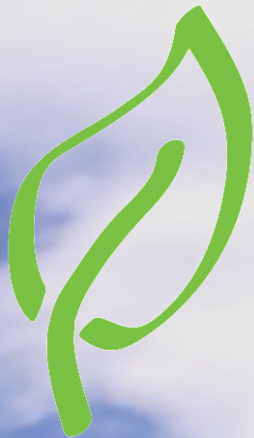


The Road to Sustainability

McDonald's Commitment to the Environment



At McDonald's, we know that a vibrant environment is essential for society to meet today's needs . . . and tomorrow's. That's why we've made our commitment to the environment an important part of running our business. Because of our considerable scale, McDonald's has the ability and obligation to use our size and influence to make a difference.

We also believe that using less and conserving more enhances our ability to manage our restaurants. By building upon the highlights listed here, we will continue to engage our people, our suppliers, various stakeholders, and most importantly our customers whose expectations are increasingly committed to protecting the environment in their own lives.

Sustainable Supply

Sustainable agriculture: McDonald's Global Sustainable Land Management Commitment (SLMC) announced in 2011 pledges to work with suppliers who, over time, follow practices to ensure agricultural raw materials and packaging come from sustainable sources.

Sustainable fisheries: 100% of fish for McDonald's USA is sourced from Marine Stewardship Council-certified fisheries. Our own Sustainable Fisheries Guidelines have been in place since 2001.

Environmental scorecard: Since 2006 we've been using an environmental scorecard to measure waste, water and energy for direct suppliers, extended in 2011 to include packaging along with food and toys.

Best practices in sustainable beef: McDonald's is a member of the Global Roundtable on Sustainable Beef. We are also taking a leadership role in supporting the development of a North American sustainable beef initiative to bring together the best ideas and actively support more sustainable beef production in the U.S.

Best practices in potatoes: Since 2010, we've been working with our U.S. potato suppliers, Integrated Pest Management Institute, and National Potato Council to develop a survey to track the performance of growers in our supply chain relative to best practices in use of pesticides, fertilizers, and water use.

Forestry certifications for paper products: McDonald's seeks to increase the volume of fiber-based packaging raw materials from suppliers that have earned credible third-party certification. Currently, McDonald's recognizes a number of established forestry certifications.

Best practices in egg production: We were a founding member of the Coalition for Sustainable Egg Supply which is supporting a three-year study that is examining the impacts of a variety of best practice approaches on animal welfare, employee welfare, hen health, environment, quality, food safety, and food affordability.

Improvements in truck fleet efficiency: McDonald's USA and the McDonald's U.S. Distributor Council are working to reduce our annual miles and improve the mileage of our fleet while maintaining the highest levels of customer service. To date, US distribution centers have achieved a reduction of 775,000 fewer travel miles per year and nearly 133,000 fewer gallons of diesel consumed. That's a reduction of more than 2.7 million pounds of CO₂ every year.

McDonald's works with our suppliers to buy quality, safe products in a responsible manner — caring for the environment as well as employees, animal welfare and local communities



Energy and Green Building

McDonald's incorporates energy and water efficiency measures and technologies into our current building and equipment standards

Restaurant Development Environmental Sustainability Plan: We have developed environmental standards for new restaurants, rebuilds and remodels.

Testing new ideas: We continue to build select LEED (Leadership in Energy and Environmental Design) restaurants, with four LEED gold-certified restaurants in the U.S. to date — Savannah, GA; Chicago, IL; Cary, NC, and Riverside, CA. At least 25 more will be added through the LEED Volume Program over the next three years.

Energy-efficient LED lighting: The evolution of our effort with LED lighting began with our building signage. Starting in 2011, all new rebuilds and remodels will have interior LED lighting. That will include more than 75,000 light fixtures, with estimated savings of over 19 million kWh and \$1.9 million in energy costs.

Energy efficient equipment and fixtures: We use energy efficient equipment in our restaurants, like menu boards, grills, and fryers. The Low Oil Volume (LOV) Fryer utilizes approximately 40% less oil and 4% less energy than previous high efficiency units.

First EPA ENERGY STAR "Partner of the Year": In 2007, McDonald's USA was the first restaurant company to be named by the U.S. EPA as an ENERGY STAR "Partner of the Year" for the reduction of energy usage in company-owned restaurants.

Driving efficiency with restaurant energy surveys: Identifying opportunities for energy efficiencies throughout the restaurant have resulted in up to \$3,000 - \$6,000 in cost savings per year for individual restaurants. To take just one example, by taking the simple step of managing fire-up schedules through equipment computer controls, the average restaurant can save approximately \$1,500 per year.

We're buying renewable energy credits: McDonald's USA is supporting renewable energy by making a commitment to match 30% of the electricity used at company-owned restaurants in 2011 and 2012 with renewable energy certificates.

Packaging, Waste and Recycling

Major purchaser of recycled paper: We help create a marketplace for recycled paper by purchasing approximately 29% of our materials from recycled content, including:

- **Carry-out bags:** (minimum of 25% recycled content)
- **Napkins:** (minimum of 60% recycled content)
- **Sandwich containers:** (minimum of 37% recycled content)
- **Happy Meal cartons:** (minimum of 35% recycled content)

We recycle: Many of our restaurants recycle corrugated shipping boxes and used cooking oil.

- **Corrugated recycling:** This is about 25% of our corral waste diverted for recycling.
- **Used cooking oil:** More than 70% of our restaurants recycle cooking oil, much of which is recycled into biodiesel. This is approximately 13,000 lbs. per average participating U.S. restaurant.

McDonald's strives to reduce, reuse and recycle wherever possible – from reducing packaging to using recycled content and piloting recycling and composting solutions

Want to learn more? Check out the following resources

McDonald's Best of Green & Sustainable Supply Chain: www.bestpractices.mcdonalds.com

2010 Corporate Responsibility Report: www.aboutmcdonalds.com/mcd/csr/report.html