



HELPING LEAD A
GLOBAL MOVEMENT FOR
BEEF SUSTAINABILITY

Join us on the path forward.



When you eat one of our world-famous burgers, you're joining a movement toward a more sustainable future.

It's a movement that will help lead us to a world in which beef is produced in a more socially responsible, environmentally sound and economically viable way.

Why? McDonald's is synonymous with burgers and as one of the largest purchasers of beef globally, we have the responsibility to help lead the industry toward better and more sustainable practices when it comes to beef.

We've been working with farmers, environmental groups and governments for more than a decade to help advance beef farming and production practices.

This global movement is gaining extensive momentum through conversations, collaborations, pilot programs and global and local roundtables, and is helping influence not just the beef served at McDonald's, but all beef production around the world.

Read on to find out how.

This report outlines key highlights of our efforts to date in helping to lead a global movement on beef sustainability and future goals. Here's what we'll cover:

- What is Beef Sustainability?
- Introducing Our Beef Sustainability Program
- Working Together & Building Momentum
- Partnership for a Better World
- Our Ambitious 2020 Goals
- Preserving Our Forests
- Our Journey So Far
- Making a Positive Impact Around the World

WHAT DO WE MEAN BY BEEF SUSTAINABILITY?

Since 2011, we have worked closely with industry leaders as a founding member of the [Global Roundtable for Sustainable Beef \(GRSB\)](#) and through this work, in 2014, the GRSB collectively finalized a global set of principles and criteria for what sustainable beef should be.

We acknowledge that sustainability will be unique in different markets around the world, as the way beef is produced and the associated impacts vary greatly from country to country.

These principles guide us because we believe no matter where in the world beef is produced or what type of production system, it should be done so in a way that delivers on the following principles:

NATURAL RESOURCES: Manage the planet's natural resources responsibly and enhance the ecosystems health.

PEOPLE AND THE COMMUNITY: Respect the individuals most affected by the production of beef and recognize the impact on their community, culture and health.

ANIMAL HEALTH AND WELFARE: Caring for the health and welfare of the animals in our supply chain.

FOOD: Work together to help ensure the safety and quality of the beef served.

EFFICIENCY AND INNOVATION: Encourage innovation to optimize production, reduce waste and add to economic viability.



Francesca DeBiase
Chief Supply Chain and
Sustainability Officer,
McDonald's Corporation

How do you plan to help advance beef sustainability around the world?

Our size and reach give us a platform for change, but meaningful progress really comes down to teamwork. Along with farmers, advocates, governments and McDonald's local country teams, we're enabling innovations and making sure financially viable practices reach more and more of the McDonald's supply chain — and the broader marketplace.

What gives you confidence you can meet the commitments McDonald's has made?

We've made strong progress since we kicked off our global commitment in 2014. For example, in Canada and through Arcos Dorados in Brazil, McDonald's system already purchased beef from verified sustainability programs that follow recognized international principles. We're also supporting sustainability programs with partners in each of our top beef supply countries, with some exciting progress that's highlighted later in the report. Overall, beef sustainability is not a 'one company effort', it's a collective movement in the right direction.



INTRODUCING OUR BEEF SUSTAINABILITY PROGRAM

McDonald's is synonymous with burgers and because the McDonald's system is one of the largest purchasers of beef globally, beef matters to us.

This means supporting beef production that is environmentally sound, advances animal welfare and improves farmer livelihoods matters to us.

That's why we're working with farmers and ranchers across the world to discover, practice and help scale sustainable farming methods.

Our beef sustainability program aims to:

ACCELERATE INDUSTRY PROGRESS

We want to help lead an industry-wide movement on beef sustainability. Across our biggest beef sourcing regions, our goal is to promote beef sustainability programs that take sustainable farming practices to scale.

PIONEER NEW PRACTICES

We will create a global network of innovative farms to discover and trial new and cutting-edge practices, like rotational grazing practices. We'll also access agricultural and scientific expertise to assess and validate the impact and benefits of new practices and solutions.

SHARE KNOWLEDGE AND TOOLS

Working closely with the farming community we will develop industry tools to help farmers measure, benchmark and demonstrate their sustainability progress, in a way that adds value to their business.

One of these tools is our [Flagship Farmers initiative](#), which profiles progressive farmers who have developed innovative solutions to key sustainability challenges like soil health, animal welfare, ecosystem protection and reducing beef's carbon footprint, while also demonstrating that sustainable farming practices go hand-in-hand with a sustainable farm business.

It's important to remember we're borrowing from our children and grandchildren, rather than spending their inheritance. That's a tremendous privilege and responsibility.

— SEAN MCGRATH

*Rancher (Vermillion, Alberta),
participant of the
Canadian Beef Pilot*

OUR AMBITIOUS 2020 VISION FOR SUSTAINABLE BEEF

By the end of 2020 in each of our top 10 beef sourcing countries (US, Australia, Germany, Brazil, Ireland, Canada, France, NZ, UK, Poland), which collectively represent more than 85% of our global beef volumes, we will:

1. ACCELERATE INDUSTRY PROGRESS

Source a portion of our beef from suppliers participating in sustainability programs aligned with the GRSB principles and criteria, and that meet McDonald's requirements* for each applicable market.

2. SHARE KNOWLEDGE AND TOOLS

Engage with local farmers through farmer outreach projects to help develop and share best practices related to our Priority Impact Areas.

3. PROMOTE FLAGSHIP FARMERS

Select and showcase McDonald's Flagship Farmers to demonstrate leading best practices related to our Priority Impact Areas.

4. PIONEER NEW PRACTICES

Set up McDonald's Progressive Farm Partnerships to trial and discover new practices related to our Priority Impact Areas.

5. PRESERVE FORESTS

In regions with identified risks relating to the preservation of forests, verify that the beef sourced from those regions comes from farms where primary forests and high conservation value lands are preserved.

[Read Our Commitment on Forests](#)

We aim to set specific country-based ambitious beef sustainability targets in these 10 countries.

To help us have the greatest impact, we've prioritized seven areas to help McDonald's contribute to a more sustainable future for all of us:

- Advance economically viable farming
- Preserve forests
- Address climate change
- Reduce food and packaging waste
- Respect human rights
- Promote the health and welfare of animals
- Protect water

* McDonald's program requirements include transparency, credible verification and measured performance against clearly identified impact areas.

WORKING TOGETHER & **BUILDING MOMENTUM**



How this All Began

In 2010, McDonald's came together with Walmart, JBS, Cargill, World Wildlife Fund (WWF) and others to convene the first Global Conference on beef sustainability, which brought together 350 packers, processors, restaurants and retailers, associations and activists from around the world.

Out of that event came the formation in 2012 of the GRSB, a multi-stakeholder initiative aimed at advancing sustainability through engagement and collaboration. GRSB now consists of 75 members in five constituencies: producers and producer associations, the commerce and processing sector, retail companies, civil societies, and national or regional roundtables

Thanks to the work of this group plus the many farmers making the improvements on the ground, more steps are being taking toward a more sustainable future for beef.

Without McDonald's, the roundtable would not have made the global, industry-wide inroads it has toward making beef a socially responsible, environmentally sound and economically viable product. McDonald's is also involved in many local offshoots of our work, demonstrating its commitment at every level.

— **DENNIS LAYCRAFT**

President, Global Roundtable for Sustainable Beef



PRESERVING OUR FORESTS

ONE BURGER AT A TIME

We want you to have the confidence of knowing the beef only comes from farms that meet the criteria outlined in our [Commitment to Forests](#). We're committed to eliminating deforestation from our beef supply chain by 2020 focusing on the countries with identified deforestation risks – **making us one of the first global restaurant brands to take a stand to confirm that forests are protected while beef is produced.**

Read more on our website about what it takes to know that the farms we get beef from around the world comply with our global [Commitment on Forests](#).



Helping Build a More Sustainable Future for Beef
McDonald's and World Wildlife Fund

Jason Clay Senior Vice President,
Markets and Food, World Wildlife Fund

Why is WWF working on beef?

Demand for food will double over the next 40 years as the global population increases. If we are to limit our impact on the planet from producing food, we need to use natural resources—land, water, etc.—and feed more efficiently. For example, we need to produce beef with fewer impacts. WWF works with McDonald's to engage stakeholders across its beef supply chain to help protect forests and other habitats, preserve clean water and reduce greenhouse gas emissions and other impacts.

What does McDonald's bring to the beef sustainability movement?

Beef sustainability requires participation and engagement from ranchers, consumers and everyone in between. As one of the largest single customers of beef globally with operations in over 100 countries, McDonald's is able to engage every point along the value chain. The company helped create the Global Roundtable on Sustainable Beef and plays a big part in supporting local Roundtables and groups working on beef sustainability around the world. With the help of McDonald's active engagement, the national and global roundtables are making progress to develop locally relevant indicators to measure impacts and success on the ground in the world's largest beef producing regions.

OUR JOURNEY

SO FAR

Here are some of the more recent milestones in the global movement toward progressing beef sustainability:

2012

Global Roundtable for Sustainable Beef co-founded by McDonald's, WWF, beef suppliers Cargill and JBS and many others in the beef industry. Dialogue begins.

2014

Guiding principles and criteria for beef sustainability published by the Global Roundtable for Sustainable Beef. For the first time, the industry has shared global principles and criteria for producing beef in a socially responsible, environmentally sound and economically viable way.

McDonald's set its first external commitment to support sustainable beef production and to purchase verified sustainable beef in the future as part of its 2014 Global Sustainability Framework.

Local roundtables and working groups begin creating a common understanding of risk areas and opportunities and tailoring solutions to their regions' needs.

2016

We met our commitment, established in 2014, to begin purchasing sustainable beef. In 2016, we purchased a portion of beef from a fully verified sustainable supply chain in Canada through a pilot program, followed by Arcos Dorados, McDonald's Developmental Licensee in Brazil sourcing beef through the Novo Campo program during the Rio Olympics.

Through these programs we are learning how to deliver meaningful impact through a more sustainable beef supply that is scalable, requires ongoing measurement of performance, assumes third party assurances/audits and delivers credibility and transparency.

The Canadian Roundtable for Sustainable Beef is really thankful for the McDonald's project because it's really created the framework that we needed to be able to advance our industry as a whole down the path of verified sustainable beef.

— CHERIE COPITHORNE-BARNES, Chair, CRSB

CASE STUDY McDONALD'S CANADA

WHAT WE DID:

In 2016, McDonald's Canada concluded their first beef sustainability pilot and the industry's first program to meet the principles and criteria established by the GRSB. It was a locally relevant, outcome-based initiative that touched all parts of the supply chain, including ranchers, feedlot operators and packers. As a result, McDonald's purchased a portion of its beef from a fully verified sustainable supply chain.

DETAILS

The McDonald's Canada Pilot program verified the achievement of positive outcomes including:

- Maintaining well-managed grazing systems
- Management plans that protect creeks, rivers, and riparian areas
- Nutrient management plans and storm water containment
- Leading animal welfare practices
- Support of local rural economies

Between January 2014 and April 2016, the pilot program verified operations and tracked cattle chain of custody through a verified sustainable supply chain, including:

- 121 farms and ranchers
- 20 feedlot
- 2 packers
- 1 patty plant - covering a total 144 operations and 8,967 cattle

Well-managed cattle grazing is key to maintaining native North American grasslands. The partnership with the Canadian Roundtable for Sustainable Beef shows that businesses, local ranching communities, and conservationists can listen to and learn from each other while pushing toward mutual goals.

—
NANCY LABBE

Senior Program Officer, WWF



WHAT ALL THAT MEANS

Key learnings from this pilot will continue to have a ripple effect throughout the Canadian beef industry, as they help to inform next steps and accelerate implementation of the Canadian Roundtable for Sustainable Beef (CRSB)'s beef sustainability verification framework across Canada.



CASE STUDY McDONALD'S U.S.

WHAT WE DID:

McDonald's USA, a founding member of the U.S. Roundtable for Sustainable Beef (USRSB), has been working with the industry to establish a set of metrics that will improve beef sustainability throughout the supply chain.

DETAILS

Progress has already been made toward bringing these metrics to life, which will make it easier for beef producers and retailers to bring more sustainable beef to your table. Specifically, through the work of McDonald's and other members of the USRSB, we're asking important questions, like:

Can Adaptive Multi-Paddock (AMP) grazing remove carbon from the atmosphere and store it in the soil? Can these practices boost rancher productivity and regenerate ecosystems as well?

A team of researchers from the following universities: Arizona State, Colorado State, Michigan State, New Mexico State, and Texas A&M AgriLife Research, along with other experts are exploring these questions. McDonald's has committed \$4.5 Million over three years to support this landmark research.

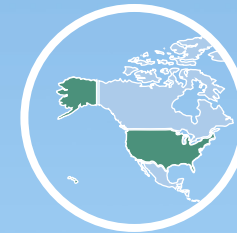
How will the U.S. roundtable's metrics work across the beef supply chain?

McDonald's U.S. is working with The Noble Foundation, the Beef Marketing Group, Tyson Foods, and Golden State Foods to test the application of these metrics through the entire beef supply chain.

This research will examine every step of beef production from the ranch to the consumer's plate.

BILLY COOK, PH.D.

Senior vice president and director of the Agricultural Division at the Noble Foundation



WHAT ALL THAT MEANS

The U.S. beef industry will soon have a set of metrics for six sustainability indicators, with field-tested insights that will help support the implementation of real life solutions.

The project has already begun.



CASE STUDY EUROPE / IRELAND

The McDonald's system purchases approximately 2.5% of all beef produced in the EU - from around 470,000 farms. For more than a decade, we have worked to establish a number of programs aimed at advancing the industry towards more sustainable practices. Our most recent achievement has been working with other key players in the European Beef Industry through the SAI Platform Beef Working Group to develop a sustainability benchmarking tool for existing farm assurance schemes across Europe – the SAI Platform's Beef Farm Sustainability Assessment (FSA). It's aligned with GRAB principles.

After early stage testing of the beef FSA with more than 90 farmers from all corners of our European supply chain, it's now being launched through pilot programs in several European countries. McDonald's is currently aligning its supply chain to lead and support these pilot programs across our biggest European beef markets.

One of the countries involved in the pilot programs is Ireland. As the largest purchaser of Irish beef, McDonald's works closely with Bord Bia (the Irish Food Board) on Origin Green, the only sustainability program in the world which operates on a national scale, uniting government, food producers and farmers. A key element of the program is the Bord Bia Beef & Lamb Quality Assurance Scheme. All of the Irish beef we source in McDonald's comes from Quality Assured farms.

DETAILS

Some 49,000 farms, equating to 90% of Irish beef output, are currently certified under this program and audited every 18 months. Bord Bia has already made great progress on beef sustainability, with farmers voluntarily providing data on key sustainability measures including greenhouse gas emissions to help improve the efficiency and carbon footprint of Irish farms. To date, over 117,000 carbon assessments have been conducted.

Sustainability to me on this farm means that I am getting the maximum amount of production off of every acre that I have here, and that our farming methods are as near to nature as they can possibly be.

—
JOHN POWER

*Bord Bia certified beef producer
and McDonald's Flagship Farmer*



WHAT ALL THAT MEANS

The SAI Platform aims to help create impactful beef sustainability programs across Europe, helping farmers to demonstrate the action they're taking to farm sustainably, as well as, in the longer term, providing a resource to benchmark their progress over time.



Hungry for more details about how we're leading the way toward a more sustainable burger? [Click Here](#)

UNITED KINGDOM

The farms assessed each year through one of the largest independent beef carbon footprint studies to date reduced carbon emissions by an average of 23% over six years.

GERMANY

More than 2,700 farmers have joined the BEST Beef Program, which helps maintain a high level of local sourcing and promote a more sustainable approach to beef farming.

NEW ZEALAND

Partnered with key industry leaders to encourage improved and sustainable production through a sustainable beef integration project.

BRAZIL

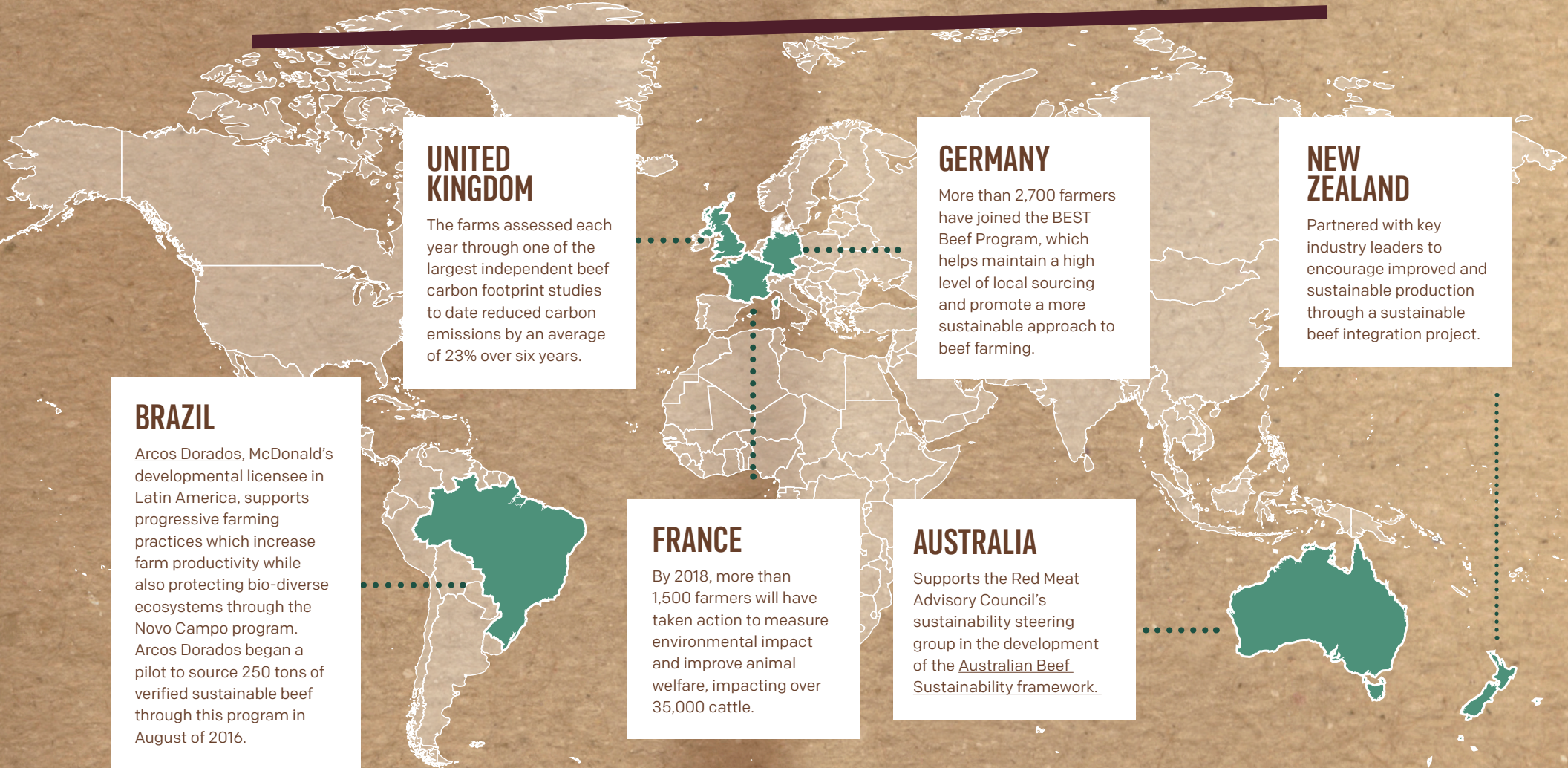
Arcos Dorados, McDonald's developmental licensee in Latin America, supports progressive farming practices which increase farm productivity while also protecting bio-diverse ecosystems through the Novo Campo program. Arcos Dorados began a pilot to source 250 tons of verified sustainable beef through this program in August of 2016.

FRANCE

By 2018, more than 1,500 farmers will have taken action to measure environmental impact and improve animal welfare, impacting over 35,000 cattle.

AUSTRALIA

Supports the Red Meat Advisory Council's sustainability steering group in the development of the Australian Beef Sustainability framework.



Beef is at the core of who we are at McDonald's,
and when you enjoy one of our world famous burgers we want you to
feel good about the journey we're on for a more sustainable future.

Let's keep moving forward, together.

