



FOOD FOLK

Norwegian Transparency Act Due Diligence Report 2023

Food Folk Norway



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Executive summary

The Norwegian Transparency Act is intended to promote companies' respect for human rights and decent working conditions, as well as ensure public access to information on these issues. It requires large businesses, both those based in Norway and foreign businesses offering goods and services in Norway, to conduct human rights due diligence assessments in line with the Organization for Economic Co-operation and Development's (OECD) guidelines for multinational companies. This means identifying, assessing, preventing, accounting for, and following up on how the organization manages actual and potential negative human rights risks across the company's operations, supply chain and business relations.

Commitment to human rights and social sustainability

McDonald's Corporation's commitment to social sustainability and respect for human rights is set out in the [Human Rights Policy \(mcdonalds.com\)](https://www.mcdonalds.com). Its commitment is guided by the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. This commitment is equally upheld by Food Folk, which has managed the McDonald's brand in the Nordics since 2017 as a licensee.

In line with the Multi Unit Franchise Agreement (MUFA) and associated commitments made in 2017, Food Folk Norway has continually strengthened governance structures and implemented multiple policies, procedures, and systems to uphold human rights and cultivate safe, respectful, and inclusive workplaces. We set clear obligations and guidelines on responsible business conduct for our entire value chain, including employees, suppliers, and other businesses we work with.

In 2023, Food Folk reinforced sustainability governance structures, conducted a double materiality assessment aligned with the EU Corporate Sustainability Reporting Directive (CSRD), and initiated a review of how we collect and use data on human rights and working conditions. Guided by our belief in doing business responsibly, we understand that reviewing our organization for human rights risks is a constant process. We will continue to update and align our policies and processes as necessary.

Our approach to human rights due diligence

The Norwegian Transparency Act requires all organizations covered by the Act to carry out due diligence on human rights and working conditions across the company's operations and supply chain. Food Folk Norway takes a holistic approach to these issues, ensuring they are integrated into company values, and operational practices and procedures across our value

chain, covering our operations and supply chain. We prioritize human rights impacts based on severity and likelihood of occurrence, taking a risk-based approach.

Our own workforce

Food Folk Norway is committed to creating a respectful and safe workplace for our employees, built on dignity, diversity, inclusion, safety, and respect. Our employees must adhere to the Food Folk Code of Business Conduct. Our restaurants and franchises are committed to following our internal guidelines, policies, and procedures on human rights and decent working conditions.

Food Folk Norway reinforce our commitment through our employee training programs, internal awareness activities, and the Food Folk Code of Business Conduct. We have systems in place for employees and other stakeholders to raise human rights issues and report any potential or actual violation of those rights or other grievances. In 2023, we enhanced our employee feedback, engagement and training tools, and processes to ensure we drive continuous improvement across our operations.

Our value chain

We continually strive to embed fair and ethical workplace standards across our supply chain. Food Folk works with a diverse, global network of suppliers and other businesses to continue to enhance our knowledge of human rights issues and identify opportunities where we can drive industry-wide progress. Suppliers to McDonald's Corporation must adhere to its Global Supplier Code of Conduct and several other standards, accountability programs, and regular audits. Food Folk Norway has a comprehensive on-boarding process for all new food and packaging suppliers, which make up most of our supply chain. Non-compliance is tracked, and suitable follow-up measures are actioned to mitigate adverse impacts.

In 2024, Food Folk Norway will continue to expand our ongoing human rights due diligence processes to other areas of our supply chain as we evolve our business.

Letter from our Managing Director

Building on international frameworks such as the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for multinational enterprises, the Norwegian Transparency Act places important human rights obligations on corporations. Implemented in July 2022, the Act requires companies to assess actual and potential human rights impacts in their operations, supply chain, and business relationships, and to report on their due diligence annually.

This is Food Folk Norway's second account of the due diligence we performed to uphold human rights and decent working conditions throughout our value chain.

Food Folk Norway has a responsibility and a desire to uphold human rights and is committed to creating safe working environments. We want our people to feel supported, empowered, and have equal access to all our opportunities and benefits. This commitment is enshrined in our policies and processes that we apply to our own operations and our supply chain for Norway – of which the majority are Norwegian suppliers.

Over the last few years, we have focused on strengthening our internal human rights due diligence procedures to help ensure we uphold human rights and ensure decent working conditions across our entire value chain. We continued this work in 2023, including reinforcing our sustainability governance structures and initiating a review of how we collect and use data on workplace standards.

Food Folk Norway recognizes that, in a changing world, with heightened geopolitical tensions and increasing regulations, we must continue to review our organization for human rights risks, and update and align our policies and processes to ensure they are effective and consistent with the latest regulations and best practice.

Managing Director

Ann Helen Våge

Food Folk's approach to human rights is rooted in our commitment to responsible business conduct and transparency. We apply McDonald's Corporation's human rights practices – based on the UN Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work – through our human rights systems, standards, policies, practices, and trainings. As a corporate citizen, franchisor, business partner, and one of the largest youth employers in the Nordics, we believe we have a particular responsibility to continue embedding human rights principles into all our business practices across our full value chain. We see this as critical for any business to remain successful in the short and long term.

In 2023, we conducted Food Folk's first double materiality assessment, aligned with the EU Corporate Sustainability Reporting Directive (CSRD), which included an assessment of human rights risks and decent working conditions for our operations and supply chain. This assessment will be updated annually, complementing our existing due diligence frameworks, including our employee grievance channels and McDonald's Corporation's Supplier Workplace Accountability (SWA) Program.

Food Folk will continue to evaluate our human rights systems, policies, and standards on an ongoing basis as our business evolves, implementing measures to prevent, mitigate and remediate potential and actual adverse impacts.

Laura Kemp-Pedersen

Chief Sustainability and Impact Officer

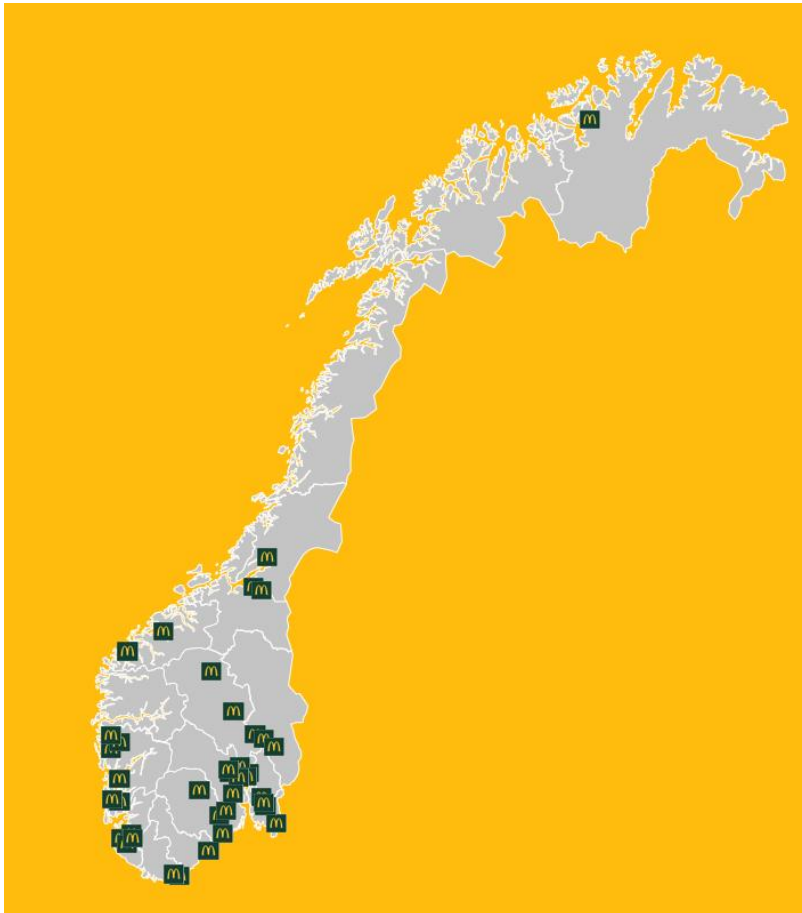
Food Folk

General description of Food Folk Norway

McDonald's restaurants in the Nordics are managed by Food Folk Group under a 20-year development license established in 2017. Food Folk Norway manages the McDonald's brand in the Norwegian market with 80 restaurants, 12 being wholly owned, and 68 under franchise.

Food Folk Norway's operations cover local business strategy, procurement, franchising, marketing, people development and restaurant management. Some of our business operations follow McDonald's Corporation's requirements and procedures, while others are managed locally.

The Food Folk system, which includes both restaurants operated by the group and restaurants operated by franchisees, had total net sales of NOK 3.487 million in 2023, with the franchisee restaurant sales accounting for NOK 2.605 million.



Embedding human rights and decent working conditions

Our commitment

At Food Folk Norway, we take seriously our responsibility to uphold human rights and ensure decent working conditions in our operations and supply chain. It is important to us that our business processes reflect our commitment to respect human rights, in alignment with the Universal Declaration of Human Rights. Our policies and procedures clearly convey our expectations to our employees, franchisees, suppliers, and other businesses we work with.

McDonald's Corporation introduced its Human Rights Policy in 2018, emphasizing its commitment to responsible business conduct. The policy is guided by the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the principles set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Food Folk looks to the McDonald's Corporation Human Rights Policy for best practice and voluntarily implements the policy and guidance across the organization.

In 2023, Food Folk Norway took two significant steps to reinforce and further embed human rights in our organization:

- Firstly, we conducted a double materiality assessment aligned with the EU Corporate Sustainability Reporting Directive (CSRD) to evaluate our environmental and social impact and corresponding financial risks and opportunities for our business. This assessment included our significant potential influence on human rights and working conditions in our supply chain and our active efforts to address them. We found that our current policies and processes address all our material issues related to human rights.
- Secondly, we initiated 'Project Everyone' – a Nordic-level review of how we are gathering and using data related to safe, respectful, and inclusive workplace practices. The goal was to create an overview of our current practices to enable aligned dialogue across our business on foundational people issues related to the employee experience in our restaurants. We have identified several areas to strengthen, including further building employee awareness about our grievance procedure.

Our policies

Our commitment to respect human rights is underpinned by our processes, policies, and ethical guidelines, which extend across our business and the entire value chain.

The following key policies and procedures guide our work:

McDonald's Corporation's policies and guidance applicable for Food Folk Norway:

- McDonald's Human Rights Policy.
- Global Statement of Principles Against Discrimination, Harassment and Retaliation.
- Global Statement of Principles on Workplace Violence Prevention.
- McDonald's Responsible and Ethical Recruitment Principles.
- Global Brand Standards.
- McDonald's Standards of Business Conduct.
- McDonald's Supplier Code of Conduct.
- McDonald's Supplier Workplace Accountability Program (SWA).
- McDonald's Supplier Workplace Standards and Guidance Document (SWSGD).
- McDonald's procedures for assessing and onboarding new suppliers.
- McDonald's Commitment on Forests addressing deforestation and the land rights of affected communities.
- McDonald's Safe and Respectful Workplaces.
- McDonald's Business Integrity Line.

Visit the McDonald's website for an explanation of these policies: [Human Rights \(mcdonalds.com\)](https://www.mcdonalds.com).

Food Folk policies:

- The Food Folk Group Code of Conduct.
- The Food Folk Responsible and Ethical Recruitment Policy.
- Food Folk Speak-Up Policy.

At Food Folk Norway, we strive to follow best practices. In addition to the McDonald's Corporation and Food Folk policies listed above, we have specific local policies on workplace practices for our restaurants in Norway – for example, covering local health and safety

procedures. To continuously improve outcomes, we regularly review our internal documents, consider, and manage potential factors, identify opportunities for improvement, and implement necessary updates.

Governance

Robust governance is vital to managing human rights risks and ensuring decent working conditions. To ensure that respect for human rights is embedded in our governance structures, we have worked together with McDonald's Corporation to implement key performance indicators (KPIs) to support our performance in this area, alongside systems for reporting, documenting, and remediating issues.

In 2023, Food Folk strengthened our ESG governance and established a Sustainability Council. The Council consists of the Managing Director of Food Folk Norway, Chief Sustainability and Impact Officer, Chief Financial Officer, Chief Marketing Officer and General Counsel and Chief Compliance Officer, Head of Nordic People Development and any other relevant leads required for each meeting. The Council meets monthly to track progress against all ESG targets, review emerging regulations, and monitor sustainability impacts, risks and opportunities aligned to the EU CSRD double materiality assessment. The Council provides a monthly sustainability progress update to the Food Folk Senior Leadership Team (SLT).

In 2022, Food Folk conducted a review of our existing governance structures that resulted in us strengthening sustainability reporting processes to senior management and the Food Folk board. In 2023, Food Folk hired a Social Impact Lead, reporting to our Chief Sustainability and Impact Officer. Our Social Impact Lead is responsible for the ongoing review of our human rights policies in the Nordics, ensuring we maintain appropriate focus within our business.

Our approach to human rights due diligence

The Norwegian Transparency Act requires all businesses covered by the Act to carry out due diligence assessments in relation to the activities that are directly related to the company's own business performance. In addition to this, companies must also assess the risk of violations of human rights in the operations of their subcontractors and other business relationships.

Food Folk Norway takes a holistic approach to ensure human rights and decent working conditions are integrated into our corporate values, operational practices, and procedures across our full value chain.

Methodology

The Act requires companies to establish systematic processes to secure human rights and decent working conditions. This includes mapping and assessing actual and potential adverse impacts on basic human rights linked to our business operations, supply chain, and relationships. The Act calls for due diligence to be carried out regularly and in proportion to the size, nature and context of the company, and considering the probability of severe adverse impacts on human rights and decent working conditions.

Risk-based approach and scoping

McDonald's Corporation has a global value chain and therefore undertakes systematic, in-depth reviews of both potential and active suppliers to identify material issues and impacts, both actual and potential. McDonald's Corporation gathers and analyzes information obtained and performs risk assessments based on external reports, self-assessment questionnaires, audits, action plans for improvements, and stakeholder engagements.

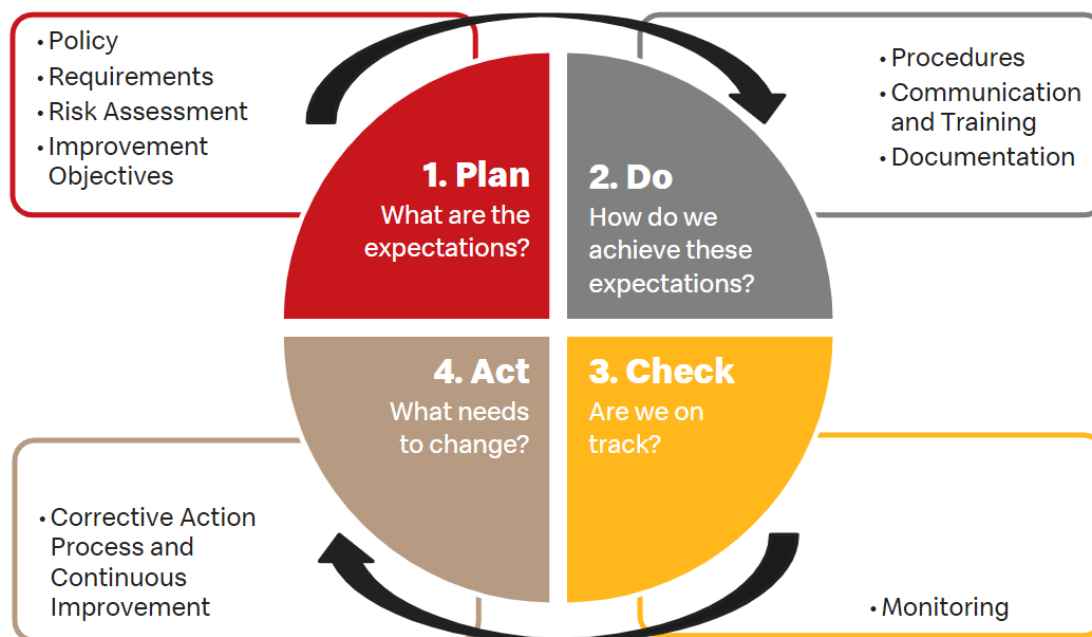
McDonald's Corporation requires a third party to carry out inspections and on-site audits at certain production sites. On-site audits consist of a physical inspection of the supplier and its facility, confidential interviews with workers, and a review of facility records and business practices. The interview sample includes production and non-production workers who are directly or indirectly employed by the facility (e.g. cleaning contractors and security guards), all in-house subcontractors, and all labor agency workers at the facility. These inspections are performed by a third party and assess the working conditions based on the ethical criteria outlined in McDonald's Corporation's Supplier Code of Conduct and Supplier Workplace Standards and Guidance Document. For sites that are audited, on-site audits are conducted at least once every three years.

Risk prioritization

Food Folk prioritizes potential human rights impacts based on severity and likelihood of occurrence. McDonald's Corporation has performed a prioritization of potential impacts based on their assessments and has identified remediation actions to undertake. Food Folk Norway follows these requirements and regularly reviews prioritization of adverse impacts, both regarding our local context and as our operations and external factors evolve, for example due to shifting geopolitical situations. Risks are categorized and addressed according to severity.

Plan-Do-Check-Act Management System Model

McDonald's Corporation and Food Folk Norway uses the Plan-Do-Check-Act (PDCA) Management System Model to enhance our internal and external processes for suppliers. It provides a simple and effective approach for implementing improvements in our supply chain.



The PDCA Model supports us and companies in our value chain, including suppliers, subcontractors, and agencies, through the process of:

- Developing organizational commitments and objectives to avoid or manage certain risks (Plan).
- Establishing a structure of procedures and risk controls to meet these objectives (Do).
- Continually improving operations by monitoring (Check).
- Adjusting processes to close gaps that could allow issues to arise or recur (Act).

Internal monitoring

Food Folk internal monitoring procedures help us understand human rights risks on an ongoing basis. Food Folk monitors our internal commitments, activities, and goals related to due diligence through regular reviews covering several business areas, including our supply

chain. Monitoring is carried out systemically and any relevant actions needed are handled at a country level directly with the suppliers. The results are reported internally to the relevant levels of the organization. Food Folk also carries out periodic assessments to verify that risk mitigation measures have been implemented and adverse impacts have been prevented or mitigated.

Our own workforce

Food Folk Norway strives to integrate responsible business conduct into its company's operations as fully as possible. Food Folk is committed to creating a respectful and safe workplace built on dignity, diversity, inclusion, and respect for all our employees. This is reinforced by the Food Folk Code of Conduct signed by all employees working in the Food Folk Norway headquarters and all restaurant managers. In 2023, the Code of Conduct was voluntarily updated to include clear reference to McDonald's Corporation's Human Rights Policy as a best practice.

All of Food Folk's restaurants and franchises are committed to following our internal guidelines, policies, and procedures on human rights and decent working conditions. Food Folk's recruitment policy ensures ethical and responsible principles are embedded into our employment practices.

Restaurant audits cover critical legal issues, global brand standards, responsible recruitment practices and compliance with global best practices. Food Folk Norway has adapted the guidelines to ensure the questions are aligned to relevant Norwegian law and regulation. To drive continuous improvement, Food Folk Norway's people development team meets regularly with our performance consultants to review progress and make any necessary improvements.

Internal awareness and training

Food Folk's commitment to manage and run our business responsibly and cultivate respectful workplaces - built on dignity, diversity, inclusion, safety, and respect - is clearly communicated through our employee training programs, internal awareness activities, and the Food Folk Code of Conduct. The Code of Conduct includes ethical and legal responsibilities and guidance, as well as information on how to address risk-based scenarios that our employees may encounter. The document also refers to our Food Folk Anti Bribery and Corruption Policy which all employees are required to read and adhere to.

All Food Folk employees are required to complete mandatory training in safe, respectful, and inclusive workplaces within their first 30 days working for Food Folk. We monitor completion rates through our e-learning system *McLearning*.

In 2023, we updated our Food Folk Norway health, safety, and environment (HSE) course in collaboration with our external HSE partner. The course is for all HSE representatives in our restaurants. We added more HSE content into all our leadership courses for shift leaders through to department leaders. We also updated the information about bullying and harassment in our toolkit for our restaurants' senior management.

Employee grievance mechanisms

Food Folk Norway has established several reporting channels for employees to raise human rights issues and report potential or actual human rights violations or other grievances. All employees are encouraged to report any suspected violations of the Food Folk Code of Conduct or breach of the law in accordance with Food Folk's standard reporting procedures.

The Food Folk Speak-Up Policy provides guidance on how reports of confirmed or suspected incidents of fraud and misconduct should be handled and applies to all Food Folk employees and business partners. People can report concerns directly to their manager or members of the management team, the HR Department, their Local Compliance Officer, Chief Compliance Officer/ General Counsel. If they wish to report a concern anonymously, they can use the Food Folk Integrity Line, operated by an independent party. Food Folk's human resources team follow the steps set out in Norwegian Whistleblowing Law to deal with issues raised via the Integrity Line.

Employee engagement

Food Folk encourages open and honest communication among employees and suppliers. McDonald's Corporation makes their annual survey available to franchisees, which Food Folk uses to gather feedback and help drive continuous improvement in operations. This survey covers all of Food Folk's restaurant staff, including franchised restaurants. Alongside the mandatory questions and the optional questions set by McDonald's Corporation, in 2023 Food Folk Norway incorporated additional questions on harassment and bullying. Responses to the questions were analyzed by an external partner and a harassment and bullying workshop was conducted with the franchisees during our annual partnership meeting to review the results and employee insights. This has resulted in updated content in the leadership manual, tools, and templates for restaurant managers to support employees on these topics.

Alongside the annual survey, Food Folk Norway has implemented a monthly 'MyVoice' pulse survey in our headquarters and restaurants. We tailor the survey questions each month to capture real-time feedback from our people on ongoing changes or processes, enabling us to take any actions needed to drive improvements. MyVoice questions cover topics related to working conditions and employee satisfaction and covers key themes such as diversity and inclusion or misconduct.

Our value chain

Responsible sourcing

Food Folk Norway prioritizes working with suppliers who share its commitment to human rights and decent working conditions. Our codes and guidelines outline our expectations and strengthen our alignment with suppliers on our approach to business, corporate values, and operating principles. Overall, our goal is to deliver responsible sourcing programs that drive lasting, positive outcomes for people, animals, the environment, and our organization.

Food Folk Norway is part of a large, global supply chain of food and packaging suppliers, as well as delivery, facilities, and construction suppliers. At the end of 2023, we had 94 food and packaging suppliers. We source 50% of food and packaging (by volume) for Norway, from two large Norwegian suppliers. Our remaining food and packaging suppliers are Norwegian and European.

Supplier management system

Strong relationships with suppliers is one of the key strengths of our business. All suppliers to McDonald's Corporation must commit to uphold the standards outlined in the McDonald's Supplier Code of Conduct, regardless of cultural, social, and economic context. This includes meeting McDonald's Corporation's human rights, workplace environment, business integrity and environmental management standards.

McDonald's Corporation's Supplier Workplace Standards and Guidance Document (SWSGD) is shared with all of its food and packaging suppliers and provides detailed guidance on each aspect of the Code of Conduct and what suppliers need to do in their operations and supply chains to meet our expectations.

Food Folk Norway also expects suppliers to implement their own management systems to ensure compliance with all applicable laws and regulations, and with standards and requirements under the McDonald's Corporation Supplier Code of Conduct. This includes having clear and updated policies, a designated senior manager accountable for compliance with policies and procedures, and guidance on how to implement the policies. All policies and procedures must be clearly communicated to all employees. Subsequently, verifications must be made, such as a test or demonstration of procedures during audits, to ensure understanding and correct implementation.

McDonald's supplier workplace accountability program

McDonald's Corporation's Supplier Workplace Accountability (SWA) Program plays a central role in its approach to helping ensure fair and ethical workplace standards at its suppliers' operations. The program involves engagement and training on topics such as human rights, workplace safety and business integrity, and third-party verification of workplace practices. McDonald's Corporation takes a risk-based approach to determining where and when to conduct on-site SWA audits. All food and packaging suppliers to Food Folk Norway are subject to McDonald's Corporation's SWA program.

Food Folk Norway has a comprehensive onboarding process for all new food and packaging suppliers during which we assess the level of monitoring required under the SWA program. All suppliers receive an introduction to the program and the engagement process and are required to acknowledge the Supplier Code of Conduct, complete a self-assessment questionnaire (SAQ), and complete an on-site SWA audit.

The SAQ helps suppliers assess their risks and better understand the expectations, as outlined in the McDonald's Corporation Supplier Code of Conduct. The questionnaire must be completed annually by all registered and approved suppliers, and covers human rights, business integrity, workplace environment, environmental management, management systems, and grievance mechanisms. The completed questionnaire serves to establish a baseline of sustainability practices and management systems against which we can track their performance. Where issues are identified, we establish a Corrective and Preventative Action Plan (CAPA) to remediate them.

In 2023, 46 SWA audits were conducted on food and packaging suppliers to Food Folk Norway and CAPAs implemented where required. Of the 46 audits, 9 were identified as non-compliant and subject to re-audit.

RELEVANT TOPIC	DESCRIPTION OF ISSUE	PRODUCTION COUNTRY
<i>Relevant topic highlighted in the Code of Conduct</i>	<i>Description of non-compliance according to Food Folk Code of Conduct</i>	
Fire safety	Inappropriate design or installation of emergency exit doors	Denmark, Norway, Belgium
Fire Safety	Emergency exits blocked	Denmark, Norway, Sweden

Fall protection	Inadequate fall protection	Netherlands
Contract of employment	Work eligibility documentation not verified and/or recorded	Denmark

Food Folk Norway does not cause or contribute to these issues, but we are linked to them through our business relationships. We are therefore using our leverage to help mitigate the impacts. For each issue identified, we have worked closely with the supplier to develop a CAPA, to help them ensure that the instances of non-compliance have been addressed and corrected.

Supplier grievance mechanism

Food Folk Norway aims to ensure all workers in the supply chain have access to effective complaints and grievance channels. As part of its Supplier Code of Conduct, McDonald's Corporation requires suppliers to establish channels and programs to collect and address reports of workplace grievances, including anonymous reporting. It also requires suppliers to hold their own suppliers to the same standards.

Sustainability initiatives and engagement

McDonald's Corporation is committed to engaging with relevant internal and external stakeholders to continue to advance its approach to human rights. McDonald's Corporation has partnered with the Business for Social Responsibility's Human Rights Working Group (HRWG) to drive progress in this area. HRWG provides a shared-learning forum to support businesses to implement the UN Guiding Principles on Business and Human Rights on a continuous basis. Food Folk utilizes the outcomes and learnings from this forum. Food Folk collaborates with licensees in other markets and some other companies to share high-level knowledge and expertise on the topic of human rights.

In 2023, we interviewed a range of internal and external stakeholders as part of our double materiality assessment aligned with the EU Corporate Sustainability Reporting Directive (CSRD). We heard from employees, industry experts, non-governmental organizations (NGOs), and suppliers. Their input enabled us to evaluate our environmental and social impacts, establish material topics for our business, and continue to evolve our processes to address risks.

Commodity suppliers

Continually deepening the understanding of the human rights risks associated with the various commodities sourced is key to maintaining high standards of ethics.

In 2018, McDonald's Corporation engaged an external provider to conduct a Human Rights Impact Assessment (HRIA) at the farm level. The assessment also included a stakeholder consultation with key nongovernmental organizations (NGOs). This helped McDonald's Corporation understand how industry experts view the human rights risks associated with specific commodities and their views on how to best to mitigate those risks. It confirmed which commodities, for example palm oil, coffee and tea, are associated with human rights risks in the supply chain, with the most salient risks related to occupational health and safety, migrant workers, and decent working time.

For high-risk commodities or regions, McDonald's Corporation implements additional mechanisms alongside our SWA program to help manage any human rights risks. This includes sourcing our largest food and packaging volumes through internationally recognized third-party certification schemes that require suppliers to respect human rights and communities and maintain high environmental standards. McDonald's Corporation has strict sustainable sourcing policies that specify acceptable certification schemes, including the Roundtable on Sustainable Palm Oil (RSPO), Rainforest Alliance, Fairtrade International, Forest Stewardship Council (FSC), and the Program for the Endorsement of Forest Certification (PEFC). All coffee used in McDonald's restaurants located in Norway comes from Rainforest Alliance-certified sources.

To learn more about the certifications used for individual high-priority commodities, please see McDonald's Corporation's web site at: [Responsible Sourcing \(mcdonalds.com\)](https://www.mcdonalds.com/responsible-sourcing).

Other suppliers

All suppliers, including sub-contractors and businesses involved in construction, facilities management, and delivery, must follow the obligations in McDonald's Supplier Code of Conduct. The Food Folk Norway third-party contract outlines that our delivery partners must adhere to local laws and regulations. We have close working relationships with our couriers based on regular and open communication.

Human rights and decent working conditions are integral to our environmental management system (EMS) used to track our own activities and those of our construction and facilities suppliers. Before starting any construction project, we perform a health and safety analysis, as required by Norwegian Law. All suppliers can only enter our construction sites with electronic ID cards and protective equipment. This allows us to monitor working hours and support the health and safety of the workers. Under Norwegian law, all new restaurants are

inspected on opening by the Norwegian Labour Inspection Authority which conducts a thorough review of the premises and staff working at that site.

Since the publication of our first Norwegian Transparency Act report in 2023, we have received one inquiry. On investigation, we found no instances of non-compliance with our code. No other inquiries have been received to date.

Conclusion

Food Folk Norway is committed to creating a responsible, transparent, and trusted organization where human rights are respected throughout the value chain. Food Folk aims to use our scale and influence to help drive human rights improvements for all. That means maintaining a holistic approach to responsible sourcing, which considers our impact on the people who produce our food and their communities, animal welfare, and the wider environment.

We continually strive to identify, assess, mitigate, and manage the human rights issues most salient to our business. Launching Project Everyone, conducting a double materiality assessment aligned with the European Sustainability Reporting Standards (ESRS), and expanding our sustainability team are just a few of the actions we have taken in the last year to continually improve and strengthen our approach. These initiatives sit alongside our ongoing efforts to uphold the highest standards around human rights through relevant policies and practices and long-term relationships with our suppliers.

Food Folk Norway recognizes that the operating landscape is constantly changing, meaning existing risks evolve and new risks emerge. It is crucial to maintain and expand our human rights due diligence processes, expanding efforts to all areas of our supply chain to ensure we focus on the salient human rights issues for our organization. In 2024, we plan to further strengthen our approach to human rights by extending due diligence procedures to cover more suppliers.

Ann Helen Våge

Managing Director

10.06.23

Glossary of entities

- **Food Folk Group Holdings AS** is referred to as 'Food Folk' in this report. It covers our operations across Sweden, Denmark, Norway, and Finland.
- **Food Folk Norway AS (including subsidiaries)** – Food Folk's operations in Norway – is referred to as 'Food Folk Norway' in this report.
- **McDonald's Corporation** is used throughout to refer to the Company from which Food Folk holds a license.