

# On track to sustainability

What's important to us: Our sustainability goals.

We continue to work on them – even when things don't always go to plan.

## Our plan for exceptional times!

What's important to us:
Safety, responsibility and sustainability –
especially when things do not go quite to plan.



Dominik Neiss (left) and Holger Beeck (right)

#### Dear reader,

Normally, we would introduce the 2019 Corporate Responsibility Report at this point, but 2020 was a year of the unexpected. From one day to the next, the restaurant business was completely turned on its head: fewer in-store guests, complete focus on our near-contactless offerings – such as drive-thru, delivery and ordering by app – and uncertainty as to how the pandemic would evolve. It meant many of our plans were rendered moot, and priorities changed. Some issues faded into the background while others became more important. In other words, the coronavirus pandemic wrought changes at McDonald's. It was the beginning of exceptional times that demanded flexibility from us, our partners and our employees on a daily basis. To nevertheless pursue our most important plans, we have formulated five central goals to ensure safety and act responsibly – during this challenging period, and beyond:

### 1. We will ensure the safety of our guests and employees.

The health of our guests and employees is our top priority, and not just since corona. With this in mind, we set up an internal McDonald's Germany hotline to allow staff to ask us any pandemic-related questions at any time. A wide-ranging hygiene strategy was implemented in our restaurants that, in conjunction with architectural modifications, guarantees high safety standards. We also do more to draw our guests' attention to the nearly contactless payment and ordering options that remained available even during lockdown. And on a trial basis at selected restaurants, we introduced bike-thrus to create an additional largely contactless collection service for cyclists.

### 2. We assume responsibility for our crew.

We have taken additional action to cushion the economic impact of the pandemic on restaurant crew. For example, we increased the government furlough payments to 90 percent of the full wage and entered into a partnership with ALDI to allow staff from restaurants that were closed or had restricted opening hours to temporarily work for ALDI.

### 3. We stand shoulder to shoulder with our franchisees and suppliers.

Exceptional times require exceptional measures – e.g. how we cooperate with our partners. For instance, McDonald's Germany deferred lease payments for the duration of the lockdown. We were also in constant communication with our suppliers to give them transparency and a reliable basis for planning, and to safeguard the financial stability of all stakeholders.

### 4. We support our local communities.

We believe profoundly in giving something back to society. Consequently, McDonald's Germany donated food worth more than € 300,000 that was not required by our restaurants to local charity organizations (Tafeln and Caritas).

### 5. We remain committed to our sustainability goals even in crisis.

Much has changed with Covid-19 – but not our commitment to sustainability. We needed to adjust our roadmap, but we do not intend to compromise, and remain determined to achieve our objectives in this space. We have already succeeded in taking a number of first steps, such as the switch to nearly entirely plastic-free dessert packaging.

2020 is clearly no normal year. But together we have lived up to our responsibilities during this crisis – to our guests, staff and partners. But also to achieving our sustainability objectives. We will continue to work on them in the future – even if and when things do not always go to plan.

Holger Beeck
President & Managing Director,
McDonald's Germany

Dominik Neiss Speaker of the German Franchisee Leadership Council



## Listen now! Want to enjoy your food with a clear conscience? Our podcast provides more information on our sustainability efforts.

### **Near and dear!**

### What's important to us:

Upholding our values - such as a clear focus on local agriculture and transparent information on nutrition and ingredients.

from the rest

of the World



### **Quantities and origin of** our ingredients in 2019

The corona lockdown made one thing very clear: In a crisis, it is vital to be able to guarantee security of supply at all times. Wherever possible, McDonald's Germany sources ingredients from regional suppliers and keeps transportation to a minimum. This not only supports Germany's agricultural industry. It also forms the basis for a robust and reliable supply chain.

from **Europe** 

**25,573 t TOMATOES** 94 % **E** 6 % **W** 

4,198 t APPLES 22 % G 70 % E 8 % W

1,459 t COFFEE 100 % W

28,347 t MILK 99 % G 1 % E

**133,710 t POTATOES** 70 % **G** 30 % **E** 

11,591 t LETTUCE 31% G 61% E 8% W

11,356 t ONIONS 98 % E 2 % W

6,545 t CHEESE 32 % G 68 % E

4,362 t CUCUMBERS 99 % G 1 % E

1,874 t EGGS 45 % G 55 % E

36,103 t FLOUR 75 % G 25 % E

from **G**ermany

43,691 t BEEF 88 % G 12 % E

5,923 t PORK 98 % G 2 % E

29,650 t CHICKEN 25 % G 75 % E **1,130 t FISH** 100 % W

925 t SHRIMPS 100% W



#### Listen now! Why is local sourcing so important? Our podcast gives

you the answers.

### Know what's inside:

We have provided restaurant quests with information on our products' ingredients and nutritional values for almost 25 vears. Our website and the national McDonald's app offer especially quick and easy access. And in the future, we are going a step further. What do we have in mind? Keep your eyes open!



Our fish - 100 % from certified sustainable fishing



Our shrimps -100 % from responsibly managed aquaculture



The coffee for our hot beverages -100 % from Rainforest Alliancecertified farms



Our Happy Meal with certified organic products

### Less is better!

### What's important to us:

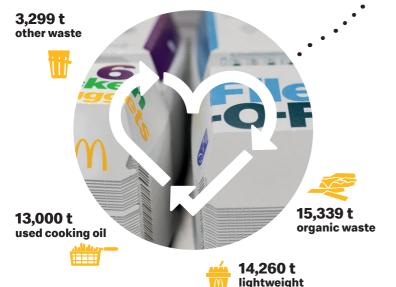
Less packaging, more recycling, less waste: We are redesigning our packaging for greater sustainability implementing new ideas and innovative materials, with the direct involvement of our guests. Because sustainability needs everyone to make a contribution.

### In 2019, we used 51,006 tonnes of packaging.





packaging



### Free of plastic - full of fun

We are working to reduce the plastic in our Happy Meals. We will be increasingly wrapping the toys for our youngest guests in paper rather than plastic. What's more, a book is always available as an alternative to a toy. And for every Happy Meal sold with a book, 10 cents are

### On track, ahead of schedule

Balloon holders made of paper. paper drinking straws, wooden spoons and paper tubs for our icecream: We have begun switching to better solutions and plan for further improvements - before the EU ban on single-use plastics comes into force.

donated to Ronald McDonald House Charities.



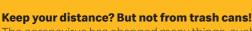
#### Read all about it

Since April 2019, the paper cups used in our restaurants are collected, processed and recycled - e.g. as paper for this CR update you are holding in your hands at this very moment.



### 100 % of virgin paper fiber

is sourced from sustainable forestry, certified by PFFC or FSC.



The coronavirus has changed many things, such as higher to-go and delivery sales, in conjunction with a far greater volume of take-away packaging. In addition to regular local refuse collections, we also run entertaining and persuasive social media campaigns to encourage our guests to correctly dispose of packaging.



### Listen now!

Practical or sustainable? We discuss the future of packaging in our podcast.

## **Animal welfare? Sure! And more!**

### What's important to us:

Good ingredients are the result of high agricultural standards – and the willingness to explore new avenues.



An achievement: Animal welfare, animal health, and lower carbon emissions – our BEST Beef program promotes more sustainable structures and standards in cattle farming, going beyond goverment requirements. The program was relaunched in 2019. In 2019, 2,205 farmers signed up – and McDonald's paid a BEST Beef bonus for 29,228 cattles. That corresponds to 8 % of our total volume of beef. And even during the pandemic, it is important to us to continue the program and our support for German agriculture.



The right stuff: We only use free-range eggs for our breakfast products, dips and sauces. And we only serve meat from chickens that have been raised exclusively on non-GMO feed. We do not use antibiotics of last resort defined by the World Health Organization (WHO) as Highest Priority Critically Important Antimicrobials (HPCIA) for human medicine for the chickens sourced for meat products, and are working to minimize the use of antibiotics generally. We remain fully committed to our high goals and standards.





### **Change the climate!**

### What's important to us:

Effective decarbonization calls for bright ideas – and the courage to put them into action.



Charging ahead: The future of transportation is electric. And McDonald's Germany is playing an active role in this development. We not only provide our employees with hybrid and electric company cars. We are also continuously expanding the electric charging infrastructure at our restaurants. We plan to have installed rapid charging points at all our drive-thru restaurants by 2025.





An extra day for climate protection: On February 29, 2020, McDonald's Germany donated all its advertising slots to Treedom, a social enterprise, allowing it to highlight its agroforestry projects around the world. It was also possible for guests to buy a tree from Treedom at McDonald's restaurants. Together with our guests, we managed to plant a total of around 44,000 trees.

Hydroelectric-powered fryers: Since 2014, almost all our German restaurants have used electricity generated from renewables. The very few exceptions are restaurants in shopping centers and at highway rest stops. In 2019, a total of 1,416 restaurants were operated using eco-friendly electricity from Scandinavian hydropower.



100 % eco-friendly electricity from hydropower

### We're here for you!

### What's important to us:

You can rely on McDonald's. Because we are always there for our guests – in the good times and the difficult times. And we offer our support together with our franchisees, and the resources of the Ronald McDonald House Charities.



... are the ambassadors of McDonald's Germany who **bring our brand to life** at our restaurants each and every day. Our franchisees are independent mid-sized entrepreneurs who currently operate

94 % of our German restaurants. Their experience and expertise play a essential role in the success of McDonald's Germany and frequently provide **vital fresh impetus**, e.g. with regard to our **sustainability and community efforts**.



One of our McDonald's restaurants with an e-charging point

Nicole Klassa Since January 2009 2nd-generation franchisee 6 restaurants, including in Bremervörde



## First business in Harburg county to be officially recognized for inclusivity

Frauke Petersen-Hanson Since July 2007 6 restaurants, including in Nordheide

### We welcome

2 million

guests every day.





First McDonald's energy-efficient restaurant

Christian Eckstein Since October 1998 35 restaurants, including in Achim



Oliver Mix Since December 2013 11 restaurants, including in Berlin



63,313 employees

117 suppliers



E-sports activities

Erkan Tolan Since May 2017 17 restaurants, including in Cologne



Member of the board of Ronald McDonald House Charities

Judith Lukacs Since June 1991 2 restaurants, including in Wittlich

1,575 trainees in three programs

**77** % of trainees were given permanent posts in 2019.



## Organization of local litter collection campaigns

Ingrid Ton Since December 2011 6 restaurants, including in



First McDonald's restaurant with its own deposit system for hot beverages

Tim Hendrikx Since January 2017 2nd-generation franchisee 12 restaurants, including in Augsburg





McDonald's Kinderhilfe

are operated by **Ronald McDonald House Charities** across Germany close to or in children's hospitals. They provide the families of seriously ill children with **a home away from home** and a much-needed sanctuary during treatment – an offer taken up by **14,719 families** in 2019. Together with suppliers, franchisees, and guests, McDonald's Germany donated **some 7.8 m euros to the Ronald McDonald House Charities** in 2019.

The Ronald McDonald Houses have remained open at all times during the crisis, as support is especially important at this exceptional time.





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Where not otherwise indicated, this CR update presents key figures from fiscal 2019. All facts and figures in this update refer to restaurants operated by McDonald's Germany itself ("company-owned restaurants"), to all restaurants in Germany and Luxembourg operated by franchisees, and to McDonald's Germany's administrative offices. Where this is not the case, it is correspondingly stated. In the interests of readability, the text does not give the legal form of companies or non-profit organizations.







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