

Particulars

About Your Organisation

Organisation Name

McDonald's Corporation

Corporate Website Address

www.AboutMcDonalds.com

Primary Activity or Product

- Wholesaler and/or Retailer
-

Related Company(ies)

No

Membership

Membership Number	Membership Category	Membership Sector
3-0044-11-000-00	Ordinary	Retailers

Retailers

Operational Profile

1.1 Please state what your main activities are within retailing

- Other:

Food Service

Operations and Certification Progress

2.1 Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

2.2.1 Total volume of Crude Palm Oil processed and/or traded in the year:

119732.00

2.2.2 Total volume of Palm Kernel Oil processed and/or traded in the year:

2752.00

2.2.3 Total volume of other Palm Oil Derivatives and Fractions processed and/or traded in the year:

185.00

2.2.4 Total volume of all palm oil and palm oil derived products you processed and/or traded in the year:

122669.00

2.3 Palm Oil volume used in the year in your own brand products that is RSPO certified

No	Description	Crude Palm Oil (Tonnes)	Palm Kernel Oil (Tonnes)	All other palm-based derivatives and fractions (Tonnes)
2.3.1	Book & Claim	103361.00	2194.21	124.39
2.3.2	Mass Balance	10361.00	179.75	2.47
2.3.3	Segregated	420.00		58.59
2.3.4	Identity Preserved			
2.3.5	Total volume of palm oil used that is RSPO-certified:	114142.00	2373.96	185.45

2.4 Volume of all other palm-based derivatives and fractions covered by Book & Claim

124.39

Time-Bound Plan

3.1 Date expected to start (or year started) using RSPO-certified palm oil products - own brand

2012

3.2 Date expected to be (or already) using 100% RSPO certified palm oil products from any supply chain option - own brand

2015

Comment:

In 2015, the Company came close to achieving its goal of having 100% of palm oil used for restaurant cooking or by McDonald's suppliers to par-fry chicken and potato products be RSPO-certified sustainable or covered by GreenPalm Book and Claim certificates by 2015. As of the end of 2015, approximately 98% of palm oil used for these purposes was either certified or covered in this way. The information above reflects data submitted by McDonald's suppliers and is the truest representation at this time. In 2015 we began discussions with our suppliers to ensure that we cover at a minimum 100% of volumes with GreenPalm certificates, but are also developing time bound plans beyond this target. The plans will include a shift to mass balance certified purchases by year end 2016, including reports from all palm suppliers on their traceability work and action plans to address deforestation and human rights risk. We will develop plans to cover the following five categories: (i) restaurant frying oil, (ii) chicken par fry oil, (iii) potato par fry oil, (iv) globally managed baked goods, and (v) all products that include palm oil in North America. We are prioritizing these categories due to the relatively high volumes they represent and our ability to influence change. Therefore, by focusing on these areas we will be able to ensure that volumes are covered by our sustainable sourcing requirements (certification and beyond) and we will have the largest impact on the transformation of the palm oil industry to support sustainable production practices.

3.3 Date expected to be using 100% RSPO certified oil palm from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

2020

Comment:

SEE SECTION 8 FOR OUR PLANS BASED ON CURRENT MARKET CONDITIONS GLOBALLY 2016 - by year end suppliers in the 5 categories listed above will have begun purchasing 100% mass balance certified palm oil, or will have a time bound plan for their category, or market for 100% of their volumes to support sustainable production, including but not limited to certification, traceability, action plans to address deforestation and human rights risk. 2020 - suppliers will have moved to purchases of segregated and mass balance CSPO wherever possible. If not using RSPO certification, suppliers will report on alternative systems that support sustainable production, including but not limited to certification, traceability, action plans to address deforestation and human rights risk.

3.4 Does your company use palm oil in products you sell on behalf of other companies?

No

3.5 Do your (own brand) commitments cover your companies global use of palm oil?

Yes

3.6 Which countries that your organization operates in do the above own-brand commitments cover?

- American Samoa
- Argentina
- Aruba
- Australia
- Austria
- Bahamas
- Bahrain
- Belarus
- Belgium
- Bermuda
- Bolivia
- Bosnia and Herzegovina
- Brazil
- Brunei Darussalam
- Bulgaria
- Canada
- Central African Republic
- Chile
- China
- Colombia
- Costa Rica
- Croatia (Hrvatska)
- Cyprus
- Czech Republic
- Denmark
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Estonia
- Fiji
- Finland
- France
- French Guiana
- Georgia
- Germany
- Greece
- Guadeloupe
- Guam
- Guatemala
- Honduras
- Hong Kong
- Hungary
- India
- Indonesia
- Ireland
- Israel
- Italy

- Jamaica
- Japan
- Jordan
- Korea, Republic of
- Kyrgyzstan
- Latvia
- Lebanon
- Lithuania
- Luxembourg
- Macau
- Macedonia, The Former Yugoslav Republic of
- Malaysia
- Malta
- Martinique
- Mauritius
- Mexico
- Moldova, Republic of
- Monaco
- Morocco
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Norway
- Oman
- Pakistan
- Panama
- Paraguay
- Peru
- Philippines
- Poland
- Portugal
- Puerto Rico
- Qatar
- Romania
- Russian Federation
- Saudi Arabia
- Singapore
- Slovakia (Slovak Republic)
- Slovenia
- South Africa
- Spain
- Sri Lanka
- Suriname
- Sweden
- Switzerland
- Taiwan, Province of China
- Thailand
- Trinidad and Tobago
- Turkey

- Ukraine
- United Arab Emirates
- United Kingdom
- United States
- Uruguay
- Venezuela
- Vietnam
- Virgin Islands (British)
- Virgin Islands (U.S.)

3.7 What are your interim milestones towards achieving these RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies

McDonald's goal is that 100% of the palm oil used in our restaurants and as ingredients in McDonald's products will support the production of sustainable palm oil. This includes sourcing from Roundtable on Sustainable Palm Oil or RSPO-certified sustainable sources or covering usage with GreenPalm Book and Claim certificates for palm oil or palm kernel oil. Globally, we are committed to meeting our 2015 milestones and 2020 aspirational goal to support sustainable palm oil production for all palm oil used in our restaurants or palm oil/palm kernel oil purchased as ingredients by McDonald's suppliers for use in McDonald's products. Some prior milestones have included: • 2011 McDonald's becomes an RSPO member • 2012 all suppliers sourcing palm oil are from RSPO members. • 2012 Several markets in APMEA began using RSPO certification methodologies for restaurant cooking oil and par fry. McDonald's restaurants in the U.S. and Europe do not use palm oil in restaurant cooking, so they began to use RSPO certification methodologies, including GreenPalm Book and Claim certificates, to cover a portion of their suppliers' use of palm oil and palm kernel oil as ingredients in McDonald's products. • 2013 – Continued progress increasing RSPO sustainable palm oil in APMEA for restaurant store oil and par fry for chicken and potato products. In the U.S., suppliers of baked goods and liquid products (toppings and sauces) have moved to cover ingredient volumes for McDonald's products using GreenPalm Book and Claim certificates. • In 2015—100% of palm oil used for restaurant cooking or by McDonald's suppliers to par-fry chicken and potato products will be RSPO certified sustainable or covered by GreenPalm Book and Claim certificates. • By 2020—100% of all palm oil or palm kernel oil used as an ingredient by McDonald's suppliers for use in McDonald's products was RSPO certified sustainable or covered by GreenPalm Book and Claim certificates.

3.8 Does your company have a Time-Bound Plan for the use of palm oil in the products you sell on behalf of other companies?

Yes

Trademark Related**4.1 Do you use or plan to use the RSPO Trademark on your own brand products?**

- End-product manufacturer
- Ingredient manufacturer
- Food Goods
- Home & Personal Care Goods
- Own-brand
- Manufacturing on behalf of other third party brands
- Biofuels
- Adhesives
- Manufacturer of candles
- Trade Association
- Other:

Actions for Next Reporting Period**5.1 Outline actions that you will take in the coming year to promote CSPO use along the supply chain**

In 2016 we will make a shift to the purchase of physical RSPO certified palm oil. This expectation will be communicated to our key markets and suppliers in order to purchase mass balance for our restaurant cooking oil, par-fry and globally managed baked goods products. These products are being prioritized because they represent our largest volumes and therefore areas of greatest impact. In addition, suppliers of palm oil to McDonald's are expected to comply with the requirements of our deforestation-free commitment. Some palm oil will continue to be covered with the purchase of GreenPalm certificates because current volumes and demand makes segregation disproportionately expensive or supply chain traceability difficult to establish. Other volumes will map a path to mass balance certified as a milestone on the path to segregated certified supply. McDonald's is committed to working with suppliers that purchase certified palm oil and are engaged in efforts to map their palm oil supply chains, conduct risk analysis and take action to address key issues such as deforestation and human rights across the supply chain through to the plantation level. The organization is working with markets and suppliers across the business to achieve these goals.

Reasons for Non-Disclosure of Information

6.1 If you have not disclosed any of the above information, please indicate the reasons why

Application of Principles & Criteria for all members sectors

7.1 Do you have (a) policy/ies, that are in line with RSPO P&C such as:

- Water, land, energy and carbon footprints
No file was uploaded
- Ethical conduct and human rights
No file was uploaded
- Labour rights
No file was uploaded
- Stakeholder engagement
No file was uploaded
- None of the above

7.2 What steps will/has your organization taken to support these policies?

Business ethics is a crucial part of McDonald's identity and a part of our core values (http://www.aboutmcdonalds.com/mcd/our_company/mission_and_values.html). McDonald's approach to sustainable sourcing involves various programs that address what we call the 3 E's of Sustainability - Ethics, Environment, and Economics - throughout our supply chain. Regarding Ethics in particular, we require all suppliers to approve our Code of Conduct, and our Supplier Workplace Accountability program works with suppliers to uphold the provisions of the Code of Conduct via annual self-assessments and risk-based audits. We are also a signatory to the NY Declaration on Forests (2014) and released McDonald's Commitment on Deforestation in April 2015. We believe the multi-stakeholder process is key to driving change; and in addition to being a member of RSPO, we are members of RTRS, GRSB, GTPS, CRSB, USRSB, SAI and others; and we work in collaboration with NGOs such as WWF, EDF, CI and others.

Commitments to CSPO uptake

8 As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions: Do you have plans to?

Yes

Please specify:

In 2015 we began discussions with our suppliers to ensure that we cover at a minimum 100% of volumes with GreenPalm certificates, but are also developing time bound plans beyond this target. The plans will include a shift to mass balance certified purchases by year end 2016, including reports from all palm suppliers on their traceability work and action plans to address deforestation and human rights risk. We will develop plans to cover the following five categories: (i) restaurant frying oil, (ii) chicken par fry oil, (iii) potato par fry oil, (iv) globally managed baked goods, and (v) all products that include palm oil in North America. We are prioritizing these categories due to the relatively high volumes they represent and our ability to influence change. Therefore, by focusing on these areas we will be able to ensure that volumes are covered by our sustainable sourcing requirements (certification and beyond) and we will have the largest impact on the transformation of the palm oil industry to support sustainable production practices. 2016 - by year end suppliers in the 5 categories listed above will have begun purchasing 100% mass balance certified palm oil, or will have a time bound plan for their category, or market for 100% of their volumes to support sustainable production, including but not limited to certification, traceability, action plans to address deforestation and human rights risk. 2020 - suppliers will have moved to purchases of segregated certified oils, or will have 100% of volumes for their category, or market covered by systems that support sustainable production, including but not limited to certification, traceability, action plans to address deforestation and human rights risk.

8.1 Do you have plans to immediately cover the differences/gap using Book & Claim?

Yes

Our existing goal includes a commitment to cover 100% of our volumes with Book & Claim certificates. We will continue to uphold this as a minimum standard. We will build upon this base by shifting to purchases of physical CSPO in key categories/markets in 2016 and requiring suppliers to meet expectations on traceability, deforestation and human rights criteria.

Concession Map

GHG Emissions

10.1 Are you currently assessing the GHG emissions from your operations?

Yes

10.2 Do you publicly report the GHG emissions of your operations?

No

Please explain why

McDonald's has conducted carbon footprint analysis of our operations and our supply chain. This supported the setting of our priority products (beef, poultry, coffee, fiber, palm and fish) in 2008. Details can be found in our Good Business Report. The company is currently working on the development of a carbon target, so that we may report regularly on progress against this target.

Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

Given McDonald's unique franchising structure and supplier relationships we have had to spend a great deal of time digging into our supply chain and supplier relationships to communicate on our sustainable palm oil vision and ensure all parties were on board and executing against our goals. This challenge is ongoing as we continue to further franchise. In order to address these challenges, we have decided to focus on our largest volumes of palm oil in collaboration with our global supplier partners. These areas include palm oil used in restaurant frying oil, par-fry for potato and chicken and globally managed baked goods products.

2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

Yes

Robust:

No

Simpler to Comply to:

No

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

We continue to support the vision of transforming markets by supporting sustainable palm oil production through expansion of purchasing Mass Balance certified oil, GreenPalm Book & Claim certificates, and other RSPO certified mechanisms. We worked with GreenPalm in 2013 to expand the opportunity for other companies in the food service sector to utilize GreenPalm certificates to support sustainable palm oil; and we are looking to engage further as we demonstrate our leadership in this area. McDonald's continues to engage directly with RSPO and encourages our supplier partners to do so as well. The company supports industry transformation and to this end engages in multi-stakeholder efforts such as Tropical Forest Alliance and other platforms.

4 Other information on palm oil (sustainability reports, policies, other public information)

Please see www.aboutmcdonalds.com for additional information on our Global Sustainability Framework and goals; and our Good Business Report.