

Particulars

About Your Organisation

1.1 Member Name

McDonald's Corporation

1.2 Membership number

3-0044-11-000-00

1.3 Membership sector

Retailers

1.4 Membership category

Ordinary

1.5 Country

United States

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants
- I trade or broker palm oil, palm kernel oil or related products
- I am a refiner of palm oil or palm kernel oil
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related ingredients
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products
- I manufacture consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors.
- I retail consumer (B2C) products containing palm oil, palm kernel oil or related products
- I operate food retail outlets that use palm oil, palm kernel oil or related products
- I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- I support the sustainable development of the palm oil industry as a social and human development NGO

Retailers

1. Operational Profile

1.1 Please state your company's main activity(ies) within the palm oil supply chain. Please select all options that apply to your operations.

- Retail - with own brand products
- Retail - without own brand products
- Food service providers
- Retail wholesalers
- Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

McDonald's restaurants worldwide including restaurants owned by the Company and its Franchisees for more information, please see the Company's Annual Report.

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe, North America, China, India, Malaysia, Indonesia, Africa, Latin America, Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of uncertified and certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	19810.0
Total volume of crude palm kernel oil (tonnes)	428.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	79350.0
Total	99588

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question RT.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	80.0
Palm kernel oil-based derivatives and fractions	20.0

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions. In cases where sales distribution data is not available, members may use manufacturing regions as a proxy for regional usage of certified volumes.

Countries/Regions	Percentage
Europe	5.0
North America	21.0
Malaysia	9.0
Indonesia	11.0
China	4.0
India	4.0
Latin America	1.0
Africa	5.0
Rest of World	40.0

2.4 Total volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand products. Third-party brand products containing palm oil should be excluded.

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	4370.0	2.0	0.0	17482.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	14021.0	426.0	0.0	56191.0
Segregated (SG)	1405.0	0.0	0.0	5621.0
Identity Preserved (IP)	14.0	0.0	0.0	56.0
Total	19810.0	428.0	0.0	79350.0

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question RT.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	80.0
Certified Palm kernel oil-based derivatives and fractions	20.0

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's Certified Sustainable Palm Oil uptake is:

100.00%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

We are committed to increasing traceability for the palm oil used in the McDonald's system in the greatest volumes, which means we are increasing our physical RSPO volumes (Mass Balance, Segregated and Identity Preserved). All volumes used in the McDonald's system are required to be covered by either RSPO physical Certification or RSPO Credits.

2.6 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question RT.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	5.0
North America	21.0
Malaysia	9.0
Indonesia	11.0
China	4.0
India	4.0
Latin America	1.0
Africa	5.0
Rest of World	40.0

3. TimeBound Plan

3.1 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2012

3.1.1 If the previous target year has not been met, please explain why.

-

3.2 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil, palm kernel oil and related products from any supply chain option in own-brand products.

2017

3.2.1 If the previous target year has not been met, please explain why.

100% of our palm oil supply has been Roundtable for Sustainable Palm Oil (RSPO) certified since 2017, the minimum level of verification currently required according to our Global Sustainable Palm Oil Policy.

3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2020

3.3.1 If the previous target year has not been met, please explain why.

We've been using a combination of RSPO Physical palm oil and RSPO credits since 2012 gradually increasing our proportion of Physical RSPO palm oil.

Our volumes of RSPO physical certified oils (Mass Balance, Segregated and Identity Preserved), have increased for all volume usage from 13% in 2016 to over 78% in 2020.

Identity Preserved: 0.1%

Segregated: 7%

Mass Balance: 71%

Book and Claim: 22%

Of which, products using the largest amounts of palm oil in the McDonald's system (restaurant and par-fry oils). Have reached over 93% of physically certified RSPO oils globally.

In addition, as part of our global oils strategy, we regularly engage suppliers on McDonald's policy and ensure that we only source from suppliers capable of meeting our expectations. In 2016 suppliers submitted documentation outlining that they have policies and programs in place to fulfil the requirements outlined in our Global Sustainable Palm Oil policy.

3.4 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

Applies Globally

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

McDonald's does not produce own brand products

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

Our previously stated goal for the end of 2020, was that 100% of the palm oil used in McDonald's restaurants and as ingredients in McDonald's products will support sustainable production. (Ingredients includes any type of palm oil used directly as an ingredient in a McDonald's product and listed on the product's ingredient statement.)

Looking forward past 2020, we intend to continue to monitor and seek compliance on these criteria.

Additionally, we require that all globally managed suppliers of restaurant and par-fry oil must: Be active members of the RSPO and report through the RSPO Annual Communications of Progress; Have a public commitment to eliminate deforestation and supporting strategy; Have a strategy for traceability to the mill and plantation level; Be committed not to source from peatlands, high conservation value land and high carbon stock forests; Be committed to uphold human rights at the plantation level and Free and Prior Informed Consent; Have a third-party verification process; and have a strategy to address any open grievances.

McDonald's will continue to use our data collection systems to gather data from all suppliers globally. The scope of our data collection currently captures information on high palm oil volume products such as restaurant frying oil, oil used for par frying potatoes and chicken, and certain baked goods and sauces (liquid products). The remaining volumes of palm oil used in other items, are accounted for through a calculation based on ingredient declarations. We purchase Book and Claim certificates for the estimated volumes.

We are committed to continue increasing traceability for the palm oil used in the McDonald's system in the greatest volumes.

McDonald's also participates in forums that promote the use of sustainable palm oil and industry transformation through organizations such as the Tropical Forests Alliance and the RSPO. When travel allows, we regularly visit facilities and plantations with our supplier and NGO partners.

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

1.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

Yes

1.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

Occupational Health & Safety

1.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?

Yes

Climate Change & Greenhouse Gas (GHG)

1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?

Yes

1.5.1 Does the policy cover:

- Identification and assessment of GHG
- Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances

1.6 Does your company have a Complaints & Grievances Mechanism?

Yes

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes

Smallholders

1.7 Does your company support oil palm independent smallholder groups?

Yes

1.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

1.7.2 How is your company supporting them?

Supporting smallholders is one of the tenets of McDonald's Commitment on Forests. See the detailed commitment here:

<https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/McDonaldsCommitmentOnForests.pdf>

We are working with our suppliers and partners to understand the best methods to support smallholders through both our commitment to sustainable palm oil and our work to uphold our Commitment on Forests

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

No

Waste Management

1.9 Does your company have a waste management plan?

Yes

Water Management

1.10 Does your company have a water management plan?

Yes

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

No

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

No

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

Challenges to procure physical certified palm in some markets. Ex. Segregated palm in the US

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

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1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

https://corporate.mcdonalds.com/content/dam/gwscorp/assets/our-planet/climate-action/McDonalds_Corporation_CDP_Forests_2020.pdf

We are also currently working to update our website in the coming months with progress on our 2020 Goals.