



THE MANY FACES OF SUSTAINABILITY AT McDONALD'S GERMANY

McDonald's Germany Corporate Responsibility Report 2015 - At a Glance



238 x SUSTAINABILITY

McDonald's Germany is built on a network of 238 franchisees. Their unwavering commitment is a key success factor for our sustainability strategy. Which is why, this year, we are also shining the spotlight on the faces of our franchisees in the **McDonald's Germany Corporate Responsibility Report 2015 – At a Glance**.

ABOUT THIS REPORT

McDonald's Germany updates and publishes its sustainability data every year. This **Corporate Responsibility Report 2015 – At a Glance** focuses on key indicators from 2015 and areas where we made most progress. The deadline for submissions was June 30, 2016. All information in the report refers to administration at McDonald's Germany as well as restaurants operated by McDonald's Germany and all restaurants in Germany run by franchisees. Where this is not the case, this is specifically highlighted in the report. In the interests of readability, we do not generally write out the full legal names of companies and non-profit organizations.

You can find detailed information on topics such as strategy, management and programs in our full **McDonald's Germany Corporate Responsibility Report 2015**, which was drawn up in accordance with Global Reporting Initiative (GRI G4) guidelines and audited by KPMG AG Wirtschaftsprüfungsgesellschaft. It is available online as a PDF file at

www.mcdonalds.de/verantwortung

FOREWORD BY DOMINIK NEISS

DEAR LADIES AND GENTLEMEN, DEAR GUESTS,

“Responsibility has many faces.” I can hardly think of a more fitting statement for McDonald’s Germany. At the beginning of the year, McDonald’s Germany launched 238 x Verantwortung (238 x Responsibility) – a campaign to showcase franchisees as ambassadors for the company. This initiative focused on one core topic: Trust.

The aim of this campaign was to show that McDonald’s Germany is not an anonymous conglomerate but a collection of responsible entrepreneurs who are always accessible to stakeholders. In short, we wanted to show that responsibility has a face.

However, for a company or brand to earn the trust of its stakeholders, it also has to deal effectively with the key issues of the day. We are committed to making a contribution to society. Our efforts here range from providing employment opportunities for over 900 refugees through strong support for the Ronald McDonald House Charities and the outstanding work they have been doing in Germany for nearly thirty years now to our targeted promotion of the most varied of projects in issues such as species-appropriate farming and animal welfare.

Through our business and our actions, we have many touchpoints with society. It was therefore particularly important for us this year to shine a light on the people who live, breathe and shape the McDonald’s Germany sustainability strategy every day at each of our almost 1,500 restaurants. The 238 franchisees show that responsibility and trust go hand in hand. Their commitment extends much further than ensuring a great experience for guests



at our restaurants. To truly live and breathe responsibility, we have to act conscientiously at every step of the value chain from crop cultivation and animal husbandry to reusing and recycling materials.

Above all else, our report shows that sustainability at McDonald’s Germany is a team effort. I hope you enjoy reading about it.

Best regards,
Dominik Neiss
Speaker of the Franchisee Leadership Council (FLC)

A handwritten signature in black ink, reading 'D. Neiss'.

FOREWORD BY HOLGER BEECK

DEAR LADIES AND GENTLEMEN, DEAR GUESTS,

I am delighted that you have picked up this report as it enables us, McDonald’s Germany, to share some important information with you. As a large company with over 58,000 employees, we are deeply committed to open, honest communication. Our sustainability report is one way of expressing this.

Your opinions and needs are important to us. To ensure we meet your expectations even more effectively, we are gradually transitioning our restaurants to a new concept called “restaurant of the future”. Here again, the focus is all about welcoming our guests and meeting their needs. For example, more and more people want to personalize their orders nowadays. So if you want to get rid of the pickles and have extra jalapeños and more meat, you can – thanks to “Mach deinen Mac!” (*Make your Mac*), our new program that gives you the freedom to create your perfect burger.

Our restaurants of the future also offer digital games and digital ordering options. You can order your burger at one of our digital terminals, for example, or from a service employee with a tablet PC. Only then do we start making your products – ensuring that you get your food fresher than ever. And if you want a burger with extra meat, our gourmet burgers from THE SIGNATURE COLLECTION™ could be just what you’re looking for. The beef we use here is sourced entirely from Germany.

We will have 220 restaurants of the future set up by the end of 2016. By 2019, the majority of our almost 1,500 restaurants will have transitioned to the new concept.



We are also aware that many of our guests – and other stakeholders – expect McDonald’s to provide forward-looking answers to questions that go above and beyond our restaurant operations. Which is why, in addition to our restaurant of the future concept, we are also looking to make our procurement activities fit for the future. To this end, we are promoting sustainable farming, conserving natural resources and encouraging a culture of fairness and responsibility across the company.

This brochure provides a brief look at how we are stepping up to our responsibilities as a company. You can find further information on our website at www.mcdonalds.de/verantwortung and on our sustainability blog “Change M” (www.change-m.de). I hope you enjoy finding out more about our company.

Best regards
Holger Beeck
*Managing Director and President of
McDonald’s Germany*

A handwritten signature in black ink, reading 'H. Beeck'.

WE LOVE TO SERVE YOU

McDonald's Germany is built on a franchise network spanning 238 independent, medium-sized business owners. They have close ties to their regions and are involved in local associations and community projects. Our franchisees have a vast amount of personal experience and always bring great ideas to the table. And like any good restaurant owner, they also know many of their guests personally.



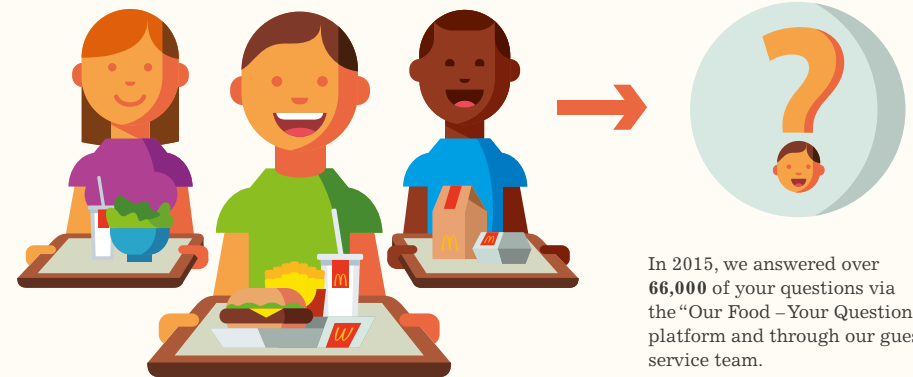
38 — 238 — 200
women **FRANCHISEES** men
53 of whom are second-generation franchisees

→ McDONALD'S IN GERMANY

Germany is one of the largest markets in the world for McDonald's. In collaboration with our franchisees and suppliers, we tirelessly strive to systematically step up to our responsibility for the environment and society as a whole at every stage of our value chain – from farming through food preparation in our restaurants to the recycling of waste.

"We want our work to create synergized benefits for both the company and for society at large."

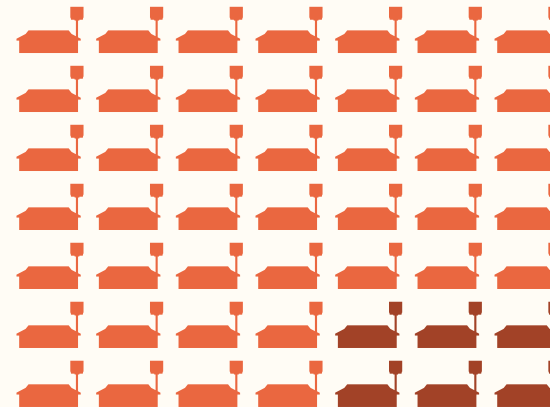
Guido Wehlen, franchisee with four restaurants in Bingen, Baumholder, Idar-Oberstein and in Frankfurt Hahn airport



In 2015, we answered over **66,000** of your questions via the "Our Food – Your Questions" platform and through our guest service team.

www.fragmcdonalds.de
www.mcdonalds.de/kontakt

Across Germany, we welcome two million guests to 1,478 restaurants every day.



1,289
franchise
restaurants

189
restaurants operated directly
by McDonald's Germany



The largest companies in the foodservice sector in Germany operate around **18,000** restaurants, cafés and snack bars. With a share of around **25%**, McDonald's Germany is the clear market leader in this sector.*

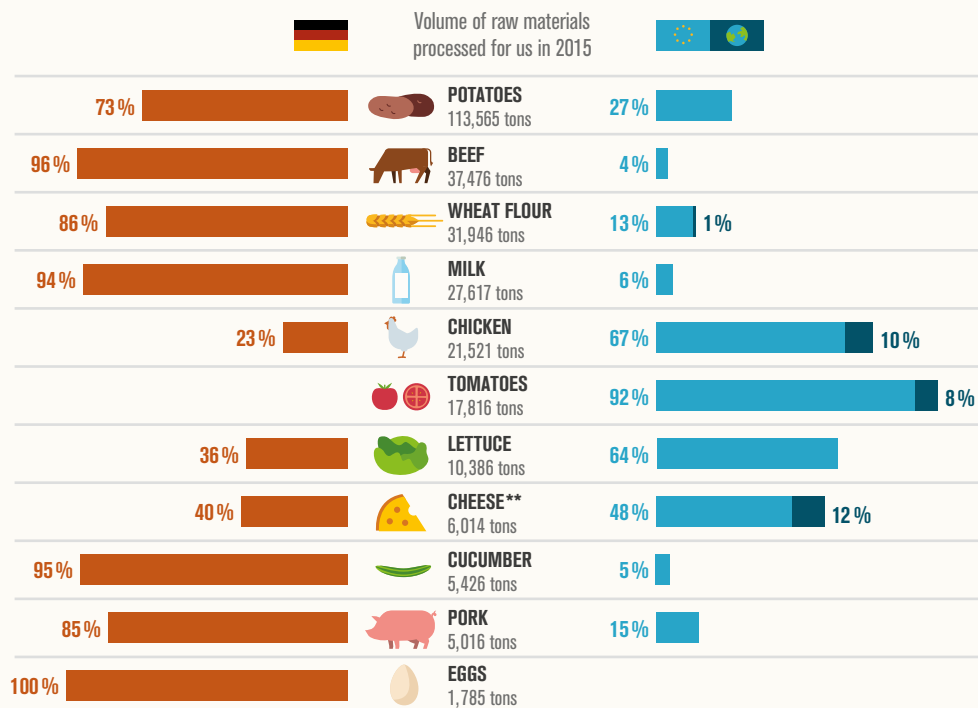
WE ONLY BUY THE BEST



Two thirds of all consumers want to know where their food comes from.*

We do too.

63% of our raw materials comes from Germany, the remaining 32% comes from the EU and just 5% is sourced from outside of the EU.



* Source: Zühlendorf, A.; Spiller, A. (2014): Country of origin information on food labeling

**Includes processed cheese slices

→ OUR SUPPLIERS

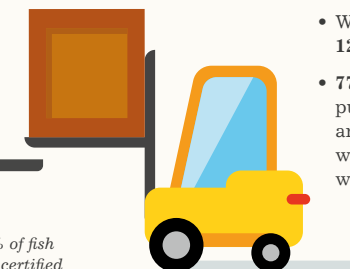
McDonald's Germany relies on a complex supply chain, built on long-term business relationships inspired by a sense of partnership and joint commitment to outstanding quality. We source around two thirds of our raw materials from Germany. This sourcing approach contributes to a steady stream of fresh ingredients and supports the German agricultural sector. It also reduces the distances goods are transported, which helps reduce our impact on the environment. For the remaining materials that we cannot source from Germany or Europe, we rely on established quality labels to ensure they comply with key environmental and social standards.

"We know that the ingredients we get are always of a consistently high quality standard. And that's a great feeling. After all, it's the only way that my employees and I can prepare the products our guests love."

Ingrid Ton, franchisee with four restaurants in Ahlen, Beckum, Lippetal and Warendorf



You can find out more about our suppliers here.



THE McDONALD'S GERMANY QUALITY CHAIN

- We buy products from 126 different suppliers.
- 77% of products purchased come from around 40 suppliers that we have been working with for at least 20 years.

WE RELY ON ESTABLISHED QUALITY LABELS AND HAVE DONE FOR MANY YEARS NOW.



Organic products in our Happy Meals.
In 2015, we purchased a total of 3,672 tons.*



In 2015, we purchased 1,179 tons of fish and seafood.

100% of fish from certified sustainable fisheries.



100% of seafood from ASC-certified aquaculture farms.

100% of coffee from certified sustainable plantations (excluding decaffeinated coffee):

In 2015, we purchased 1,359 tons.



*Organic apple slices, organic fizzy apple juice drink, organic milk, organic yoghurt drink (through August 2015)

WE CARE ABOUT ANIMAL WELFARE

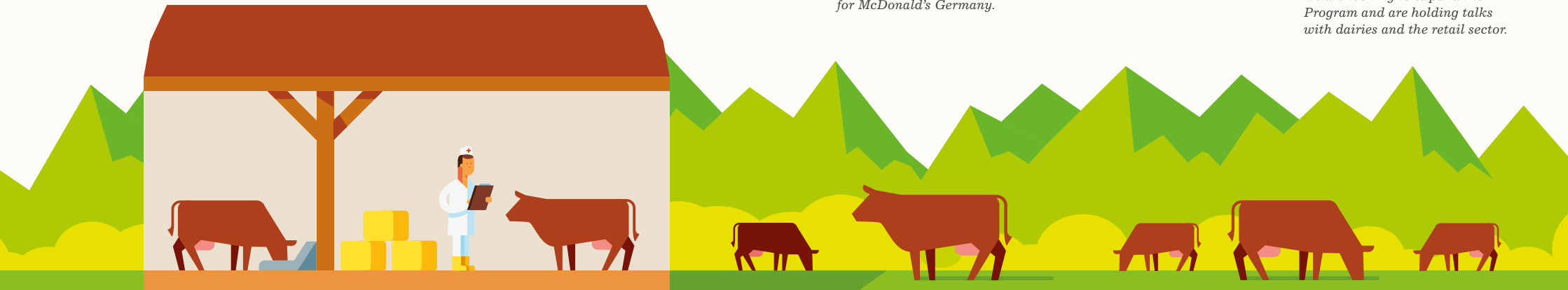
We promote more sustainable cattle farming in Germany and thus support German agriculture.



BEST-PROGRAM

We started the BEST Beef Program in 2010 in collaboration with partners from the agricultural and meat processing sectors and the scientific community. The Program rewards sound agricultural practices and improvements in animal health and welfare. Participating farmers are paid a higher slaughter price for their cattle.

www.best-programm.de



MANAGEMENT MODULE

Cows must provide milk for at least 40 months, farms must have protective clothing for vets and other visitors to ensure compliance with hygiene requirements. Additional criterion: Separate calving box is available.



FEED MODULE

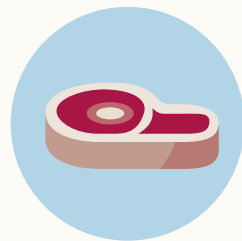
Compliance with fixed percentage of dry roughage and crude fiber in feed must be documented.



HUSBANDRY MODULE

Loose housing or stanchion barns with the entire herd spending at least three months on pasture.

McDonald's Germany pays a bonus of 9 cents per kilogram on the deadweight price to farms that comply with all three modules.



→ OUR MEAT

Livestock welfare is a subject of much debate in Germany. We are therefore working with the agricultural sector to find ways of creating a modern, forward-looking and responsible production chain for meat, milk and eggs. We are collaborating closely with science and research here and also with our suppliers. Within the framework of our BEST Beef and Chicken Programs, we are testing the effectiveness and viability of more sustainable livestock breeding methods. Here, we are focusing on solutions that can work on as broad a scale as possible.

"We are stepping up to the challenge of making conventional food production and processing more sustainable, while balancing both economic and social interests."

Michael Betzien, franchisee with five restaurants in the Stuttgart region

FACTS ABOUT BEST BEEF 2015:

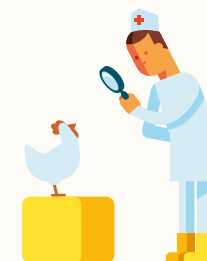
- In 2015, meat certified under the BEST Beef Program accounted for around 4% of all beef processed for McDonald's Germany.
- Four abattoirs participated
- 2,189 agricultural holdings were involved
- BEST Beef bonus paid for 17,692 cattle in 2015.
- We are looking to expand the Program and are holding talks with dairies and the retail sector.

IMPROVED CHICKEN FARMING

Since 2013, we have been working with scientists and selected agricultural holdings to develop a BEST Chicken Program aimed at improving the conditions under which chickens are reared.

In the first step, we investigated whether a measurable improvement in animal welfare could be achieved by reducing the number of chickens in stalls and by providing objects to keep them occupied such as pick-stones, bales of straw and perches. In March 2016, we started a feed

trial to test regional feed such as peas, broad beans and rapeseed meal. This trial is funded by the Bavarian Ministry for Food, Agriculture and Forestry.



FREE-RANGE EGGS

All of our eggs, including those used for our McDonald's Germany breakfast products, are free range.



NO FEED FROM GENETICALLY MODIFIED SOURCES

Since the end of 2015, the chickens bred for McDonald's Germany are no longer fed genetically modified feed.

WE LOVE TO WELCOME CHILDREN



27,8 million
books in
Happy Meals
since 2012

Around 70 %
of all children aged
between 4 and 13 in
Germany have received
at least one book with
a Happy Meal.*



New from April 2016:
Now children can choose between a
book or a toy. If they choose a book,
McDonald's Germany donates 10
cents to the Rainforest Alliance.

www.mcdonalds.de/familien/buch



In 2015, we
distributed 6,1 million
books and 2,9 million
Ravensburger games.



FAMILY TIME

Over 900 Family Days were held in our restaurants in Germany in 2015. These events included bouncy castles, soccer goal shooting walls and events with local clubs.



SPACE TO PLAY

There are 1,047 playlands in Germany directly in restaurants and/or just outside.



MCDONALD'S GERMANY BIRTHDAY PARTIES

596 restaurants across Germany have a separate children's party room. Parties are organized and supervised for free by our trained employees.

→ OUR FOOD

Our guests expect safe, high-quality products from us every day. Food quality and food safety are therefore a top priority for us. At the same time, consumers in Germany continue to focus on more health-conscious eating habits. We want our product offering to contribute towards a balanced diet. To achieve this, we have already introduced vegetarian burgers as well as fruit and organic products in our Happy Meals along with low-fat and low-salt products. We want our diverse range of food options to provide families and children in particular with easy access to a more balanced diet.

"The kitchen equipment is thoroughly inspected, cleaned and disinfected every day to ensure maximum hygiene. This is the only way we can provide our guests with the quality that they quite rightly demand from us."

Barbara Rieke, franchisee with eight restaurants in Braunschweig, Goslar, Salzgitter and Seesen

OUR NUMBER ONE PRIORITY: FOOD QUALITY



QUALITY, SERVICE, CLEANLINESS

We have defined stringent standards for quality, service and cleanliness (QSC) that are applicable to all workflows in our restaurants. Our field & operations consultants visit every restaurant at least **six times a year** to check compliance with these standards.

**EVERY RESTAURANT IS
TESTED AROUND 35 TIMES
A YEAR.**



MYSTERY SHOPPERS

Each restaurant was visited **twice a month** by restaurant testers in 2015. These mystery shoppers assess product quality, speed of service, friendliness, communication and cleanliness in restaurants.



QUALITY CONTROLS

Specially trained employees **regularly** assess the quality of our buns, meat, french fries and lettuce in all areas of our restaurants – from storage to the finished product.



FOOD TESTS

An external lab takes and tests food samples from every restaurant **four times a year**. In addition, each restaurant checks compliance with general hygiene requirements on a **daily basis** and documents the results.

WE DO MORE WITH LESS

In 2015, we used 45,990 tons of packaging, which we are required to collect and recycle under German law – this corresponds to 93 grams per guest.

 **90 %**
of our service packaging is made up of regenerative raw materials.

 **100 %**
of our virgin paper fiber is sourced from FSC- or PEFC-certified forests.

AMOUNT OF PACKAGING PER YEAR

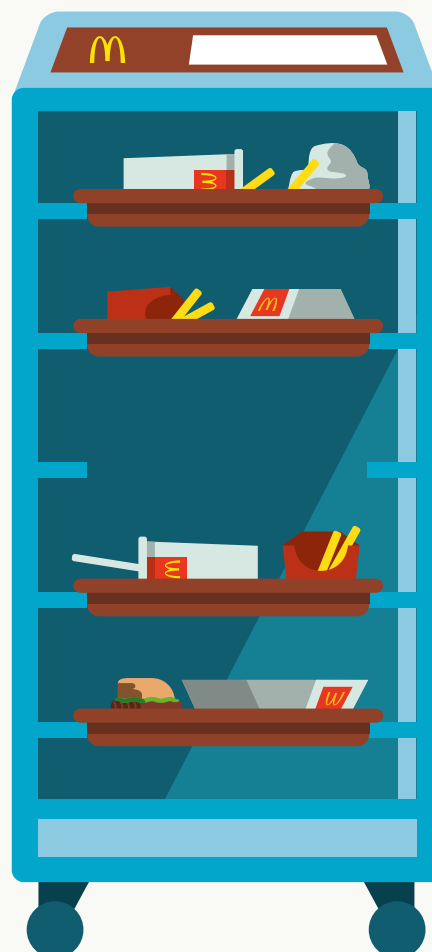


84 % OF ALL GERMANS SORT THEIR WASTE FOR RECYCLING.* WE DO TOO!

Our employees separate waste produced by restaurants into different material categories.



 **Around 50 %**
of our service packaging is made up of recycled materials.

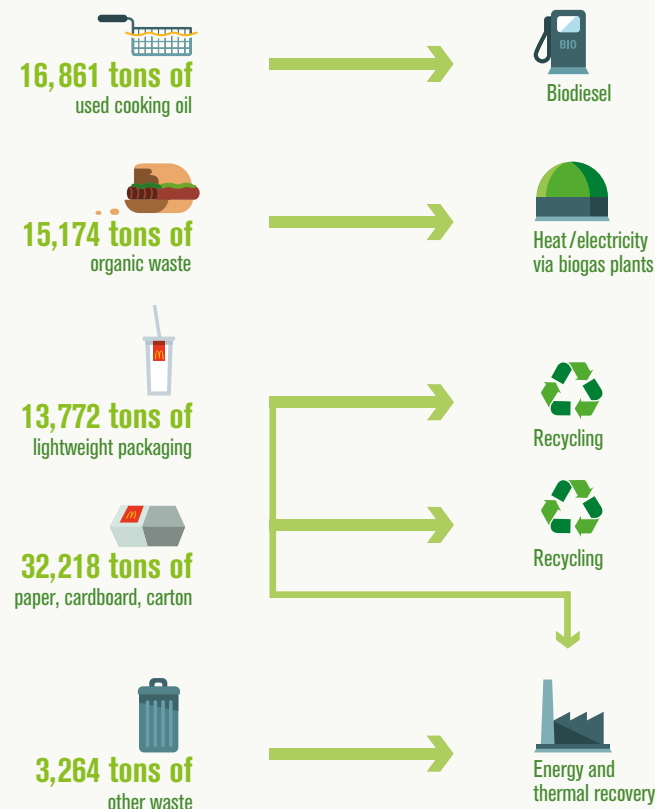


→ RECOVERING WASTE

Packaging is vital to our business. It even plays an important role in the preparation of our burgers in our kitchens. To reduce our environmental impact, all virgin paper produced for us comes from certified forests. But what happens to packaging once our food has been eaten? All waste is sorted into categories by our restaurant employees and fed back into the materials cycle. However, we are working with partners in politics and industry to find ways of making our packaging even more recyclable.

“Separating waste is an important part of sustainable business. My teams separate waste in restaurants, enabling us to conserve resources and protect the climate.”

Gerhard Wagner, franchisee with three restaurants in Achern, Emmendingen and Herbolzheim



REDUCING PAPER CONSUMPTION WITH NEW NAPKIN DISPENSERS

In 2015, we installed new napkin dispensers in all restaurants. The new dispensers only issue one napkin at a time. We also reduced the size of our napkins in order to cut paper consumption further.

WE USE 100 % ELECTRICITY FROM RENEWABLE SOURCES

2011
422,257
tons of CO₂

SINCE 2011, WE HAVE CUT CO₂ EMISSIONS FROM OUR RESTAURANTS BY 67%.

2015
140,006
tons of CO₂

Reducing CO₂ emissions
by 282,251 tons

This corresponds to around
130,000 flights from Berlin
to Chicago.*

ELECTRICITY MIX FOR 2015:

**100 %
hydroelectric**

What is McDonald's
Germany doing to
protect the climate?
Find out here in our film.

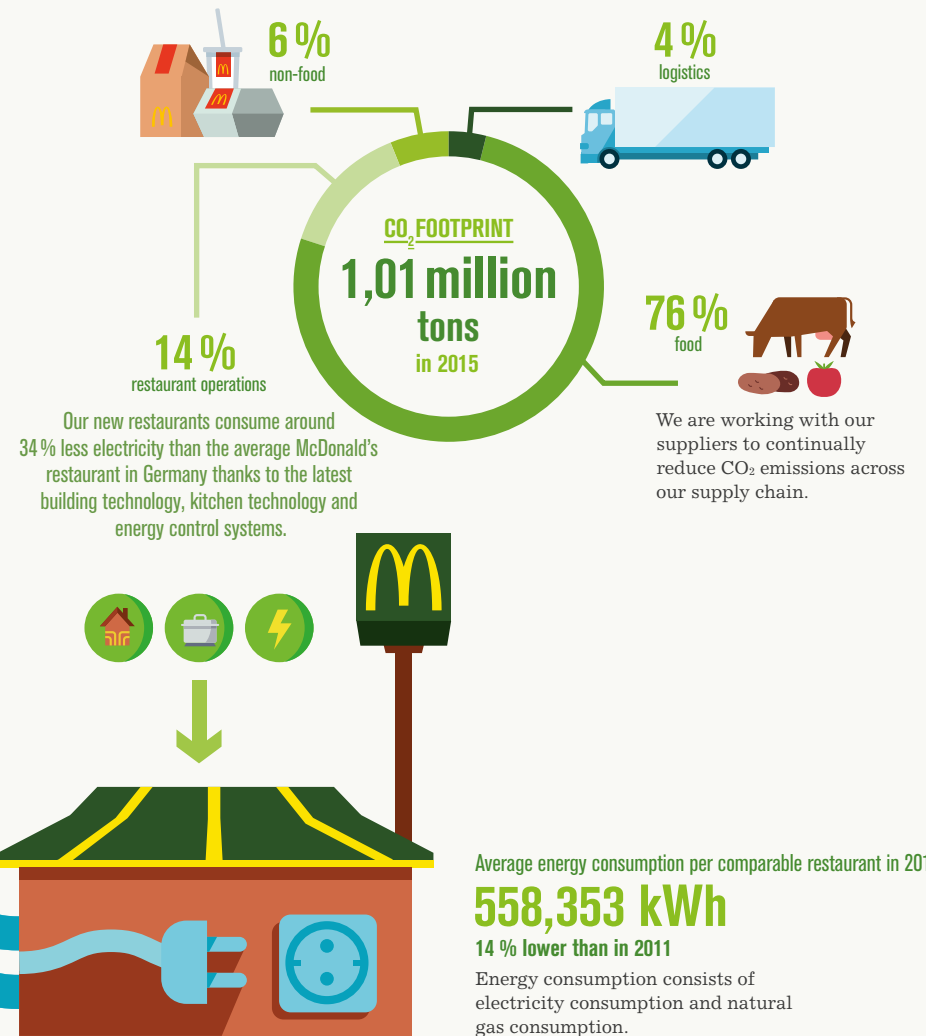
In 2011, we started to gradually transition our restaurants to electricity from renewable sources. Since 2014, all McDonald's restaurants in Germany run entirely on renewable power. This does not include 37 restaurants that are located in places such as shopping malls, where power is provided by the local operator.

→ OUR CARBON FOOTPRINT

Our restaurants in Germany run entirely on electricity from renewable sources. This helps protect our climate, but we do not stop there. We continue to explore the latest technologies in a bid to further reduce energy consumption at our restaurants. However, the majority of our carbon footprint stems from the agricultural production of our raw materials. We are therefore working with our suppliers and other partners to cut emissions at the very beginning of our value chain.

"We set ourselves the goal of transitioning completely to electricity from renewable sources back in 2010 in collaboration with McDonald's Germany. It was an ambitious target, but we did it."

Nicole Betzien, franchisee with four restaurants in Bremervörde, Buxtehude and Stade.



WE LIVE AND BREATHE INTEGRATION

20,000 LANGUAGE COURSES DONATED FOR REFUGEES

In 2015, over one million refugees came to Germany. More than anything else, we regard this influx of refugees as an opportunity. Learning German is crucial for successful integration and makes it easier for individuals to access the German job market. Which is why, in September 2015, McDonald's Germany do-

nated 20,000 German language courses in collaboration with LinguaTV to Germany's Federal Employment Agency. The Employment Agency is ensuring that the online courses are fairly distributed among refugees seeking work across Germany.



DIVERSITY AT McDONALD'S GERMANY

McDonald's Germany actively embraces multi-ethnic, anti-racist, inclusive company culture. Find out how here.

EMPLOYEES FROM 127 NATIONS WORK FOR US*



McDEUTSCH

Since April 2014, all restaurant employees with a migrant background have access to online language courses.

EMPLOYEE TRAINING 2015

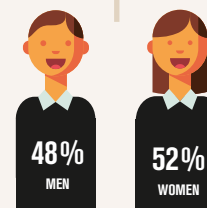
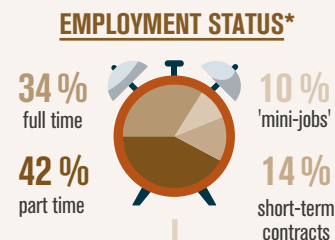
In 2015, 15,162 employees took part in 2,022 courses.

→ OUR PEOPLE

McDonald's Germany is the largest employer in the German restaurant business. We offer flexible work models, fair wages and many promotion opportunities. All employees are paid in line with the collective wage agreement negotiated by the Federal Association of the Foodservice Sector (BdS) and the Food, Beverages and Catering Union (NGG). In addition, employees receive attractive extended benefits based on the number of years of service at the company. These include holiday pay, an annual special allowance, bonuses for working nights and capital-forming benefits.

"McDonald's Germany has the right training opportunity for every school-leaver. We give everyone the chance to prove themselves in the workplace and build a solid career path."

Astrid Eisenschink-Rampf, franchisee with seven restaurants in and around the town of Landshut



WOMEN IN MANAGEMENT POSITIONS*



TRAINING OPPORTUNITIES AT McDONALD'S GERMANY



1,456 TRAINEES IN THREE TRAINEE PROGRAMS:

Only around 30 % of trainee positions could be filled.

- Trainee program:**
Specialist in the hospitality services industry (*Fachkraft im Gastgewerbe*)
- duration: 2 years
 - prerequisite: Leaving certificate from German Hauptschule (basic secondary school)
 - 2015: 338 trainees

- Trainee program:**
Expert in the foodservice sector (*Fachmann/Fachfrau für Systemgastronomie*)
- duration: 3 years
 - prerequisite: Leaving certificate from German Realschule (middle-ranked secondary school)
 - 2015: 995 trainees

- Combined work/study program for Bachelor's degree**
- duration: 3 years
 - prerequisite: University entrance examination or graduation from technical college (Fachoberschule)
 - 2015: 123 students

WE SUPPORT FAMILIES

13,586 families

were able to stay close to their seriously ill children in 2015 while they were treated in hospital – all thanks to the work of Ronald McDonald House Charities® in Germany.



McDonald's
Kinderhilfe

22 RONALD McDONALD HOUSES

in Germany provide families with serious ill children with a temporary home away from home. In 2015, **6,488 families** stayed an average of 18 days at our Ronald McDonald Houses. The average distance to their own homes was around 97 kilometers.

FIVE RONALD McDONALD FAMILY ROOMS

inside hospitals provide outpatients and their families with comfortable space to rest. **7,098 families** spent time in Ronald McDonald Family Rooms in 2015.

THE KINDERGESUNDHEITS- MOBIL (KID'S HEALTH TRUCK)

The Kindergesundheitsmobil (kid's health truck) has been on the road in the city of Essen since September 2012. The truck helps to improve children's health by raising awareness of health issues among parents and their children. It also offers important medical support at refugee centers through vaccination campaigns. **6,358 visitors** used the services offered by the kid's health truck in 2015.

www.kindergesundheitsmobil.de

→ COMMITMENT TO SOCIETY

Children are the future of our society. Ronald McDonald House Charities has been supporting the health and well-being of children in Germany for almost thirty years. The twenty-two Ronald McDonald Houses across Germany offer families a temporary home away from home, allowing them to be close to their sick children when they are being treated in neighboring hospitals. The foundation also runs five Ronald McDonald Family Rooms, which provide a comfortable space for families within the hospital environment. In addition, the charity supports other projects that help sick children and children in need, and runs a 'Kindergesundheitsmobil' (kid's health truck) in the German city of Essen.

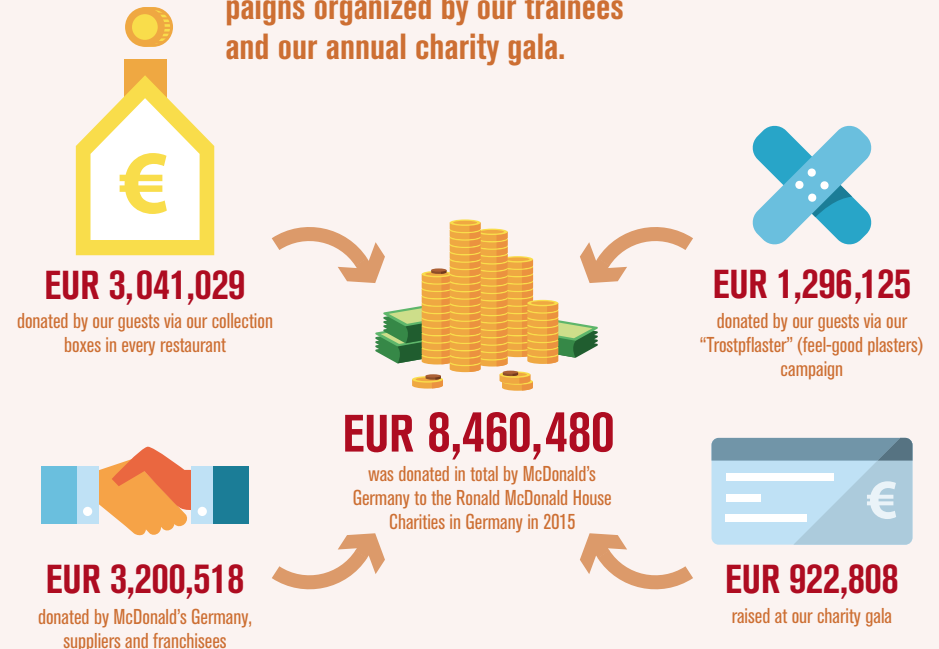
"Once a year, my employees and I get our barbecue tongs, paintbrushes and garden shears out and head over to the Ronald McDonald House in Leipzig. We love lending a hand and having the chance to make a real difference whether it's helping at the summer party, doing small DIY jobs or working in the garden."

Steffen Weigt, franchisee with four restaurants in Bernburg, Dessau and Köthen



We provide ongoing support for Ronald McDonald House Charities in Germany through donations and by our restaurant guests as well as through campaigns organized by our trainees and our annual charity gala.

Ronald McDonald House Charities support families. Find out how here.





PUBLISHING DETAILS

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