaurant floor. A bottle lockout system was introduced for situations where cleaning solutions must be dispensed into bottles. This prevents cleaning solutions from being added to the wrong bottles.

RESULTS Results in the McDonald's system (over a one-year period) after a full rollout in Europe completed in September 2012 are impressive:

- 1,923 metric tons of product not being transported and 325 metric tons of CO2 emissions reduced from packaging and inbound transport
- 92 metric tons of plastic packaging saved
- 123 metric tons of cardboard packaging saved

The Triple S solution will now be tested in the Asia Pacific/Middle East/Africa region.



COFFEE TECHNICAL ASSISTANCE



Kelly Ludwig
Strategic Supply Product Manager, U.S. Supply Chain Management
McDonald's USA



Jessica Droste Yagan
Former Director of Sustainable Supply, Supply Chain Management
McDonald's USA

OPPORTUNITY Globally, McDonald's is committed to responsible coffee sourcing, and we're focusing our efforts to drive ethical, environmental and economic outcomes in our coffee supply chain.

SOLUTION While our goal to advance coffee sustainability is global in nature, our efforts begin locally. McDonald's USA is collaborating with TechnoServe, an international nonprofit and leading provider of agricultural technical assistance, as well as SCAN (Sustainable Commodities Assistance Network), a global network of 17 leading organizations promoting sustainable agriculture, to train up to 13,000 farmers in Guatemala and Central America. McDonald's USA, McDonald's Canada and their franchisees are investing over \$6 million in a farmer technical assistance program. This effort includes working with TechnoServe and SCAN to provide farmers with technical assistance and training to produce coffee in a more sustainable manner.

Through these efforts, McDonald's USA endeavors to strengthen local economies, preserve biodiversity, and give farmers the tools they need to improve their production. When farmers can deliver a more consistent, high-quality bean, it increases the chances that their yield can be sold for a higher price, helping to improve their livelihood. It also helps our business because by supporting the development of sustainable farming practices, McDonald's USA hopes to ensure coffee's long-term availability in the region. The majority of our Arabica bean coffee comes from countries in Central and South America, such as Colombia, Guatemala, Costa Rica, El Salvador and Brazil.

RESULTS TechnoServe reports that as of December 2013 they are working with 12,000 farmers in Lake Atitlan and San Martin Jilotepeque areas of Guatemala. Ninety-one percent of project farmers are complying with sustainable practices. Agronomy trainings have been well-received, as evidenced by 70 percent of farmers attending more than 50 percent of available trainings. SCAN is engaging 33 target organizations that are distributed in the east and northeast of Guatemala. Moreover, the SCAN model integrates the major actors in the coffee sector in Guatemala, who through the project, have formed a SCAN National Platform for Sustainable Coffee, which includes nine member organizations. The SCAN program in Guatemala assists more than 4,500 smallholder farmers, integrated in 33 cooperatives and associations. As of November 2013, it is estimated that each individual smallholder farmer has received almost four training sessions and technical assistance visits to their farm or plot.



BEST BEEF - BEEFING UP SUSTAINABILITY



Heike Bierweiler

Senior Department Head Supply Chain & Quality Assurance
McDonald's Germany



Jürgen Straub

Senior Team Manager Quality Assurance
McDonald's Germany

OPPORTUNITY McDonald's Germany invited all partners along the beef value chain to create a common understanding of a sustainable, win-win situation through implementation of a transparent program and credible plan to support sustainable beef production and to protect the agricultural structure in Germany.

SOLUTION

In 2012, McDonald's Germany created BEST Beef as an alliance for all partners in its supply chain to secure and develop agricultural standards. As a result, the group developed a modules-based supporting program that includes husbandry systems, feed and farm management.

BEST Beef stands for:

B= Bündnis = Alliance

E= Exzellenz = Excellence

S = Sicherheit = Safety

T= Tarnsparenz = Transparency

RESULTS

Since the start of BEST Beef in February 2012, more than 1,200 farms have participated and more than 9,600 cattle have been slaughtered under the BEST Beef modules. Three slaughterhouses and four producer groups are slated to join the program. In the spring of 2014, a new abattoir and a new producer group joined the program.

McDonald's Germany will continue to extend the program throughout the country by incorporating more farms. The program has created a high level of interest in the agricultural community and the media.

DEVELOPING GOOD PRACTICES IN FARMING TO ENSURE QUALITY, ECONOMIC AND ENVIRONMENTAL PERFORMANCE



Jeanne Zeller

Agricultural Network and Sustainable Supplies Supervisor
McDonald's France



Sophie Boucher

Environment and Sustainable Development Manager
McDonald's France

OPPORTUNITY The majority (more than 70 percent) of impacts of McDonald's system-wide carbon footprint occur in our supply chain and the agriculture systems that produce raw materials for our menu items. As a result, significant benefits can be achieved by taking steps to enhance the sustainability of farm-level production.

SOLUTION McDonald's France initiated a roundtable discussion to identify effective and acceptable agricultural practices to drive the sustainable production of five McDonald's ingredients: beef, wheat, potatoes, produce and chicken. The discussion focused on improving animal welfare, promoting biodiversity, reducing greenhouse gas emissions and protecting water quality at the farm level in France.

Following this roundtable process, McDonald's France set up an agro-ecological strategy with a network of 30 pilot farms to test new agricultural practices and to measure their environmental and economic impacts, as well as the quality of the products.

Continuous testing has resulted in ongoing identification of new practices that deliver both improved environmental performance and economic viability.

Once a practice has been established as delivering demonstrable environmental performance improvement and is commercially sound on the test farms, the practice will be gradually scaled across the McDonald's France supplier network. A key reason for this gradual scaling of activities is to ensure that practices are adjusted as necessary to specific local conditions, as well as specific farming systems.

RESULTS While transitioning from identifying best practices to actually implementing them at the farm level can be challenging, the program helps create awareness among farmers. Simply identifying best practices that farmers can apply to their fields and barns is an important first step. McDonald's France aims to share best practices with farmers who have similar operations and measure the deployment of these practices and the associated impacts. In 2014, with a first list of best practices identified in each main production area, McDonald's France will measure the number of farmers already involved, and then define objectives and action plans for deployment.



PLANET
CHAMPION

DEVELOPING A COMMON FRAMEWORK FOR SUSTAINABLE BEEF IN EUROPE



Keith Kenny
Senior Director
McDonald's Europe

OPPORTUNITY Of all the raw materials in the McDonald's supply chain, beef is the most iconic. McDonald's Europe uses only whole cuts of beef from the flank, forequarter and hindquarter to make our beef patties – sourced through a simple and transparent supply chain, based on long-term relationships with our trusted suppliers.

Beef is also the raw material in our supply chain with the greatest sustainability impacts, which is why beef was chosen as our top global sustainable sourcing priority. In fact, we have a global goal to start purchasing a portion of beef from verified sustainable sources by 2016.

SOLUTION McDonald's Europe has already established a number of programs and initiatives aimed at addressing sustainable beef production. For more than 10 years, McDonald's Europe has been elevating standards in its supply chain through the McDonald's Agricultural Assistance Programme (MAAP). McDonald's Europe also launched its unique Flagship Farms program almost five years ago to promote and share leading sustainable agricultural practices from farms in the European supply chain.

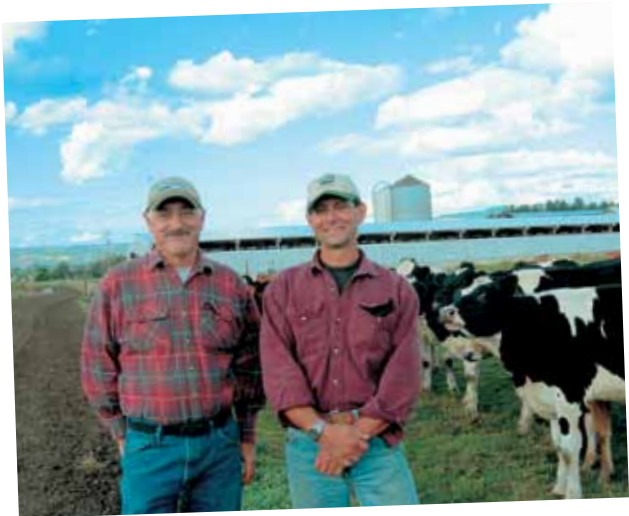
Sustainable beef production involves a range of issues, including labor, animal welfare, natural resources and economic efficiency. Defining what it means and gaining consensus is a significant challenge. To date, there has been no widely agreed-upon definition of what sustainable beef actually means.

However, we know that by working with others we can develop sustainable solutions and achieve progress. McDonald's Europe is proud to have chaired the SAI Platform Beef Working Group – which

brings together producers and processors from across the European supply chain, along with key retailers as knowledge exchange partners – to develop a set of Principles for Sustainable Beef Farming with wide support from the industry. These principles, published in November 2013, form a comprehensive framework for sustainable beef production in Europe that aligns with global priorities and principles.

At a global level, McDonald's is a founding member of the Global Roundtable for Sustainable Beef (GRSB). The GRSB is currently working to finalize its definition of what sustainability means for the global beef value chain, following the publication of principles and criteria behind these definitions. McDonald's Europe supports the work of GRSB to develop a global framework for sustainable beef production.

RESULTS The journey to sustainable beef production will be a long one. However, the development of the SAI Principles will be instrumental in aligning actions and accelerating progress toward a more sustainable beef supply chain. McDonald's Europe continues to work with the SAI Platform to develop a set of sustainable beef practices that can be implemented on-farm to achieve the objectives of each principle. McDonald's Europe's work with the SAI Platform will continue to inform the work of the global roundtable.



YOUNG BEEF PRODUCERS SUSTAINING THE FUTURE



Susie Craig
Sustainable Supply Chain & Quality Assurance
McDonald's Australia and New Zealand



Nicole Hingst
General Manager, Australian Food Corporation
Chairperson, Australia and New Zealand Beef Council

OPPORTUNITY For the beef industry to be sustainable and profitable into the future, it must continue to engage with the next generation of producers. The beef industry recognizes the importance of fostering a modern agricultural workforce that encourages innovation along with the ability to attract and retain young people as critical to long-term success. Through consultation with Meat and Livestock Australia (MLA), McDonald's Australia and New Zealand learned that key areas of interest for young producers included business efficiency, sustainable red meat production, pasture optimization and breeding technology. Hands-on practical demonstrations, tours, workshops and activities that have a social networking aspect were recommended as the best form of engagement.

SOLUTION Through the Australian and New Zealand Beef Council, which includes representation from McDonald's and beef producers, a project was formed to develop a tour of McDonald's beef supply chain targeted at young producers and covering aspects of the 3 E's of supply chain sustainability (ethics, environment and economics). The beef supply chain training tour covered steps after animals left the farm gate to the beef reaching the McDonald's consumer. By sharing best practices across the system, we can assist producers in gaining the knowledge and skills to motivate and influence sustainable innovation and capabilities in the industry.

Tours were made possible by the additional support of Meat and Livestock Australia, JBS, Teys Australia, and Martin Brower.

RESULTS Two McDonald's beef supply chain training tours, conducted in Brisbane, Australia, included 55 beef producer participants. The following feedback was collected on their experience:

- 70 percent of participants rated the tour as "very valuable" and 20 percent rated the tour as "valuable."
- 100 percent of tour participants indicated they learned something from the tours.
- 83 percent of participants indicated that the tours changed their opinion of the McDonald's supply chain.

DAIRY INDUSTRY PARTNERSHIP AND PILOTS



Jessica Droste Yagan
Former Director of Sustainable Supply, Supply Chain Management
McDonald's USA
**Current Contact: Rachael Sherman, McDonald's USA*



Joe McMahan
Manager, Sustainability Framework
Innovation Center for U.S. Dairy

OPPORTUNITY The U.S. dairy industry collaborated to take on large sustainability issues, and came away with tangible, long-term goals for sustainability and tools for the industry to track, measure and communicate best practices and progress.

SOLUTION McDonald's USA and the dairy industry jointly invested in a full-time employee to advance the applicability of dairy sustainability research and tools in the McDonald's USA supply chain, while helping to advance and support McDonald's sustainability priorities, including manufacturing, sustainable raw materials, animal health and welfare and waste diversion.

RESULTS McDonald's USA and the dairy industry are now working together on innovative pilots on dairy farms, such as the Prairie Farms Dairy (PFD) pilot. PFD has agreed to pilot and assess *The Stewardship and Sustainability Guide for U.S. Dairy*, a resource developed by the Innovation Center for U.S. Dairy to help dairy farms and other businesses measure, track and communicate sustainability. The guide informs the use of corresponding tools designed to track progress over time and identify opportunities for improvement. PFD will pilot and test these tools at the farm, fleet and plant level, then aggregate results using the Innovation Center's customized reporting tool.



LOGISTICS OPTIMIZATION THROUGH PARTNERSHIP WITH SUPPLIERS



Jessica Droste Yagan

Former Director of Sustainable Supply, Supply Chain Management
McDonald's USA

*Current Contact: Rachael Sherman, McDonald's USA



Stan Trybula

Director Account Management
Armada Supply Chain Solutions



Robert Trojanek

Director of Purchasing
East Balt Commissary



Dimetria Jackson

Director, Corporate Social Responsibility & Sustainability
Golden State Foods



Patrick Unkrur

Manager, Corporate Logistics
OSI Industries, LLC

OPPORTUNITY A group of McDonald's USA suppliers identified an opportunity to form a partnership and consolidate multiple products into single shipments to reduce the total number of shipments.

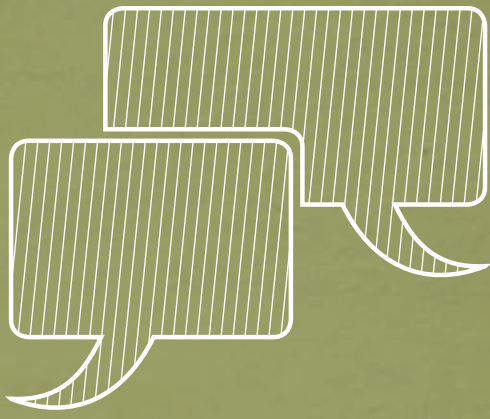
Two of McDonald's USA's suppliers, OSI Industries LLC and East Balt Bakeries, ship product from the Chicago area into the Golden State Foods facility in Lebanon, Illinois. A standard refrigerated trailer can legally haul up to 44,000 pounds of product, or fit up to 30 pallets that are 40 inches by 48 inches. OSI ships beef products with each pallet weighing 2,128 pounds; this causes OSI to "weigh" out at 20 pallets per truck. East Balt ships buns and English muffins with a pallet dimension of 44 inches by 53 inches; this causes East Balt to "cube" out at 24 pallets per trailer. A significant opportunity existed for consolidating OSI's and East Balt's products onto the same shipment.

SOLUTION OSI Industries, LLC and East Balt Bakeries partnered with another McDonald's supplier, Armada Supply Chain Solutions, to warehouse and distribute their products at the Armada Hub Service Center in Romeoville, Illinois. Warehousing OSI and East Balt's products at the same facility allowed both companies to consolidate shipments to Lebanon, Illinois, onto the same outbound shipment. Consolidating beef and buns/English muffins onto the same trailer allowed for 26 pallets per shipment (compared with 20 OSI pallets and 24 East Balt pallets), reducing the number of annual truckload shipments. OSI and East Balt also partnered with Armada Supply Chain Solutions to secure transportation providers for the shipments from Romeoville to Lebanon, Illinois.

OSI, East Balt, LXP and Hub1 worked directly with Golden State Foods (GSF) to develop, test and implement this consolidation initiative. Test orders were placed and then shipped from Hub1 to GSF. OSI, Armada and LXP were present to observe the unloading of these shipments and gather feedback from distribution center staff. After successfully shipping into GSF, the consolidation program was implemented full time.

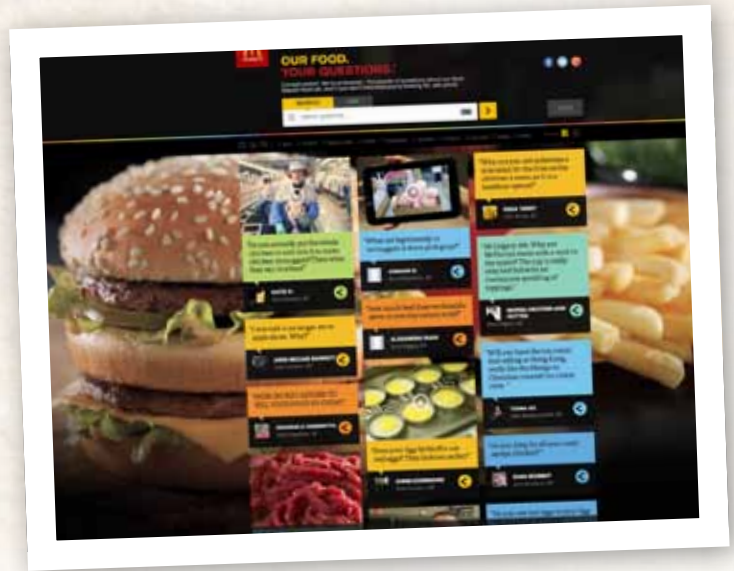
RESULTS Consolidating OSI's and East Balt's products onto the same shipments eliminates over 200 truckloads annually to one distribution center alone. This reduction of shipments saved the system approximately \$127,000 during the third and fourth quarter of 2013 and first quarter of 2014 and reduced CO2 emissions by 55 metric tons.

This initiative is being evaluated for potential implementation at additional distribution centers and will be expanded as other opportunities arise.



COMMUNICATIONS AND ENGAGEMENT

At McDonald's, we know we cannot achieve our social and environmental goals alone. Engaging with our customers and employees is a critical element of our success and a key enabler to mainstreaming sustainability across our operations, the broader industry and the world at large. Through more proactive and innovative communications and engagement strategies, McDonald's is striving to put sustainability front and center for our customers, franchisees and restaurant employees.



OUR FOOD. YOUR QUESTIONS.



Jeffrey Fitzpatrick-Stilwell

Senior Manager, Sustainability and Government Relations
McDonald's Canada

OPPORTUNITY To listen carefully to consumers in Canada and use transparent, interactive, online engagement to answer questions about our food.

SOLUTION McDonald's Canada enlisted a team of communicators, subject matter experts and others to create an online, real-time engagement Q&A platform, *Our Food. Your Questions*. The platform, which launched in June 2012, helped McDonald's Canada answer consumer questions posed through the online experience.

RESULTS "Are your fries made from real potatoes?" "Do you use filler in your burgers?" These and thousands of questions have been asked – and answered – about the food served by McDonald's Canada. The website received nearly 260,000 unique visits in its first six weeks, while the video series – which shows how potatoes are grown for McDonald's Canada's French fries, how to make a Big Mac at home and how the eggs are cooked for the McMuffin sandwiches – received more than 16 million views.

Since McDonald's Canada's launched *Our Food. Your Questions.*, McDonald's Australia launched a similar campaign in December 2013, with plans to scale the initiative to other areas of the world and markets across the McDonald's system.

"In an effort to address many of the popular misconceptions surrounding our food, McDonald's Canada undertook the challenge of reclaiming the truth through the "Our Food. Your Questions." campaign. This allowed customers from across the country to ask McDonald's Canada any questions about our food and receive a personalized response. This transparent and authentic approach helped shift Canadian's perceptions about the quality of McDonald's food, as well as our practices and procedures, in a new and dynamic way."

**-JEFFREY FITZPATRICK-STILWELL
SENIOR MANAGER, SUSTAINABILITY AND GOVERNMENT RELATIONS
MCDONALD'S CANADA**



McDONALD'S AUSTRALIA PARTNERS WITH GOVERNMENT ON SUSTAINABILITY



Brad McMullen
Sustainability Manager
McDonald's Australia Limited

OPPORTUNITY McDonald's Australia partnered with the New South Wales State Government in Australia, which implemented the Sustainability Advantage Program. The initiative gives companies the opportunity to share industry knowledge and expertise, as well as to fund sustainability initiatives.

SOLUTION In partnering with the government, McDonald's Australia completed modules that train staff on sustainable sourcing, staff engagement and business planning for sustainability. Sustainability Advantage paid for and produced a set of McDonald's-specific training materials on minimizing water usage and pollution. These training materials will be launched online for crew and managers to complete through the McDonald's Australia MeTime training portal.

RESULTS Through partnering with the Sustainability Advantage Program, McDonald's Australia has been awarded Bronze Partnership status by the Minister for the Environment – publicly recognizing McDonald's sustainability initiatives. Review of industry case studies and key industry contacts have been made through the Sustainability Advantage Program.



TRACKMYMACCA'S



Mark Wheeler
Head of Digital Marketing
McDonald's Australia

OPPORTUNITY McDonald's Australia wanted to take customers "behind the scenes" and show them the sources of ingredients in five classic menu items – Big Mac, French Fries, McChicken, Chicken McNuggets and Filet-O-Fish – in a fun, interactive way.

SOLUTION In 2013, McDonald's Australia developed the TrackMyMacca's campaign and mobile app to invite customers to track the origins of ingredients – such as beef, buns, cheese, lettuce and pickles – in classic menu items.

The TrackMyMacca's app used the global positioning system (GPS) in a smart phone to identify a customer's restaurant location. Using the app's image recognition software, the customer could scan quick response (QR) codes on packaging to identify the food he/she was about to eat. Once the app identified the menu item, it combined this information with the date and time to access McDonald's Australia's supply chain information in real time to determine the sources of the ingredients.

The app's 3D augmented reality turned restaurant tables into stages, allowing users to pick an ingredient and learn more about it. Customers could then share their experience via Facebook and encourage friends to try the app for themselves.

RESULTS After six months in the Australian markets in 2013, TrackMyMacca's achieved 117,679 app downloads, more than 85,000 demonstration video views, 660 million impressions from global and local public relations coverage from the launch, an FWA Mobile of the Day award and a 2013 Cannes Gold Lion. Nearly 25 percent of app users experienced the full journey through the 3D augmented world, finally "meeting" one of the farmers who supplied ingredients in the menu item they just tracked.



INTERNATIONAL COAST CLEANING DAY, Arcos Dorados Employee Volunteer Program



Marisol Vega
Communications Director
Arcos Dorados Caribbean Division

OPPORTUNITY Arcos Dorados, (the company's developmental licensee in Latin America and the Caribbean) Caribbean Region identified two local institutions dedicated to protecting the environment whose sustainability visions are aligned with that of McDonald's. These groups, Scuba Dogs Society and Amigos del Yunque (Friends of the Yunque), are committed to raising awareness and creating change in areas of interest for Arcos Dorados in Puerto Rico and conserving the island's natural resources.

SOLUTION Arcos Dorados created a separate alliance with Scuba Dogs and Amigos del Yunque. Scuba Dogs Society is the local partner for the International Coast Cleaning Day. Through a sponsorship and alliance agreement, Arcos Dorados and its employees became members and volunteers of the initiative to clean Puerto Rico's coast. A beach was adopted in the municipality of Cataño, where one McDonald's restaurant is located and there is strong community involvement. The alliance established with Amigos del Yunque speaks to Arcos Dorados' recognition of how essential it is for socially responsible corporations to collaborate in the cleaning, protection and conservation of tropical rainforest ecosystems. Moreover, El Yunque is located on the eastern region of the Island, which many restaurant employees call home and where there are a number of McDonald's restaurants.

RESULTS Arcos Dorados has been able to establish long-lasting relationships with both Scuba Dogs and Amigos del Yunque. Employee volunteers involved with cleaning the Cataño beach and the rainforest became goodwill ambassadors for the brand. In turn, Arcos Dorados was able to communicate its respect for the community and commitment to environmental conservation.

P FOR PLANET TEAM



Maria Victoria Castillo
Quality Assurance & Environment Manager
McDonald's Spain

OPPORTUNITY McDonald's Spain wanted to enable aligned and widely supported decisions by involving all internal stakeholders from the very beginning of environmental projects.

SOLUTION McDonald's Spain set up a multidisciplinary team in charge of reviewing and implementing environmental projects. The team includes members from national operations, company-owned restaurant business units, equipment, construction, communications, finance, office services and environment departments.

RESULTS The new organizational structure proved to be efficient and successful, and McDonald's Spain:

- Set up a discussion forum and task force
- Released an energy best practices handbook
- Studied and defined new waste equipment for the restaurants
- Developed a Planet communications recycling strategy addressed to customers



McMISSION APP



Birgit Höfler-Schwarz
 Manager, Corporate Affairs
 McDonald's Germany

OPPORTUNITY McDonald's Germany sought to communicate its sustainability initiatives in an innovative way.

SOLUTION McMission, an augmented reality app from McDonald's Germany, creates an entertaining and educational virtual experience for guests. It communicates the company's corporate responsibility initiatives to customers via games. The app is available for download on GooglePlay and the iTunes App Store. A total of four games highlight McDonald's and its franchisees' commitment to the environment and society.

RESULTS In implementing the nationwide billboard campaign and new environment slogan, McDonald's Switzerland aims to create a long-term shift in public perception so that the broader public recognizes the company's sustainability achievements.

Responses to questions in McDonald's Switzerland's 2013 corporate barometer survey show a positive trend compared to previous years (delete "and indicate that"):

- 9 percent of respondents "completely agree" and 29 percent "mostly agree" that McDonald's Switzerland has "respect for the environment"
- 7 percent of respondents said, "yes, absolutely," and 29 percent said "yes, mostly," when asked if they think McDonald's Switzerland practices "protection of the environment"

This campaign is an important reminder that changing misconceptions and public perception can be achieved through long-term initiatives, visible changes and ongoing business insights.

'CAUSE WE'RE ALL GUESTS



Heinz Hänni
 Environment Manager
 McDonald's Switzerland

OPPORTUNITY To communicate McDonald's Switzerland's environmental and sustainability achievements to our customers.

SOLUTION For over 20 years, McDonald's Switzerland has taken a very proactive approach with regard to environmental issues. McDonald's Switzerland's environment and corporate responsibility reporting has a long tradition, but it still sometimes faces misconceptions when it comes to public perception of its environmental performance. To let customers and the general public know about its environmental activities and achievements, McDonald's Switzerland introduced a nationwide billboard campaign with four main messages. At the same time, it introduced a new environment slogan: "Cause we're all guests."

RESULTS In implementing the nationwide billboard campaign and new environment slogan, McDonald's Switzerland aims to create a long-term shift in public perception so that the broader public recognizes its sustainability achievements.



SUPPLIER COMMUNICATIONS AND ENGAGEMENT



Jessica Droste Yagan
Former Director of Sustainable Supply, Supply Chain Management
McDonald's USA



Rachael Sherman
Sustainability Manager, U.S. Sustainable Supply Chain
McDonald's USA

OPPORTUNITY The McDonald's USA supply chain group is committed to working with its suppliers on advancing sustainability.

SOLUTION In order to encourage leadership and innovation among suppliers and foster best-practice sharing between suppliers from many industries and categories, the McDonald's USA sustainable supply chain group worked in partnership with suppliers to create various communications and engagement initiatives. The Supplier Communications team, composed of McDonald's USA staff members and suppliers, acts as an advisory body that plans and executes educational initiatives focused on sustainability. These include regular council meetings, webcasts, "Sustainability in Action" Field Trips to supplier sites, the Sustainability Mentorship Program and the U.S. Supplier Sustainability Summit.

RESULTS These tools and activities have led to a Sustainability Council and a communications sub-team, both of which include McDonald's USA employees as well as suppliers, that have been in place for over four years. There are three to four webcasts offered each year on unique sustainability topics and made available on the sustainable supply website. The second annual Sustainability in Action Tour offered in the summer of 2013 involved over 30 suppliers visiting farms, supplier facilities and renewable energy utilities to gain in-depth and on-the-ground knowledge of McDonald's USA's supplier sustainability initiatives. The mentorship program is in its second round and 12 suppliers have partnered across categories to share best practices. Finally, McDonald's USA's second Sustainability Summit in November 2013 featured prestigious guest speakers, supplier-run breakout sessions and a variety of networking opportunities attended by over 300 individuals.

ENVIRONMENT IN OUR LOUNGE



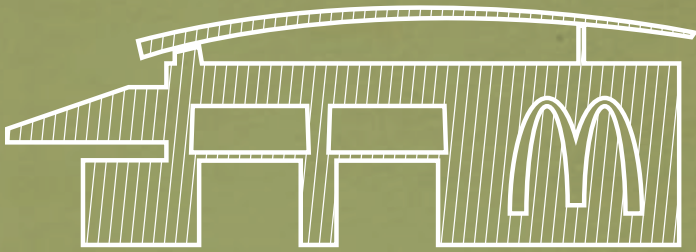
Howard Gray
Head of Environment
McDonald's U.K.

OPPORTUNITY Opportunity

The employees of McDonald's U.K. have a well-designed and fun place to meet online: Our Lounge. The restaurant-level staff website provides employees extensive information, including best environmental practices.

SOLUTION To encourage use of best environmental practices, McDonald's U.K. dedicated a section of its Our Lounge employee website to the environment. Here, the employees can play an environment-oriented game, visit the Green Shop to purchase green items – such as energy-saving light bulbs – at reduced prices, and "visit" an interactive restaurant or private home to see environmental best practices. Of course, they can also learn about McDonald's U.K.'s many environmental activities.

RESULTS The environment section of Our Lounge offers a fun way to learn about environmental best practices that can be applied in the restaurant and at home. It is an innovative addition to the regular environmental training included in McDonald's U.K.'s apprenticeship modules. Since the concept proved to be so successful, it is now being introduced to all Northern Division markets.



GREENING OUR RESTAURANTS

With more than 35,000 restaurants, McDonald's has a unique opportunity to implement practical and positive environmental solutions to operations, packaging, equipment and construction practices by leveraging relationships with suppliers and franchisees. A number of McDonald's markets and regions have developed resources and tools to help drive continuous improvement and to shift our collective thinking away from "doing less bad," to "doing more good" – from improving energy efficiency in the restaurants to reducing waste and water usage. While we have set global aspirational goals, we recognize that environmental topics, such as energy and water scarcity, are local issues and require local approaches.



FRANCHISEE RIC RICHARDS LEADS THE WAY TO TWO LEED® GOLD MCDONALD'S RESTAURANTS



Ric Richards

Franchisee
Cary, North Carolina



John Rockwell

Sustainability Manager
McDonald's USA

OPPORTUNITY Franchisee Ric Richards and McDonald's USA leveraged the U.S. Green Building Council's LEED® Volume Program and the learnings from building Richards' first LEED®-certified restaurant to incorporate changes and updates toward certification of his second restaurant in an efficient and economic manner.

SOLUTION In July 2009, Richards opened his first LEED Gold®-certified McDonald's restaurant in Cary, North Carolina. The restaurant featured an enclosed hydronic boiler system, multiple tubular skylights and LED lighting systems. In the years that followed, McDonald's joined the U.S. Green Building Council's LEED® Volume Program. In 2012, Richards decided to rebuild a second restaurant in Cary under the LEED® Volume Program. This restaurant, which opened in November 2013, is currently awaiting LEED® certification.

RESULTS By installing 100 percent LED lighting in the two restaurants, Richards has seen a substantial reduction in energy use in both restaurants. One of Richards' restaurants is estimated to save approximately 253,063 kWh per year over a baseline restaurant. Overall costs to rebuild Richards' second restaurant increased due to his desire to use additional elements, such as a solar array, electric car charging station, 100 percent recycled brick and energy-efficient hand dryers. The solar array is tied into the electric power grid and is estimated to produce approximately 49,056 kWh per year. Richards reports that the restaurant uses power directly from the solar array most of the time.

"As a proud McDonald's owner/operator, I feel strongly that taking advantage of the LEED® Volume Program to build a green, environmentally-friendly restaurant is definitely worth the effort. I am proud to complete my 2nd LEED®-certified McDonald's restaurant in Cary, a claim no other operator or city in North America can make! The bottom line is that you can build a LEED®-certified restaurant without it being (too) cost prohibitive."

- RIC RICHARDS



MEASURING PROTOTYPE PROGRESS IN U.S. RESTAURANT DESIGN

DIVERSEY WATER LESS URINAL PROGRAM



Rupali Gupta
 Manager Quality Assurance
 McDonald's India



Kapil Arora
 Senior Sector Manager
 Diversey Care, a division of Sealed Air

OPPORTUNITY The World Bank estimates that India will exhaust its fresh water by 2050 at the current rate of consumption. Furthermore, according to a May 2012 article in *Live Mint*, the government admitted to not being able to provide a minimum of 40 liters/day/person – the minimum requirement, per global standards. Still, people around the world flush toilets and urinals with potable water, and it is estimated that up to 20 percent of the world's available drinking water is flushed down the drain.

SOLUTION The average toilet uses anywhere from 1 to 3 gallons (3.7 to 11.3 liters) of water for each flush, a number typically abbreviated as GFP or gallons per flush. In India, water flow is generally adjusted at 2.5 liters per flush. Diversey Care, a division of Sealed Air, and McDonald's India (North and East), introduced the "Diversey Water Less Urinal Program" in 70 outlets with washrooms in northern parts of India to ensure that water consumption per outlet per year is reduced to only 2 kiloliters, or 528 gallons.

Diversey Care and McDonald's India (West and South) are also testing this application.

RESULTS It is estimated that McDonald's India, through the "Diversey Water Less Urinal Program," saved approximately 6,380 kiloliters, or 1,700,000 gallons, of water from going down the drain in McDonald's restaurants (North and East) in a twelve-month period.



John Rockwell
 Sustainability Manager
 McDonald's USA

OPPORTUNITY McDonald's USA has made improvements to its prototype restaurant building for the U.S., but it needed a comprehensive approach to measure energy and water use reductions within the designs to effectively evaluate progress.[®]

SOLUTION McDonald's USA created an internal aspirational goal for the U.S. Restaurant Development Department. This goal pertains to the standards for new-construction restaurants. Setting this goal created a way to measure the design against a target to help drive positive change. The goal is for McDonald's USA's new prototype buildings and equipment to be designed to reduce energy use and water consumption, as compared to its prototype buildings and equipment of 2005.* McDonald's USA also seeks to reduce construction material waste. Using the 2005 baseline, it was able to measure efficiency of its prototypes through 2012.

RESULTS The results to date indicate a 13 percent reduction/avoidance of energy use and about an 8 percent reduction/avoidance of overall water use. McDonald's USA will continue to measure progress moving forward to inform prototype enhancements.

** Actual restaurant performance varies by location and is affected by building size and features, sales volume, operating hours, climate and other factors.*



PLATINUM RESTAURANT IN AMSTERDAM



Bart Vermassen

Director Finance, Franchise & Supply Chain
McDonald's Netherlands

OPPORTUNITY McDonald's Netherlands aimed to reduce a restaurant's environmental impact by increasing the building's efficiency.

SOLUTION In 2011, McDonald's Netherlands opened a restaurant in Amsterdam equipped with energy efficiency technology, including photovoltaic panels that generate electricity and solar collectors that heat water. Additional features include a wind turbine, a charging station for electric cars, LED lighting, heat pumps for heating and cooling the kitchen, a heat recovery system, waterless urinals and infrared faucet sensors.

RESULT The E-Flag Restaurant is the first McDonald's restaurant in the Netherlands that fulfills the requirements of the McDonald's Europe internal Green Building Guidelines Platinum Standard. It also received the prestigious GreenBuilding Partner certificate in 2012 and the GreenBuilding Award in 2013 from the European Commission. McDonald's Netherlands is the first organization to receive the GreenBuilding Partner status and GreenBuilding Award for a non-residential building in the Netherlands. It is also the first McDonald's restaurant in Europe to receive this status.



GREEN LAB



Carla d'Andrea

Environment Coordinator
McDonald's Italy

OPPORTUNITY McDonald's Italy is exploring sustainable solutions across all functions in a new restaurant.

SOLUTION In Lainate, Italy, the McDonald's Italy team opened a restaurant that serves as a green lab for construction and equipment, human resources and overall operations. The restaurant was constructed and equipped with the latest generation of energy-efficient technologies and alternative energy sources, ranging from photovoltaic installation of a tri-generation energy plant to an energy management system and LED lighting. The restaurant offers the opportunity to test sustainable solutions and select the best options for future application in other Italian restaurants. The Lainate team is exploring operations policies for waste separation, anti-littering and energy control, along with new ways to train and engage staff.

RESULTS It is estimated that emissions and energy consumption will be reduced by 15 percent and the amount of energy from renewable sources increased by 15 percent in the restaurant. The experience gained will be shared to help make future Italian McDonald's restaurants more sustainable.



NO MORE WATER DOWN THE DRAIN



Heinz Hänni

Environmental Manager
McDonald's Switzerland

OPPORTUNITY In most areas of Europe, residents are lucky to have plenty of drinking water. It is one of the world's most precious resources, and McDonald's Switzerland identifies this as a good reason not to waste it.

SOLUTION McDonald's Switzerland installed Urimat dry urinals in all of its restaurants. With its special siphon and large-scale float, this system neutralizes all odors and helps to save significant amounts of water.

RESULTS The Urimat dry urinals help McDonald's Switzerland save about 45 million liters of water each year. This corresponds to about 10 percent of the total fresh water requirement and a corresponding cost savings.



FIRST LEED®-CERTIFIED MCDONALD'S RESTAURANT IN PUERTO RICO



Jose Merino
 Divisional Development Director
 Arcos Dorados Caribbean Division

OPPORTUNITY In January 2013, Arcos Dorados, the company's developmental licensee in Latin America and the Caribbean, inaugurated its fifth LEED®-certified McDonald's restaurant overall and the first in Puerto Rico at Plaza Guaynabo. In December of 2013, the restaurant obtained LEED® certification from the Green Building Council Institute (GBCI), becoming the first, new quick-service restaurant (QSR) in Puerto Rico with LEED® certification.

SOLUTION The goal of the Plaza Guaynabo restaurant project was to provide a more energy-efficient system through the application of sustainable practices. Highlights include the installation of LED lighting, a recycled steel structure, rainwater harvesting and contemporary décor with natural lighting and comfortable dining areas. The design promotes proper use of renewable, recyclable and local materials.

Additional features include:

- Parking for low-emission cars
- Permeable cobblestone with grass
- Bamboo canopy canvas
- Coir panel
- Reused bottles
- Recycled rubber floor
- Interior bamboo lining

RESULTS Top achievements at the restaurant include decreased energy consumption by approximately 8 to 10 percent and a 20-percent decline in potable water consumption compared to restaurants of similar size over a one-year period.

TOP IDEAS UNDER ONE ROOF



Stephen Douglas
 Director, Pilots & Implementation Europe
 Restaurant Development & Design Studio
 McDonald's Europe

OPPORTUNITY Restaurant buildings offer potential for environmental improvements. It is McDonald's Europe's goal to achieve this and leverage the ensuing benefits.

Solution McDonald's Europe has developed and published Green Building Guidelines for remodels and new restaurants. The guidelines feature a range of measures to increase a building's efficiency while reducing costs. All recommendations reflect the philosophy that efficiency must always be driven through the implementation of practical, lower-cost measures before considering the adoption of expensive, innovative technologies. At their core, the Green Building Guidelines comprise the standards of: Silver (minimum), Gold (recommended) and Platinum (aspirational) for remodels and Gold and Platinum for new buildings.

Results The guidelines for remodels were introduced in 2009, while the guidelines for new store openings were released in 2010, and are being applied across European markets. Although the guidelines represent internal standards, the principles applied in the documents for new restaurant construction reflect those contained in a range of separately recognized sustainable development certification programs operating in Europe (e.g., BREEAM in the U.K., HQE in France and DGNB in Germany).

“What we see across Europe is a strong move to improve the environmental performance of our restaurants, and our remodeling efforts and new store openings afford us a fantastic opportunity to do so.”

- **STEPHEN DOUGLAS**
 DIRECTOR, PILOTS & IMPLEMENTATION, EUROPE RESTAURANT
 DEVELOPMENT & DESIGN STUDIO
 MCDONALD'S EUROPE



GREEN STAR RESTAURANT KILSYTH



Brad McMullen
Sustainability Manager
McDonald's Australia Limited

OPPORTUNITY One of the McDonald's Australia Environmental Department's key objectives in 2011 was to obtain certification with the Green Building Council of Australia (GBCA) and design and build a scalable, Green-Star-rated McDonald's restaurant.

SOLUTION McDonald's Australia partnered with the GBCA with the aim of becoming an industry leader as the first quick-service restaurant (QSR) in Australia to develop and build an accredited, 4-star Green Building. This project has enabled McDonald's Australia to consolidate and incorporate a number of worthwhile sustainability initiatives into building standards.

RESULTS McDonald's Australia's first green restaurant is in the Victorian suburb of Kilsyth near Melbourne. The design and construction of the restaurant was a first for the QSR industry in Australia. The restaurant features innovative heating, ventilation and air conditioning (HVAC) design, rainwater harvesting, recycled building materials and solar panels. Several of these designs have now become standard for new restaurants, including high-efficiency HVAC design, rainwater harvesting and LED lighting.



PLANET CHAMPIONS IN THE U.K.



Helen McFarlane
Environment Consultant
McDonald's U.K.

OPPORTUNITY With Planet Champions, a voluntary program, McDonald's U.K. leverages the environmental enthusiasm of its restaurant crew.

SOLUTION McDonald's U.K. asks staff members to be the environmental voice in the restaurant, to help business managers with existing environment initiatives and to generate new ideas. The volunteers receive a day of training on broad environmental issues, the company's activities and how they can contribute. They have a year-long calendar of activities focusing on the key issues of litter, recycling and energy. A regular newsletter keeps them up-to-date, informs them about competitions and gives them a forum to share ideas.

RESULTS So far, about 1,100 McDonald's restaurant staff in the U.K. have volunteered to be Planet Champions in 674 restaurants. The network achieved an increase in cardboard recycling and incremental energy savings. It also helped to increase awareness of environmental initiatives among non-champion crew in pilot restaurants. The Planet Champions program won the Green Apple award for employee engagement and was shortlisted for the PEER Awards. In 2011, the program was extended to Ireland, Norway and Sweden.

TOGETHER TOWARDS A SUSTAINABLE FUTURE



Stephen Douglas
Europe Restaurant Development & Design Studio
McDonald's Europe

OPPORTUNITY To further improve the environmental footprint of restaurant remodels and new restaurants, McDonald's Europe encourages its key suppliers of furniture, fittings and materials to gain the external ISO 14001 accreditation.

SOLUTION ISO 14001 is an international standard that specifies a process for controlling and improving a company's environmental performance. This standard introduces a set of requirements that will enable suppliers to implement an effective environmental management system within their organizations, helping them to protect the environment, prevent pollution and reduce their carbon footprint.

RESULTS Of the top 39 European suppliers to restaurant remodeling and new store opening programs, 75% have already achieved accreditation.



RAINWATER HARVESTING AT FREE-STANDING DRIVE-THRU



Vinay Halambi

General Manager, Construction

McDonald's India, Hardcastle Restaurants Private Ltd.

OPPORTUNITY Water scarcity is a major problem in many cities and states across India. There is increasing demand for water resources for development purposes, which compete with the need to maintain healthy ecosystems. As a result, the allocation of water resources presents a challenge.

Ecosystem services suffer when rain and groundwater become scarce due to changes from wet to dry seasons or during seasonal droughts. As the leading quick-service restaurant (QSR) brand in India, McDonald's India continuously looks at methods to reduce its environmental footprint and implement improved business practices.

SOLUTION McDonald's India directs the flow of rainwater into the stormwater drain at restaurant sites, where the water converges and drains into a sedimentation or settling tank with a bar screen. Collected water from the settling tank is routed to recharge pits filled with alternating layers of gravel, sand and rocks of various sizes that act as a natural filter before the water drains into the water table.

RESULTS It is estimated that McDonald's India recharges approximately 106,400 liters of water per year, based on a recharge efficiency of 50 percent of the rainwater landing on a roof area measuring approximately 190 square meters (2,000 square feet).



ALL IN ONE



Sophie Boucher

Environment Manager

McDonald's France

OPPORTUNITY The McDonald's restaurant in Plaisance-du-Touch is the embodiment of McDonald's France's vision for the environment and an indicator of its approach toward eco-efficient restaurant building.

SOLUTION In 2008, McDonald's France built a restaurant that is eco-designed in every aspect, from landscaping to interior design. In Plaisance-du-Touch, all eco-technologies tested and approved by McDonald's France can be found in a single restaurant. The restaurant is equipped with geothermal technology, photovoltaic panels, energy-efficient lightning and dry urinals, to name just a few of the many energy-efficient devices installed. The colors, materials and illustrations chosen for interior decoration carry the environmental theme to encourage customers to adopt environmentally friendly practices. During the building process, care was taken to reduce waste and emissions and eco-friendly construction materials were used, including certified wood and glazing with reinforced heat insulation.

RESULTS In 2011, the restaurant obtained the French High Environmental Quality (HQE) operation label. It is the first restaurant in France to receive this external certification that focuses on the environmental quality of the building as much as on the environmental quality of operational practices. During the five-year period after the certificate is granted, the restaurant has to continue to improve and raise its initial quality level. Plaisance-du-Touch is the start of McDonald's France's initiative to raise the number of its HQE-certified restaurants.



NEW POLICIES YIELD SIGNIFICANT WATER SAVINGS



Brad McMullen
Sustainability Manager
McDonald's Australia Limited

OPPORTUNITY While McDonald's Australia has implemented a number of green building initiatives, one area of current focus is water retention and landscaping policies at the restaurants. These actions address the company's environmental concerns and impacts related to the drought that has affected most of the country.

SOLUTION The revised design guidelines educate contractors and field personnel on issues such as water conservation, the use of native and drought-resistant plantings and advanced stormwater retention methods. The guidelines also seek to reduce irrigation and maintenance costs and build awareness of McDonald's Australia's commitment to addressing the drought conditions and broader environmental impacts throughout the country. Rainwater tanks are now a standard in all new restaurants and are used for toilet flushing and irrigation. McDonald's Australia has also branded the tanks with its environmental logo to help communicate its commitment to sustainability.

RESULTS Some water conservation technologies in use at McDonald's Australia restaurants include low-flow spray nozzles, dual-flush toilets and extensive native landscaping and water conservation improvements through smart irrigation practices. These landscaping guidelines were recently updated to include:

- A stronger environmental focus reflecting current community attitude
- More detailed site planning and water-sensitive urban design
- More options for restaurant refurbishment

IT'S COOL TO BE GREEN



Pascal Bataille
Equipment Director
McDonald's Europe

OPPORTUNITY As early as 1987, McDonald's phased out chlorofluorocarbon greenhouse gases in its packaging. Today, McDonald's Europe's promotion of hydro-fluorocarbon-free (HFC-free) refrigeration technology and its commitment to an HFC-free future makes it once again an innovative leader in the industry.

SOLUTION Over the last decade, McDonald's Europe has taken various steps to advance the development of HFC-free equipment. With the decision to open two HFC-free restaurants in Denmark, a demand for alternative refrigeration technology was created, and McDonald's Europe challenged suppliers to find acceptable solutions and provided a test site. With Greenpeace, the United Nations Environment Program and other major companies, such as Coca-Cola and Unilever, McDonald's Europe further promoted the research, development and implementation of HFC-free appliances with Refrigerants, Naturally!. In 2005, this joint initiative received the U.S. Environmental Protection Agency's Climate Protection Award, and in 2011 it received the Roy Family Award for Environmental Partnership from the John F. Kennedy School of Government at Harvard University.

RESULTS It is McDonald's Europe's goal to introduce HFC-free options for new or replacement equipment when economically feasible and where allowed by regulation. To date, McDonald's Europe has already implemented more than 9,000 HFC-free equipment items, including meat freezers, frozen fry dispensers and display refrigerators, and continues to work with its suppliers to push for viable alternatives for all of its refrigerant equipment.



RECHARGE YOUR BATTERIES



Henrik Nerell
Environment Manager
 McDonald's Sweden

UP TO INTERNATIONAL STANDARDS



Tomasz Kurpiewski
Environment & Internal Audit Manager
 McDonald's Poland

OPPORTUNITY McDonald's Poland wanted to take a leadership position on environmental issues and sought to certify the environmental efforts of its company-operated restaurants to a high international standard.

SOLUTION In 2004, McDonald's Poland validated its company-operated restaurants to the internationally recognized standard ISO 14001. The certification has been successfully renewed since 2004. In addition, external audits in accordance with ISO 14001 are carried out every year. The certificate confirms that McDonald's Poland's company-operated restaurants comply with high standards of environmental management and legal requirements.

RESULTS The ISO certification greatly contributed to the strengthening of McDonald's Poland's leadership position in this critical area. Certification also led to a significant increase in trust among key stakeholders, as McDonald's Poland is the only restaurant chain in Poland to have received ISO 14001 certification for its entire system. The Polish National Board of Ecology recognized the company's outstanding initiatives with the prestigious Environment Friendly Company Award for 2010 and again for 2011.

OPPORTUNITY To support sustainable travel to McDonald's restaurants and show leadership in the area of innovation and sustainable development, McDonald's Sweden developed "McCharge."

SOLUTION In 2009, McDonald's Sweden installed its first charger for electric cars at one of its restaurants. As of May 2014, there are chargers installed at eight restaurants in Sweden. The chargers provide statistics regarding the number of times they have been used and the amount of electricity provided to charge vehicles.

In 2012, Fortum, a Swedish power company, and Nissan, a Japanese car manufacturer, started a new charging project. These two companies planned to connect the Nordic capitals – Helsinki, Stockholm, Oslo and Copenhagen – with "Green Corridors" where fast chargers for electric cars would be available every 100 to 150 kilometers. McDonald's Sweden became one of the partners, and through this project it installed 10 fast chargers at its restaurants, with two more planned for installation during 2014.

RESULTS Charging electric vehicles has been very well received by key stakeholders. The initiative received positive media attention and the project, along with the many years of commitment to environmental progress, earned McDonald's a silver award in the category of Best Environmental Work at the Arla Foods Gala, the industry equivalent to the Academy Awards.

McDonald's Sweden's progress toward providing charging stations has evolved quite a bit since it started putting charging poles at its restaurants in 2009. At this point, McDonald's Sweden is in the final stages of completing the Green Corridor project with Fortum and Nissan. The quick charger fully charges a car in only 25 minutes, after which cars can drive an additional 100 to 150 kilometers. The project includes 20 quick chargers in Sweden, and of those, 12 will be placed at McDonald's restaurants (with 10 currently in place).

Due to lack of infrastructure, the number of electric cars in Sweden is low overall. However, McDonald's Sweden has received positive feedback for taking these first steps and is well positioned to be the "place to go" to charge an electric vehicle.



SUPERLIZZY IN THE LOBBY



Carla D'Andrea
Environment Manager
McDonald's Italy

OPPORTUNITY Looking for ways to improve waste separation, McDonald's Italy has found Superlizzy, a waste separation unit that helps to reduce waste volume and time spent on waste disposal.

SOLUTION Superlizzy is a simple-to-install and easy-to-handle unit with an automatic liquid separation and waste compacting function. It replaces conventional waste bins in the lobby, which allows for only one instead of multiple collection points. As a result, less space is consumed and fewer waste bags are needed with Superlizzy. In addition, tray-emptying time is reduced by one-third, no more liquid collects in the waste bag and less employee time must be spent cleaning the equipment.

RESULTS Units have been installed and are working successfully in about 40 percent of the McDonald's Italy restaurants. They are attractive additions to the restaurants and the number of customers emptying their trays has increased. Local authorities and waste collectors have also provided positive feedback.



GREENING OUR WORK PLACES

In addition to the work we do in McDonald's restaurants and along the supply chain, engaging our employees about the environment and making our offices more efficient and environmentally friendly makes us a stronger company and a stronger brand. At our home offices in the United States, the Workplace Green Team hosts initiatives and events to encourage corporate employees to be sustainable at work, at home and in their communities. These and other workplace initiatives aim to foster a culture of environmental awareness and support the company's corporate social responsibility and sustainability goals.



CMOR 2013: MCDONALD'S MOST SUSTAINABLE CONVENTION EVER



Julie Larson

*Project Manager, Meetings & Events
McDonald's USA*



Joshua Rice

*Senior Meeting Planner, Meetings & Events
McDonald's USA*

OPPORTUNITY McDonald's USA worked to make the 2013 Combined Manager Operator Rally (CMOR) for the U.S. Central, East and West Divisions the most sustainable McDonald's conference to date.

SOLUTION The team looked at all aspects of the three-week convention and created a plan that encompassed:

- Robust communication to elevate attendee engagement on sustainability
- Philanthropic events for the conference planning team that included time at a local food bank, hygiene programs for children and serving dinner at the local Ronald McDonald's House Charities (RMHC) House
- Waste reduction through recycling, composting and post-show donation of exhibit materials and signage

RESULTS Thanks to strong supplier partnerships, McDonald's USA executed the most sustainable McDonald's conference to date.

- 92 percent landfill diversion rate from the Sands Expo Hall (a "best" for McDonald's and Sands Expo)
- Industry-first application of a mobile app game, the CMOR Challenge, which benefited RMHC
- 5 tons of donated exhibit materials
- 75 volunteer hours at a local food bank and RMHC House



SUPPLY CHAIN PRODUCT CHANGE APPROVAL FORM



JEFFREY FITZPATRICK-STILWELL

Senior Manager, Sustainability & Government Relations
McDonald's Canada

OPPORTUNITY Many items, including packaging or other support items for the restaurants, are changed over time for various reasons. McDonald's Canada uses a change form that requires several sign-offs before a change can be approved. Business managers from several departments must sign off; however, it was recognized that another sign-off should be added – sustainability.

SOLUTION By adding a sign-off requirement for the manager of sustainability, it provided that manager with the ability to review all proposed changes and offer input and advice on modifications that have an environmental impact.

RESULTS The manager of sustainability for McDonald's Canada is now fully aware of all changes under consideration and has an understanding of why the change is being proposed. This enables a better awareness of the changes taking place and the reason why, but also allows for the possibility of providing important feedback.



LIGHTENING UP OUR LANDFILL WASTE



Cindy FitzGerald

Manager, Workplace Solutions
McDonald's Corporation

OPPORTUNITY In two out of three of McDonald's Corporation's Home Office workplaces in Oak Brook, Illinois, the Workplace Solutions Team has been successful in driving an upward trend in landfill diversion rates through a combination of education, waste audits and ongoing process improvements. In the Campus Office Building (COB), compostables, as defined by local regulations, represented 47 percent of the landfill waste stream, and the number of building occupants was rising steadily. To better manage landfill waste, the team implemented a value-based composting program that was easy for occupants and service providers to support.

SOLUTION In early 2012, the Workplace Solutions Team partnered with Environmental Waste Solutions (EWS), Republic Systems, Jones Lang LaSalle (JLL) and Building Services of America (BSA) to implement an onsite composting program for food, other organics, and paper and cardboard serve ware. After assessing volumes, physical building design and operational processes, the team decided to move forward with the installation of an on-site sealed compactor at COB. Built specifically for the needs at COB, the 23-yard compactor was installed in June 2012, and composting bins labeled with visual cues were deployed in various locations throughout the building.

RESULTS During the first six months of the program, approximately 30 tons of waste was composted; we exceeded 65 tons in 2013. Composting has also been expanded to the McDonald's USA headquarters building, Hamburger University and in the dining area of the COB Arch restaurant. This effort has contributed to a home office landfill diversion rate of approximately 80 percent in 2013.



MAINSTREAMING A SUSTAINABLE WORKPLACE



Cindy FitzGerald

*Manager, Workplace Solutions and Green Team Steering Committee Chair
McDonald's Corporation*

OPPORTUNITY The Home Office Workplace Green Team aims to 1) drive an upward trend in workplace sustainability by inspiring U.S.-based office employees to be sustainable at work, at home and in their communities; and 2) help foster a culture where responsible actions are the norm, instilling a sense of pride and encouraging innovative ideas and actions in support of McDonald's global sustainability goals.

SOLUTION In 2013, the company's Green Team strengthened its alignment with the Global Corporate Social Responsibility and Communications teams and expanded field office representation and participation. The initiative provided ongoing support of a volunteer-based Workplace Green Team and the achievement of team goals that support brand McDonald's.

RESULTS Highlights from 2013 include:

- Get Caught Being Green in 2013 Green Team Ambassadors program: Throughout the year, team members donned Green Team aprons and provided hands-on training for composting and recycling. The team recognized and rewarded employees who demonstrated sustainable behaviors, such as using reusable cups and compost and recycling bins.
- Quarterly Green Games and Activities:
Designed to build sustainability awareness and knowledge, these events attracted over 1,000 participants from across the United States. Quarterly Green Games included:
 - o Compost, Recycle or Landfill? – Over 360 people demonstrated their knowledge of how to dispose of their waste when at the office.
 - o Sustainability Speak – Close to 300 people participated in this multiple-choice game to test their understanding of "green" terminology.
 - o iACT Blitz – Over 400 people have voluntarily entered their data in a commuter reporting tool (iACT) used to measure carbon footprint and resource savings achieved via alternative commute practices.
 - o Connecting with Nature Photo Contest – New in 2013, some 25 amateur employee photographers submitted photos showing how they connect with nature. The "best of the McDonald's" photos were submitted in Conservation International's photo contest.
- Bike to Work Week – Alternative commute practices can be a challenge for suburban workplaces. But more than 20 employees participated in the Bike to Work Week, creating a supportive community that shares information on routes and tips to tackle the suburban bike commute.
- Good Neighbor Family Film Fest – This annual event provides information and fun for employees and their families. Over 140 people of all ages enjoyed viewing the environmentally themed movie, "Over the Hedge," networking with their colleagues and creating bird feeders. Employee feedback has been very positive, and participation continues to increase.

GREENING THE COMPANY CAR FLEET



Sue Miller

*Director, Fleet Program and Services
McDonald's Corporation*

OPPORTUNITY McDonald's wanted to design a cost-effective company car program that encourages drivers to select a "green" vehicle over traditional vehicle choices for their business-related driving needs. This needed to be done without compromising program cost, the driver's perception of choice or overall satisfaction with the fleet program.

SOLUTION After an extensive assessment, vehicles were placed into three specific categories: green, premium or ultra. These categories align with a driver personal-use charge that offsets the operating expense of each vehicle type. With this approach, the company is able to provide a generous selection in terms of vehicle choice, while balancing overall program costs. The green category contains high miles-per-gallon vehicles, has the lowest personal-use cost of all three categories and contains well-equipped vehicles – including hybrid hatchback and sedan options – at no upgrade cost to the driver.

RESULTS From January 1, 2008, through January 1, 2014, McDonald's achieved:

- A 48-percent increase in the number of green vehicles ordered. Green vehicles represented 46 percent of all vehicles ordered during this timeframe; and
- A 13-percent decrease in greenhouse gas (GHG) imperial emissions per unit.



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McDonald's Global Best of Green is available on the web. It highlights the leading environmental innovations tested and successfully applied in McDonald's markets around the world.

While you're there, check out McDonald's Global Best of Sustainable Supply, a collection of leading best practices from across the McDonald's supply chain.

To learn more about Sustainability and McDonald's, check out: aboutmcdonalds.com/mcd/sustainability.html