



McDonald's Corporation Commitment on Forests

McDonald's¹ is committed to eliminating deforestation from our global supply chains. We expect our suppliers to operate their businesses ethically and abide by all applicable laws and regulations. Additionally, we will work throughout our supply chains to achieve the following:

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

Scope & Prioritization

McDonald's is a signatory to the New York Declaration on Forests which aims to end deforestation by 2030. As a responsible company and leading global brand, we will leverage our size and position to help protect forests and biodiversity, reduce our carbon footprint and respect human rights while focusing on the areas where we can deliver the greatest benefit.

This Commitment applies to all our raw material supply chains. To begin, we are focusing on our food and packaging supply chains and are actively working on the following priority products: beef, fiber-based packaging, coffee, palm oil and poultry. In 2015, we will build on our existing priority product goals² by developing time-bound deforestation-free targets for these products. For beef and poultry, we will include criteria for feed production such as that from soy. We are assessing our approach for other supply chains beyond food and packaging (e.g. wood for restaurant decor).

Stakeholder Engagement

¹ In this document, "McDonald's" refers to McDonald's Corporation together with its subsidiaries.

² Our priority product sustainable sourcing goals and supporting strategies are outlined within the [Sourcing](#) pillar of McDonald's Global Sustainability Framework.



At McDonald's, we view protection of forests and High Conservation Value areas as important business and societal issues and believe our role is not just to avoid negative impacts, but to promote responsible production that benefits people, communities and the planet. We believe that an effective approach to address deforestation will require strong collaboration between governments, civil society and the private sector. We will continue to actively engage with a variety of stakeholders to identify and protect High Conservation Value areas and High Carbon Stock forest areas within our supply chains and work with suppliers, governments, producers and other corporate and non-governmental organization partners to achieve this commitment.

Our Actions

This Commitment and McDonald's Global Sustainability [Framework](#) represent a continuation of our commitment to the environment and society. Below are some of McDonald's key historic milestones and activities which address deforestation:

- 1989 - Beef Amazon Policy
- 1991 - [McDonald's Supplier Code of Conduct](#)
- 2004 - Global Fiber Sourcing Policy for paper-based packaging which evolved to inform the current [policy](#) published in 2014
- 2007 - Commitment to the Soya Moratorium
- 2011 - Sustainable Land Management Commitment which has evolved to inform the [Sourcing](#) pillar strategies of McDonald's Global Sustainability Framework
- 2011 - Sustainable palm oil commitment and Roundtable on Sustainable Palm Oil member
- 2012 - Founding member of the [Global Roundtable for Sustainable Beef](#)
- 2014 - McDonald's Global Sustainability Framework [sustainable sourcing goals](#) released
- 2014 - Endorsement of the [New York Declaration on Forests](#)
- 2014 - [Energy and Climate Change Position Statement](#)
- 2014 - Signatory to the [Joint Statement for Agriculture, Food Security and Nutrition](#)
- 2014 - Participation in WWF's Global Forest & Trade Network ([GFTN](#)) - North America program

Governance

Responsibility for implementation of this Commitment lies with McDonald's commercial and quality teams and suppliers with oversight from McDonald's Worldwide Supply Chain and Sustainability. We will



develop and further define the verification, measurement and reporting process for each of the priority products in respective product sourcing plans. In addition, McDonald's will:

Monitor our progress and evaluate the deforestation risk of other raw materials to ensure we remain focused on the materials and regions most urgently requiring action,

- Report transparently on our progress at least annually
- Partner with industry, governments, non-governmental organizations and academia on broader efforts to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods, and
- Move to suspend or eliminate purchases from a supplier if an audit or other credible source reveals or confirms that the supplier is seriously violating McDonald's requirements, and if that supplier does not acknowledge and immediately move to acceptably remediate the concern.

For more information see McDonald's Commitment on Forests Supporting Addendum