



RECIPE
FOR THE
FUTURE.



CORPORATE
RESPONSIBILITY
Report 2011

ABOUT THIS REPORT

REPORTING PERIOD

The reporting period is the 2011 calendar year (January 1, 2011 through December 31, 2011). The deadline for submissions was May 31, 2012. The previous corporate responsibility report of McDonald's Deutschland Inc. was published in June 2011. We intend to publish a corporate responsibility report every year. Contact partners for any queries relating to the report and its contents are listed in the publishing details. All information relates to the Main Service Center and the three Regional Service Centers in Germany as well as the restaurants operated by McDonald's Germany and all restaurants under franchise in Germany. Any exceptions to this are specifically stated.

SCOPE AND LIMITATIONS OF THE REPORT

In 2011, we made progress in determining the key sustainability issues facing McDonald's Germany. These are shown in the matrix on page 55 in the Sharing brand chapter. We involved our many external stakeholder groups in this process by analyzing stakeholder interests across the full spectrum from non-government organizations (NGOs) to the scientific and research community.

During the period under review, we engaged in various forms of dialog on sustainability issues – ranging from Executive Board interviews to communication with restaurant guests. Even on critical issues, we provided detailed feedback in response to questions from the media, NGOs and various institutions.

During the course of the current year, we will be analyzing the issues of greatest interest to our stakeholders, above all our 64,000 or so employees across all levels of the company and our franchisees. We have defined these issues primarily on the basis of surveys and will be framing them with European and global sustainability goals.

TARGET AUDIENCE

This corporate responsibility report is intended for all employees and franchisees of McDonald's Germany as well as partner companies, NGOs, government agencies, stakeholders in the science, research and education communities, politicians and the general public. We have also published a condensed brochure for the diners in our restaurants. In the interests of readability, we do not generally write out the full legal names of companies and non-profit organizations. "McDonald's Germany" is used in place of McDonald's Deutschland Inc., Munich branch.

GRI-COMPLIANT INDICATORS AND REPORTING

This report outlines the targets we have defined for each of our action items and the status thus far.

Our aim is to define non-financial key performance indicators (KPIs), which we will then use to benchmark our sustainability performance and management in the future (from 2013 at the earliest). We follow the latest guidelines set down by the Global Reporting Initiative (GRI) here. The GRI index and application level are covered on page 62.

DISCLAIMER

Great care has been taken in collecting and processing the data contained in this report. Nevertheless, it is not always possible to exclude errors and inaccuracies entirely. Where this report contains statements about future developments in addition to past occurrences, these are based on information presently available and on assumptions derived from current forecasts. Even where great care has been taken in preparing the latter, numerous variables that cannot now be anticipated may result in deviations. Forward-looking descriptions in this report should not, therefore, be regarded as definite.

FURTHER INFORMATION

This report and further information is also available online at: www.mcdonalds.de/verantwortung

ABOUT McDONALD'S GERMANY

McDonald's Deutschland Inc., Munich branch¹, manages one of the most important and profitable markets within the global McDonald's organization. The first McDonald's restaurant in Germany opened in the district of Giesing in the city of Munich on December 4, 1971. The number of food and drinks on offer grew from six to over 100 products. This includes the products offered by the McCafé coffee shop brand, which was launched in 2003.

McDonald's Germany is a stock company as defined by the laws of the state of Delaware. It is headquartered in Munich, where its Main Service Center is located. Three further Regional Service Centers are responsible for states in the north-east (Lower Saxony, Bremen, Hamburg, Schleswig-Holstein, Mecklenburg-Vorpommern, Saxony-Anhalt, Berlin, Brandenburg, and Saxony), the west (North Rhine-Westphalia, Hesse, Rhineland-Palatinate and Saarland) and the south (Thuringia, Baden-Württemberg and Bavaria) of Germany. Key administration departments include development (real estate, IT, construction, equipment), operations, HR, marketing, finance, corporate communications and franchise (responsible for interfacing between administration and franchisees). At the close of fiscal 2011, there were 1,415 McDonald's restaurants of different sizes and in different locations throughout Germany (see table). 1,166 of these (approximately 80 percent) were run by franchisees.

Satellites ²	179
Restaurants at airports	8
Restaurants in train stations	96
Restaurants in highway service areas	70
McDrives	996
Further in-stores	37
New restaurants opened in 2011	29

McDonald's and its franchisees employed a total of around 64,000 people in Germany during the previous fiscal year and

achieved net revenue of EUR 3.195 billion, a 5.9 percent rise on the 2010 figure. During the period under review, there have been no significant changes to the size, organization or ownership structure of McDonald's Germany.

The current annual report of the McDonald's Corporation headquartered in Oak Brook, Illinois (US), contains information on total market capitalization, total assets, revenue and headcount according to country. Financial highlights are available online at www.aboutmcdonalds.com/mcd/investors/financial_highlights.html.

AWARDS

McDonald's presents awards for outstanding performance within the company and also receives awards from third parties.

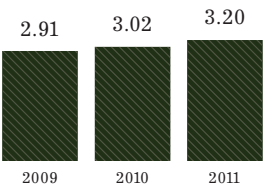
During the period under review, for example, Christiane Wörle, Senior Manager in the communication department at McDonald's Germany, was named "Best Employer Brand Manager 2011" by Queb e.V. for the successful "Mach Deinen Weg" (Go For IT!) employee campaign. Queb e.V. is a network of specialists and companies dedicated to innovative employer branding. This campaign also received the 2011 Trendence Employer Branding Award, achieving first place in the "Best School Marketing" category.

The company also received the 2011 Catalyst Award in recognition of the long-standing commitment to equal opportunities demonstrated by the McDonald's Corporation. This engagement is reflected in initiatives such as the German Women's Leadership Forum (see Employer of choice chapter). The leading non-profit membership organization, Catalyst presents this award every year for outstanding initiatives that support and promote women in business. Further information on the prizes and awards won by McDonald's is available online at www.mcdonalds.de/verantwortung.

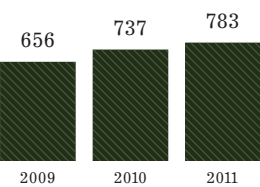
FACTS & FIGURES

McDonald's Germany

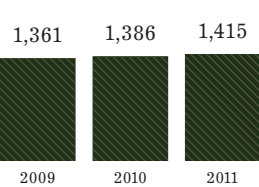
Annual net revenue in EUR billion



Number of McCafés (franchisees and company)



Number of restaurants under McDonald's Germany (franchisees and company)



¹⁾ Referred to as McDonald's Germany in this report
²⁾ Satellites are small restaurant units that are tied logistically to larger restaurants – e.g. in train stations or shopping centers

GOVERNANCE AT McDONALD'S GERMANY

The Executive Board of McDonald's Germany had six members based in Germany during the period under review. As a subsidiary of a parent company listed in the US, McDonald's Deutschland Inc. is subject to the Sarbanes-Oxley Act.

Bane Knezevic is Chief Executive Officer and President of the Western Division. Holger Beeck is Vice President of the Board and Chief Operating Officer. Joachim Kellner is Chief Finance Officer and Alexander Schramm was Chief Development Officer (until January 2012). Wolfgang Goebel is Chief Human Resources Officer. James Woodbridge was responsible for marketing until October 31, 2011. Matthias Becker took on the position of Chief Marketing Officer on November 1, 2011.

Different committees are responsible for communication and strategic collaboration between the management of McDonald's Germany and franchisees in Germany. Franchisees are represented here by the Franchisee Leadership Council (FLC), comprising twelve members. Six new members (half of the council) are appointed each year. Four members represent one of the three regions (west, north-east and south). One of these members is appointed spokesperson for the franchisees for a period of one year. The FLC comprises six other members, who act as market representatives for the three regions. In total, eighteen franchisees meet regularly with representatives of McDonald's Germany in strategy teams and specialist committees. Their primary task is to advance the interests of franchisees in order to improve and optimize the McDonald's system overall.

FLC members act as the first and immediate line of contact for McDonald's, supporting and advising on all key matters, also building an internal and external information hub. To ensure they can fulfill their duties, they are involved in all key decisions made by the franchisor. Roman Felbinger was Spokesperson for the FLC until the end of his term of office in 2011. Arndt Heiderich now assumes this position. The FLC was regularly kept up to date on sustainability issues during the period under review.

McDONALD'S CORPORATION – BOARD OF DIRECTORS, COMMITTEES, BODIES

The management team of the McDonald's Corporation, headquartered in Oak Brook, Illinois (US), comprises sixteen members (www.aboutmcdonalds.com/mcd/our_company/leadership.html). The Board of Directors is also based in Oak Brook and comprises fourteen members (www.aboutmcdonalds.com/mcd/investors/corporate_governance/board_of_directors.html). These are bound by dedicated rules set down in the Director Code of Conduct (www.aboutmcdonalds.com/mcd/investors/corporate_governance/codes_of_conduct/director_code_of_conduct.html).

The Board of Directors forms six committees: The Audit Committee, the Compensation Committee, the Governance Committee, the Executive Committee, the Finance Committee and the Sustainability and Corporate Responsibility Committee.

The Sustainability and Corporate Responsibility Committee is a standing committee. Its role is to advise the Board of Directors with respect to guidelines and strategies, ensuring that the McDonald's Corporation meets its responsibilities and obligations as a global company as effectively as possible, above all in respect to social issues.

The roles of the other committees are described in more detail at www.aboutmcdonalds.com/mcd/investors/corporate_governance/board_committees_and_charters.html.

The Sustainability and Corporate Responsibility Committee focuses on issues related to product safety, occupational safety, employee training and skills development, diversity, environmental protection and supply chain sustainable.

At executive management level, five standing committees support the work carried out by the Board of Directors' Sustainability and Corporate Responsibility Committee (www.aboutmcdonalds.com/mcd/investors/corporate_governance/guidelines_and_policies/corporate_responsibility_governance.html).

These international, interdisciplinary bodies collaborate constantly on a wide range of issues.

These five bodies are:

- *The Worldwide Corporate Relations Council, primarily responsible for coordinating positions and communication*
- *The Corporate Social Responsibility Department, responsible for the global corporate responsibility report published by the McDonald's Corporation*
- *The Quality Systems Board, which determines strategies for ensuring product quality and safety*
- *The Sustainable Supply Steering Committee, responsible for anchoring sustainability in supply chains worldwide*
- *The Global Environmental Council, responsible for developing environmental standards based on global best practices*

INVESTOR RELATIONS

Shareholders have the opportunity to pose questions to company management and the Board of Directors and to approve proposals at the Annual General Meeting (AGM). In 2011, the AGM for shareholders of the McDonald's Corporation took place on April 8 at the company headquarters in Oak Brook, Illinois. The resolutions are listed online at www.aboutmcdonalds.com/mcd/investors/shareholder_information/voting_results.html.

GUIDING PRINCIPLES

The various internal mission statements, codes of conduct and principles of the McDonald's Corporation are available online on our global website in the Corporate Governance section under Guidelines and Policies and Codes of Conduct (www.aboutmcdonalds.com/mcd/investors/corporate_governance.html).

We outline the guidelines that apply to each sustainability action item at McDonald's Germany at the beginning of each chapter and explain how we implement these.

Key sustainability issues for McDonald's Germany

McDonald's Germany is firmly positioned in the franchise food and drinks service sector. The value chain for our food and beverages starts in our farmers' fields. Raw ingredients are then transported, processed and prepared for sale through our 1,415 restaurants in Germany. The globalization and industrialization of the food and drinks business have thrown up a number of key challenges for our industry. Questions have been raised, for instance, over the use of fertilizers, pesticides and gene technology in agriculture, as well as over the ethical standards governing livestock breeding and the risk of overfishing facing the world's oceans. Our "Sustainable McDonald's Germany" research project, which we launched in collaboration with the Wuppertal Institute in 2011, is just one of the steps we are taking to meet these growing challenges (see also the "Sharing Brand" chapter, page 53).

We also took a critical look at how our own company can make a contribution to climate protection. We have been able to significantly decrease our direct (Scope 1) and indirect (Scope 2) emissions by gradually increasing the proportion of renewable energy consumed by our restaurants and implementing a range of energy-saving measures. By comparison, lowering our carbon footprint in our upstream supply chains poses a much greater challenge. Yet we have also managed to make good progress in this area, for example in the transport sector (see the "Eco-Footprint" chapter).

Our environmental management policy focuses on waste management and packaging. We aim to recycle as much waste as possible and keep packaging material to a minimum. This is a key issue that we have been addressing for a long time now.

Health and nutrition are also top priorities for us. We are addressing rising expectations in this area, for example, by expanding our already highly varied menu to include low-calorie options and by providing clear information on nutrients and nutritional value. Our activities here are also flanked by internal and external advertising guidelines. We have long-established internal standards governing responsible advertising, in particular with regard to children.

As a major employer in Germany, we feel a strong sense of responsibility to our 64,000 or so employees. We stand for fair remuneration and outstanding training and further education opportunities. We also provide language skills courses for employees from abroad.

The McDonald's Germany Corporate Responsibility Roadmap (see page 66) provides an overview of our goals for the future and details the milestones that we achieved in 2011 across our four action items.

The 2011 McDonald's Global Sustainability Scorecard is just one of the initiatives that underscores the increasing importance of sustainability in the global strategy of McDonald's Corporation (headquartered in Oak Brook, Illinois, USA). The Scorecard was published in December 2011 and is available at: www.aboutmcdonalds.com/mcd/sustainability/2011_sustainability_scorecard.html.

CONTENT

u1 About this report

- 1 McDonald's Germany
- 3 Key sustainability issues
- 5 Introduction from Bane Knezevic
- 6 McDonald's Germany as a franchise system
& Introduction from Arndt Heiderich



8 Product stewardship

- 10 Standards and checks across our supply chain
- 12 Support for controlled and sustainable agricultural practices
- 14 Food safety first and foremost
- 16 Quality, service, cleanliness
- 18 Balance, variety and transparency
- 20 Facts & figures



22 Eco-footprint

- 24 Wide angle on environmental protection
- 26 Resource-efficient packaging
- 28 Reduced emissions
- 30 Lowering consumption through energy upgrades
- 32 Effective, efficient logistics
- 34 Facts & figures



36 Employer of choice

- 38 McDonald's as an employer
- 40 Fair remuneration and fair treatment
- 42 Many roads lead to McDonald's
- 44 Diversity and equal opportunities
- 46 A healthy work/life balance
- 48 Facts & figures



50 Sharing brand

- 52 Open communication – in the heart of the community
- 54 Deeply embedded
- 56 Social media-campaign “Mein Burger”
& varied engagement
- 58 Facts & figures “25 years Ronald McDonald House Charities”
- 60 Keeping someone company is the best medicine

62 GRI Index

65 Glossary

66 Roadmap 2011 to 2015

u3 Statement GRI

u4 Publishing Details

INTRODUCTION

From Bane Knezevic,
CEO of McDonald's Germany

Dear Reader,

Last year, McDonald's Germany celebrated its 40th anniversary. For the first time ever, we welcomed over one billion guests to our restaurants and saw our annual net revenue rise by 5.9 percent on the previous year.

To remain successful and continue to offer high-quality products at affordable prices, we have to continuously strive to be better. And now, more than ever, we also have to think about how we can continue to create value in the future – for our company, our customers, the environment and for society as a whole.

Our long-term vision is to make ecological and social responsibility an integral and prominent part of our business model. This is a major challenge – and we still have not found all the answers we need. So it is crucial that we engage in intensive dialog with our customers to gauge their expectations and find out how they believe McDonald's can step up to its responsibilities in Germany.

During the period under review (calendar year 2011) we identified the most important requirements of our internal and external stakeholders. We used this information to define our strategic priorities and key issues: sustainable agricultural practices and livestock breeding; environmental management – in particular packaging and waste management; health and nutrition; and our role as a responsible employer.

In 2011, we talked to a wide range of stakeholders about McDonald's and sustainability, focusing in particular on agricultural practices. Our aim is to continually improve our performance in balancing economic, ecological and social goals. We are also tackling the risk of overfishing threatening the world's oceans and promoting sustainable fishing practices.

Since October 2011, our Filet-o-Fish products are made exclusively with fish from sustainable fisheries that have been certified in line with the Marine Stewardship Council (MSC) standard. We have also continued to purchase energy from renewable sources and expect to achieve our 2014 goal switching all restaurants over to green energy.

Combined with our extensive energy-saving measures, this will make a real contribution to cutting harmful CO₂ emissions.

As a reliable and trusted employer, we are delighted that over 600 trainees successfully completed their apprenticeships with us in 2011. And we are proud that we were able to offer almost 80 percent of these trainees jobs at our company. Throughout all of last year, the Expert Advisory Council for Sustainability kept a sharp, professional, yet also critical eye on all of our activities.

Fiscal 2012 will see us place greater emphasis on internal communications. We aim to inform and inspire our employees this year, and hard-

wire an understanding and awareness of sustainability even deeper into our organization. We will also be working more closely on sustainability issues with our suppliers in Germany.

I hope you enjoy reading our report and that – like me – you'll see that McDonald's Germany has already come quite some way on its journey to becoming a more sustainable company.

Best regards,

Bane Knezevic
CEO, McDonald's Germany

McDONALD'S GERMANY AS A FRANCHISE SYSTEM

FRANCHISING IS AN INTERNATIONALLY PROVEN SALES CONCEPT. IT IS A SYSTEM IN WHICH THE FRANCHISOR MAKES ITS OWN, MARKET-PROVEN BUSINESS IDEA AVAILABLE TO FRANCHISEES FOR A FEE. THE FRANCHISEES THEN SET UP AS INDEPENDENT BUSINESSES AT DIFFERENT SITES UNDER THE SAME BRAND WITH EXTENSIVE SUPPORT FROM THE FRANCHISOR.

In Germany, there are currently around 900 franchise systems across a wide range of market segments. Subsequently, there are over 63,000 franchisees employing almost 463,000 people. More than 250 of these 900 franchise systems are members of the German Franchising Association (Deutscher Franchise-Verband e.V., DfV). To maintain high standards among member organizations, the association organizes a system check. An independent institute audits and certifies the franchise system every three years. The DfV system check assesses franchise contracts and franchise manuals to ensure compliance with the minimum quality standards for corporate networks. It also reviews system concepts, products and services, strategy and management and carries out random assessments of franchisee satisfaction levels.

Franchising in Germany is a fast-growing sector. Experts predict that franchise revenue will rise to EUR 70 billion by 2015 and continue to grow faster than the general economy.¹

In 2011, the German economic magazine "impulse" ranked the hundred best franchisors in Germany for the fifth time in a row. As in previous years, McDonald's ranked among the top three. The magazine rates each franchise concept according to five criteria: expansion, sales revenue, mar-

ket, appeal and economic sustainability. In the category for economic sustainability, the judges look at the age of the company, the number of partners and revenue generated by the headquarters. With a company history stretching back over more than 40 years, around 250 partners and a steady rise in revenue, McDonald's Germany has scored well in this category.

The success and quality of a franchise system always hinges on the success and quality of its partners. Working closely with its franchisees and building on their expertise, McDonald's has gradually risen to the top of the franchise food service sector in Germany. The unique and varied experiences of German franchisees enables them to often enrich the overall system with great ideas.

Continuous dialog with our franchisees is the motor that keeps our system growing and evolving. At McDonald's Germany, this takes the form of four annual strategy meetings organized by the Franchisee Leadership Council (FLC) and bi-annual franchisee conventions, known as coop meetings. Field & operations consultants (see also the "Product Stewardship" chapter, page 17) also have a very important role to play here. They form the link between franchisees, their restaurants and the company headquarters (Main Service Center in Munich).

For the entire system to succeed, franchisors have to ensure that the right support framework is in place. This includes, for example, developing compelling marketing concepts, central procurement, shared responsibility for investment decisions and professional support for franchisees in their day-to-day business.

Success is equally dependent, however, on the entrepreneurial spirit of individual franchisees. Which is why the McDonald's Corporation launched its "Golden Arches Award" - the highest accolade given by the company. It is awarded every two years to the 50 best franchisees worldwide. Criteria include best-run restaurant and exemplary employee management. In 2008, an award went to Michael Heinritzi, a franchisee for over 25 years with restaurants in Germany and Austria. Werner Betzien also received an award in 2008. In 2010, Karl-Heinz Kielhorn and Bernd Oude Hengel received the "Golden Arches Award" for their long-standing and successful entrepreneurial contributions to the McDonald's franchise system in Germany. A total of nineteen franchisees in Germany have thus far received the Golden Arches Award.

¹⁾ Deutsche Bank Research, "Franchising in Germany coming of age", Frankfurt 2007



INTRODUCTION

From Arndt Heiderich, Speaker of the Franchisee Leadership Council (FLC)

Dear Reader,

Moving forward, we have to ensure that our brand remains strong, that we continue to develop our system and that we maintain a wide-angle strategic perspective. That is the key to our future success. The entire franchise concept hinges on dynamic partnerships between franchisor and franchisees, each one built on trust and commitment to common goals.

As we look to the future, however, it is becoming increasingly clear that social issues – such as McDonald's engagement with society or our understanding of the issues that interest our customers beyond restaurant doors – will have a growing impact on the success of every franchisee.

We face a number of questions: What standards of quality apply to our products? Are our employees treated with fairness and respect? What energy-saving measures have we introduced in our restaurants? It is essential that we provide clear, well-documented answers to these and similar questions. This report is a step in our journey to communicate more actively with our guests and the general public and to cover a wider range of topics than ever before. We also distribute important information in our restaurants.

Some issues fall firmly within the remit of corporate responsibility and require action across our entire system. Both franchisor and franchisees have to step up to these challenges. Concrete examples include energy management and energy efficiency – two key action items in our sustainability program. We have created joint strategy groups to carefully assess the viability and possibility of gradually increasing the renewable share in our electricity mix.

Our ability to work together to align our system with changing market dynamics and expectations, for example, by raising efficiency levels in various areas or driving active, transparent communication within and beyond company walls, will play a key role in the future success of the McDonald's brand. These initiatives therefore require the full support of all franchisees.

Our community work is equally important to us. We have been collecting donations and organizing events in support of the Ronald McDonald House Charities since they were founded 25 years ago.

Thank you for your interest in McDonald's. I hope you find this report an interesting and enlightening read.

Best regards,

Arndt Heiderich
Speaker of the Franchisee Leadership Council (FLC)





Product stewardship

**HOW HAPPY
CAN A BIG
MAC BE?**



STANDARDS AND CHECKS ACROSS OUR SUPPLY CHAIN

IN 2011, 1.7 MILLION EMPLOYEES IN 119 COUNTRIES WERE WORKING FOR THE McDONALD'S BRAND. EVERY DAY, 64 MILLION CUSTOMERS VISITED US IN ONE OF OUR 33,000 OR SO RESTAURANTS AROUND THE GLOBE. BUT BEFORE ANY OF THESE CUSTOMERS COULD ENJOY A BIG MAC, A PORTION OF FRIES OR ANY OTHER OF OUR VARIED PRODUCTS, A COMPLEX SUPPLY CHAIN SWINGS INTO ACTION. IT BRINGS TOGETHER LOCAL AND REGIONAL, NATIONAL AND INTERNATIONAL, DIRECT AND INDIRECT SUPPLIERS – ALL WORKING TIRELESSLY TO MEET GLOBAL STANDARDS. THESE RELATIONSHIPS ARE BUILT ON A SHARED COMMITMENT TO QUALITY AND CONTINUOUS IMPROVEMENT COUPLED WITH THE DESIRE TO BUILD AND MAINTAIN A STABLE, SUSTAINABLE SUPPLY CHAIN. McDONALD'S AGRICULTURAL ASSURANCE PROGRAM (MAAP) ANCHORS THE THREE E'S (ETHICS, ENVIRONMENT AND ECONOMICS) INTO OUR EUROPEAN AGRICULTURAL SUPPLY CHAIN.

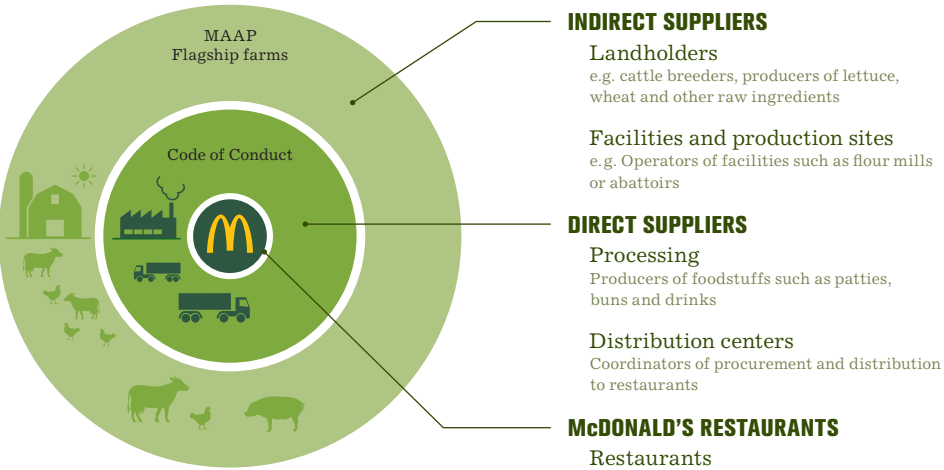
SUPPLIER CODE OF CONDUCT

The McDonald's Corporation Supplier Code of Conduct (www.aboutmcdonalds.com/mcd/sustainability/library/policies_programs/sustainable_supply_chain.html) and the Supplier Workplace Accountability Program (SWA) frame all business relations at McDonald's. Both programs are valid worldwide and apply to all suppliers of food and non-food products, such as serviettes, cutlery, toys or crew uniforms.

Suppliers have to accept the Supplier Code of Conduct and join the SWA Program in order to enter into and maintain a business relationship with McDonald's. The two programs outline key standards governing legal compliance, the prohibition of child and forced labor, working hours, pay and equality. They also define mechanisms for checking compliance with these standards. Suppliers are obliged to appoint a compliance officer responsible for continuously monitoring these standards within their own company and among subcontractors.

ORIGIN OF PRODUCTS

McDonald's value chain



A systematic assessment must take place at least once a year and compliance with the McDonald's Supplier Code of Conduct must be expressly confirmed. McDonald's reserves the right to run spot checks.

Serious violations of the Supplier Code of Conduct can lead to the immediate termination of the business relationship between McDonald's and the supplier in question. Direct suppliers are obliged under the terms of the Code and the SWA program to ensure that their subcontractors also comply with the applicable standards.

McDONALD'S AGRICULTURAL ASSURANCE PROGRAM

Product quality is a top priority for McDonald's at all stages of the manufacturing process.

McDonald's Agricultural Assurance Program (MAAP) was launched in 2001 to establish supplier guidelines for agricultural produce. By targeting the very first link in the supply chain – the primary producer, MAAP helps assure the quality and safety of food-stuffs offered by McDonald's.

This scheme allows McDonald's to systematically benchmark existing standards or programs that apply to agricultural products against reference standards. The aim is to guarantee the quality and safety of raw ingredients and continually improve these standards in line with ecological, ethical and economic principles. We work together with direct suppliers to define these requirements and encourage suppliers to then integrate them into their own agricultural supply chains.

MAAP POLICY

The MAAP Policy outlines McDonald's commitment to:

- Environmental protection and the conservation of natural resources and agricultural land
- Integrated, sustainable and competitive agricultural practices
- Animal protection
- Proper feed and medication in the event of illness
- Transparent, verifiable traceability across all production steps, medication included
- Responsible approach to biotechnology based on scientific findings, taking into consideration consumer suggestions and concerns

MAAP SUSTAINABILITY PRINCIPLES

The MAAP Policy builds on the sustainability principles of ethics, environment and economics. The three E's also form the three pillars of the MAAP program, namely legal regulations, requirements framed by existing quality assurance standards and programs, and criteria extending beyond legislation or the terms of existing quality assurance systems.

COMPLIANCE WITH MAAP STANDARDS

Our MAAP standards are geared to the agricultural industry and apply to all standard European suppliers. Some of our direct suppliers have dedicated employees who collaborate with farmers and advise them on compliance with MAAP standards. External auditors verify compliance with quality assurance systems. In addition to regular, scheduled checks, the auditors also run spot checks to ensure consistently high standards. They assure operational structures, processes and quality management systems.



SUPPORT FOR CONTROLLED AND SUSTAINABLE AGRICULTURAL PRACTICES

THE McDONALD'S PRODUCT STEWARDSHIP PROGRAM ADDRESSES TWO KEY AGRICULTURAL CHALLENGES – THE NEED FOR SUSTAINABLE FARMING PRACTICES AND HUMANE ANIMAL BREEDING ACCORDING TO THE SPECIES' SPECIFIC NEEDS. THE McDONALD'S AGRICULTURAL ASSURANCE PROGRAM (MAAP) IS JUST ONE OF THE STANDARDS WE HAVE ESTABLISHED AND CONTINUE TO EVOLVE IN ORDER TO ACHIEVE THIS. WE ARE WORKING WITH SCIENTIFIC INSTITUTES TO REALIZE OUR GOAL OF BECOMING A LEADER IN THIS FIELD. THREE STRATEGIC LINES OF ACTION ADD IMPETUS TO OUR EFFORTS IN THIS AREA: IDENTIFICATION OF FLAGSHIP PROJECTS (BEST PRACTICES); KNOWLEDGE TRANSFER WITHIN AND BEYOND THE McDONALD'S SYSTEM; AND PROJECTS THAT PROMOTE SUSTAINABILITY IN LOCAL SUPPLY CHAINS.

BEST PRACTICES AND KNOWLEDGE TRANSFER

In 2010, we launched a global best practices website (<http://bestpractices.mcdonalds.com>) to showcase innovative ideas and projects from across the globe. The site features initiatives that highlight our sustainability principles. Projects developed and implemented by McDonald's itself feature under the banner “Best of Green” and primarily relate to packaging and logistics. Projects initiated by our suppliers are showcased under “Sustainable Supply” and mostly focus on agricultural issues, animal welfare, climate protection, energy and waste management and working conditions. Each year, we receive a large number of submissions from European suppliers.

FLAGSHIP FARM PROGRAM

McDonald's launched the Flagship Farm initiative in order to engage in direct dialog with progressive agricultural holdings. The program provides an ideal platform to show how the three E's (ethics, environment and economics) can be actively lived in day-to-day operations on a farm. Agricultural landholdings have to fulfill a number of criteria to be selected for the Flagship Farm program, for example they must have a supply agreement covering at least one harvest year or one production cycle.

Under www.flagshipfarms.eu, McDonald's has created an open source platform that is

available to landholders and the general public. Anyone can visit the site to read case studies showing how each Flagship Farm is successfully balancing the three E's.

There are currently three Flagship Farms in Germany. The most recent of these, the dairy beef farm run by the Leitner family in Bayrischzell, was included during the period under review. The two other Flagship Farms demonstrate best practices in wheat and potato cultivation (Flagship Farm for wheat: Hubertus von Daniels, Gut Piesdorf; Flagship Farm for potatoes: DexTerra, Schellerten).

BEST PRACTICES IN LIVE-STOCK BREEDING AND FISHING

We procure around 75 percent of our products from German manufacturers. We source almost 100 percent of beef and pork and around 20 percent of poultry from Germany. Approximately 30 percent of the fish for our Filet-o-Fish comes from the European Union. We improved our sustainability performance in all four product groups during the period under review.

FILET-O-FISH WITH MSC CERTIFICATION

The Marine Stewardship Council (MSC) is an international, non-profit organization that has developed strict environmental standards to address the global problem of overfishing. It is a voluntary program that enables fisheries to be assessed and certified by independent auditors and experts. In recent years, we have been gradually shifting procurement in favor of sustainable fisheries. Since October 2011, 100 percent of the fish we use in our German Filet-o-Fish products is sourced from MSC-certified fisheries. This is a key milestone in our mission to build sustainability into our supply chain. During the period under review, McDonald's Germany processed around 1,500 tons of fish filets for its Filet-o-Fish option.

NO PORK FROM CASTRATED PIGLETS

As of 2011, we no longer process pork from castrated piglets. By modifying the recipe and production process and by working in close collaboration with producers, our supplier (OSI Food Solutions, Günzburg) has managed to combine meat from non-castrated young boars with meat from female animals to create McRib and sausage patties with same levels of quality and taste as before.



CATTLE FARMING: BEST BEEF AND CARBON FOOTPRINT IN GERMANY

During the period under review, we collaborated with suppliers in Germany, QS Qualität und Sicherheit GmbH, numerous agricultural associations and the Weihenstephan-Triesdorf University to create the Association for Excellence, Safety and Transparency in Cattle Breeding (BEST BEEF). The aim of this initiative is to create an integrated supply chain that benefits all participants, including consumers. The initiative goes beyond quality and safety standards to include additional requirements aimed at improving husbandry systems, animal feed and welfare. In other words, measures that make both operational and financial sense. These requirements were investigated by the Weihenstephan-Triesdorf University to validate them scientifically. McDonald's Germany also started to define a carbon footprint for cattle farming in Germany during the period under review. This involves recording numerous factors such as the size of individual landholdings, dairy/beef holdings and feed type. In 2012, we will finish developing the methodology and complete our measurements.

“OSI has been working closely with its pork suppliers to find ways of processing pork from non-castrated piglets. In addition to creating a supply chain for young boars, we also had to ensure systems were in place to identify animals and trace the meat to prove that it had come from animals that had not been castrated.”

Dr. Jutta Schmid
Raw Material Quality Assurance Manager,
Europe, OSI Food Solutions



AGRARFROST – CLIMATE-NEUTRAL POTATO STORAGE

When Agrarfrost, one of our suppliers of French fries, decided to build new storage halls for potatoes at its site in Oschersleben (Saxony-Anhalt, Germany), it availed of the opportunity to initiate a Zero Energy Potato Storage project. Thanks to a range of different energy-saving measures and a 900 kilowatt peak (kWp) solar collector on the roofs of the halls, the company can now produce more energy than the ventilators and conveyor belts consume.

The energy balance for one year (July 1, 2010 to June 30, 2011) shows that the solar panels produced 810,000 kilowatt hours (kWh) of electricity while the warehouse consumed only 792,000 kWh. As a result, 40,000 m³ of potatoes were stored with a zero carbon footprint from September to June, thus reducing emissions in McDonald's upstream supply chain (Scope 3).

DEVELEY: ZERO-CARBON PRODUCTION IN UNTERHACHING

Our supplier Develey Senf & Feinkost GmbH has also been active on the climate protection front. The company is aiming to switch to zero-carbon production of mustard and sauces for McDonald's as quickly as possible at its site in Unterhaching.

It has already switched from fossil fuels to climate-neutral geothermal energy for its heating systems and warm water. This has reduced annual CO₂ emissions by 870 tons. Next, the company intends to also rely on renewable sources for process heat. Instead using of fossil-generated steam, Develey will be harnessing geothermal heat for tasks such as product pasteurization and cleaning. Develey also aims to capture all secondary heat streams and put this energy to good use where possible. In addition, the company plans major energy-saving measures to reduce electricity consumption. After the switch to geothermal energy and the reduction in power consumption, the company will compensate for any remaining CO₂ emissions by purchasing certificates.

CLIMATE PROTECTION: BEST PRACTICES AMONG DIRECT SUPPLIERS

Looking beyond the agricultural phase of our supply chain, suppliers of processed foodstuffs are equally committed to balancing the three E's (ethics, environment and economics). They set resource conservation goals and come up with innovative ideas to help save energy and avoid harmful emissions throughout the supply chain.

FOOD SAFETY FIRST AND FOREMOST

FOOD SAFETY IS AN INTEGRAL PART OF EVERY STEP IN OUR VALUE CHAIN – FROM THE PRODUCTION OF RAW INGREDIENTS THROUGH PROCESSING, PACKAGING AND LOGISTICS TO RESTAURANT SERVICE. McDONALD'S AGRICULTURAL ASSURANCE PROGRAM (MAAP) DEFINES STANDARDS FOR THE PRODUCTION OF AGRICULTURAL RAW MATERIALS AND PROMOTES SUSTAINABLE AGRICULTURAL PRACTICES. MOVING ALONG THE SUPPLY CHAIN, OUR SUPPLIER QUALITY MANAGEMENT SYSTEM (SQMS) OUTLINES STRICT BENCHMARKS AND CONTROLS THAT APPLY TO DIRECT SUPPLIERS RESPONSIBLE FOR PROCESSING THOSE RAW MATERIALS.

Selecting best-in-class suppliers is the key to success. Around 80 percent of the goods procured by McDonald's Germany stem from 30 direct suppliers. Most of these have been part of the McDonald's system for over 20 years. Fifteen suppliers are renowned brand manufacturers such as Lieken, Bonduelle, Develey and Hochland – standard suppliers that guarantee consistency and professionalism every time.

QUALITY STANDARDS AND CONTROLS

The standards set down in the McDonald's Supplier Quality Management System (SQMS) set the benchmark for our direct suppliers. They cover the following areas:

- Traceability
- Documentation
- Staff and production hygiene
- Control and minimization of foreign bodies
- Pest control
- Maintenance and cleaning of production facilities
- Standards for the storage and transport of goods
- Checks for upstream suppliers

Our suppliers have to sign both the Quality Assurance Requirements and the Code of Conduct. Upon signing, the supplier undertakes to comply with both legal regulations and the requirements defined by McDonald's.

Suppliers also have to appoint a food safety officer and ensure that all employees are properly trained.

Every supplier must provide written proof that they have systematically identified critical control points in their production processes and implemented preventative measures to keep food safety risks to a minimum (Hazard Analysis and Critical Control Points, HACCP).

We regularly check compliance with these standards through scheduled and unannounced audits carried out by McDonald's employees or accredited auditors. We also evaluate suppliers once a year. In 2011, all of our European and local standard suppliers were audited.

The ability to quickly trace produce right back to the first steps in the supply chain also plays a crucial role in ensuring food safety and quality. We regularly simulate "worst case" scenarios, known as withdrawal exercises: Within three hours, we can seamlessly trace every product back to its source – right down to the herd of cattle.



"It is crucial that both our own operations and our supply chain meet McDonald's quality requirements. We systematically assess compliance through internal and external audits."

Oliver Kunder
Customer Quality Manager, Lieken Brot- und Backwaren GmbH

TRANSPORT PACKAGING AND LOGISTICS

We have also defined clear rules governing transport packaging, storage in distribution centers and logistics processes. Transport packaging has to comply with legal requirements for food safety and bear the correct labeling to ensure the contents can be traced. HAVI Logistics GmbH (see page 32) also uses a HACCP plan to ensure food safety during storage and transport. In other words, the company identifies and checks the critical points for food safety and quality and flanks these activities with regular internal and external audits.

QUALITY, SERVICE, CLEANLINESS

OUR COMMITMENT TO OFFERING SUSTAINABLE PRODUCTS IS FIRMLY BUILT ON OUR STANDARDS AND CONTROLS. THEY START AT THE VERY BEGINNING, ON THE FARMER'S FIELD, THEN MOVE ON TO OUR DIRECT SUPPLIERS AND ONLY END ONCE THE FOOD IS ON OUR DINERS' TRAYS.

We have developed quality, service and cleanliness (QSC) guidelines that govern the many different workflows in our restaurants. These guidelines are applicable worldwide. QSC standards define numerous critical control points for food safety in our diners. These range from incoming deliveries and storage through hygiene handling to the defined grill-to-plate times for all products. QSC guidelines in restaurants close the loop in our end-to-end quality control system – stretching from field to tray.

STANDARDS AND CHECKS IN RESTAURANTS

McDonald's QSC standards ensure that all products are delivered and stored at the correct temperature. Every day, the core temperature of prepared beef and pork produce and of fish and egg products has to be taken and entered in the operations calendar, which is an integral part of HACCP in restaurants. There are numerous points in the value chain where incorrect handling could impact the quality of our products. These critical check points are identified for every product and regularly evaluated.

Critical control points include hygienic handling, minimization and control of foreign bodies, maintenance and cleaning, pest control, storage, transport, traceability, upstream product checks and documentation. Preventative maintenance work on all equipment is also recorded in the operations calendar. Each shift leader in a restaurant is responsible for ensuring that this documentation is always correct and complete.



“As department head, I am responsible for the operational management of 58 restaurants run directly by McDonald's. It's up to me to set an example for franchise partners and the general public. This includes raising awareness of the importance of standard and process compliance on a daily basis, for instance.”

Dirk Hennings
Department Head McOpCo, Region North East,
McDonald's Germany

“By ensuring compliance with McDonald's QSC standards, I am actively contributing to a better customer experience in our restaurants.”

Roman Opitz
Field & Operations Consultant, Region West,
McDonald's Germany



If a restaurant does not pass the food safety criteria of an internal audit, the issue is immediately addressed. This is followed by a second visit shortly afterwards plus targeted consultation and training for the management and crew of the restaurant in question. We also commission across-the-counter quality consultants to carry out further internal assessments and consultations on food safety and quality. In addition, 150 restaurants are evaluated each year by independent laboratories.

On top of this, anonymous restaurant testers, known as mystery shoppers, evaluate service, products and cleanliness in every restaurant at least twice a month. Our Customer Service team also receives direct feedback from customers about their general and quality experience.

Our own internal restaurant controls are flanked by legal inspections carried out by the authorities.

SUSTAINABILITY IN INTERNAL COMMUNICATIONS

In 2012, internal communications are focusing on day-to-day restaurant operations that improve our sustainability performance, especially with regard to product stewardship, environmental protection and employee responsibility. We will be raising awareness of our commitment to sustainability among all stakeholders, including franchisees, operations managers, field & operations consultants and restaurant managers. During the course of six roadshows, we will be presenting the McDonald's sustainability program to restaurant managers and shift leaders for the first time. The aim of these events is to underscore the importance of every employee's individual contribution – each and every day. Sustainability will also play a greater role in the work of our field & operations consultants when they visit restaurants in Germany to check, assess and advise on QSC issues.

BALANCE, VARIETY AND TRANSPARENCY

THE ORIGIN, SAFETY AND QUALITY OF OUR FOOD ARE JUST ONE SIDE OF THE COIN. HEALTH AND NUTRITION ARE ALSO BECOMING INCREASINGLY IMPORTANT IN THE PUBLIC EYE. A BALANCED DIET IS A MUST. OUR COMMITMENT TO THIS IS ENSHRINED IN OUR CORPORATE RESPONSIBILITY POLICY. THE FOLLOWING PAGES HIGHLIGHT JUST HOW COMMITTED WE ARE TO CONTINUOUSLY IMPROVING OUR PERFORMANCE HERE.

We want to offer the three million or so diners who walk through our doors every day a varied, balanced menu and enable each one to make their own informed choice, supported by transparent nutritional information.

BALANCE

Our product development activities already reflect the wishes of many customers looking for low-calorie or low-fat options. We also channel the latest findings from nutritional physiology into the work we do here. Wherever possible, we avoid using preservatives. Our salads and fruit bags as well as the new low-calorie McWrap Grilled Chicken, which we launched in 2011 with less than 300 kilocalories, are examples of this. In addition to launching new products, we continually optimize the salt and fat content of our existing offering. For example, we have improved the proportion of aliphatic acids in our deep-frying oil based on the latest findings of nutritional physiology. We have also developed low-fat dressing for our salads. In 2011, we reduced the salt and fat content of our sandwich sauce. In the case of cheese, however, we have to ensure that we comply with minimum salt and fat content required by law.

TRANSPARENT NUTRITIONAL INFORMATION

We aim to provide clear information on the nutritional value of our meals. This includes calorie content, fat and carbohydrates as well allergy-relevant information. Enabling our customers to choose the right product is an important part of product stewardship. McDonald's was the first company in the industry in Germany to go beyond legal regulations and print the nutritional value and content of its products on its tray liners. Our nutritional compass containing all this information is now displayed on almost all of our product packaging. We also offer an online menu calculator service at www.mcdonaldsmenu.info. At that site, diners can drag entire menus to a virtual weighing scale which then calculates the nutritional value, also in relation to guideline daily amounts (GDA).

VARIED MENUS FOR CHILDREN

When families with children visit our restaurants, they can be sure of fun, games and a family-friendly atmosphere. For parents, it is particularly important that their children can choose between a balanced range of options, for example, with Happy Meals. Which is why we put salads, orange juice (without added sugar) and organic milk on the menu. During the course of this year, we will also be adding Filet-o-Fish to our children's menu. The fish will of course be sourced from sustainable fisheries and certified by the Marine Stewardship Council (MSC), just like the adult meal. For 2012, we are also assessing the viability of introducing other organic products for children in addition to organic milk. This reflects feedback from parents who would welcome a more varied range of products for their children.

Children love to eat at our restaurants. And they love playing with toys that they get while they eat. Our playlands add the perfect touch to a visit, giving children the space to play and run around. In 2012, we will be complementing our conventional range of toys with a Happy Meal book campaign, in collaboration with the "Stiftung Lesen" foundation. Children will be able to choose from a popular range of books when they choose a Happy Meal.

For the manufacture of each toy, McDonald's is committed to working with suppliers who share our values and ensure a safe and healthy working environment for employees. Our Supplier Workplace Accountability program reflects this commitment. Building on the McDonald's Code of Conduct for Suppliers, the program outlines the expectations and process requirements we place on our suppliers (see also pages 10 and 24).

VOLUNTARY COMMITMENT TO RESPONSIBLE CHILDREN-DIRECTED MARKETING

McDonald's Europe introduced the "Marketing to Children Principles" back in 2009. These have now also been implemented in Germany. These principles govern a range of issues including the kinds of product combinations that can be marketed to children. As of January 1, 2012, McDonald's Europe is also a member of the EU Pledge, a voluntary initiative for self-regulation in children's advertising. All EU Pledge member companies commit to either making no adverts aimed at children under twelve years of age, or to classify their products in line with specific nutritional criteria based on accepted scientific evidence and/or applicable national and international dietary guidelines. In this context, advertising to children means that no adverts should be shown to a public that comprises at least 35 percent children under the age of twelve. Advertising in schools is also excluded, except under certain circumstances, for example, as part of a specific agreement with a school. The regulations are published under www.eu-pledge.eu. An external auditor (Accenture Media Sciences) regularly checks that member companies comply with the EU Pledge voluntary commitments.

"Today, parents and children expect more from us. Which is why, for example, we will soon be offering books with our Happy Meals."

Jörn Winker
Department Head Marketing und Retail,
Kids & Families, McDonald's Germany

What this means for McDonald's is that we only advertise menu combinations to children in line with the EU Pledge and that these products do not contain more than one third of the recommended guideline daily amount (GDA) for children (533 kilocalories). Furthermore, any advertised combination of food for our Happy Meals always contains a fruit or vegetable product. Any drinks in our advertisements do not contain additional sugar or sweeteners and are clearly identified as such on the packaging. The nutritional information on the standard products is always clearly shown.

When serving children, we ensure that there is a greater focus on a balanced diet, health awareness and more modern gifts – without compromising on the fun factor.

¹⁾ The EU Pledge defines all people under twelve years old to be children.

75 % of all products we procure come from Germany

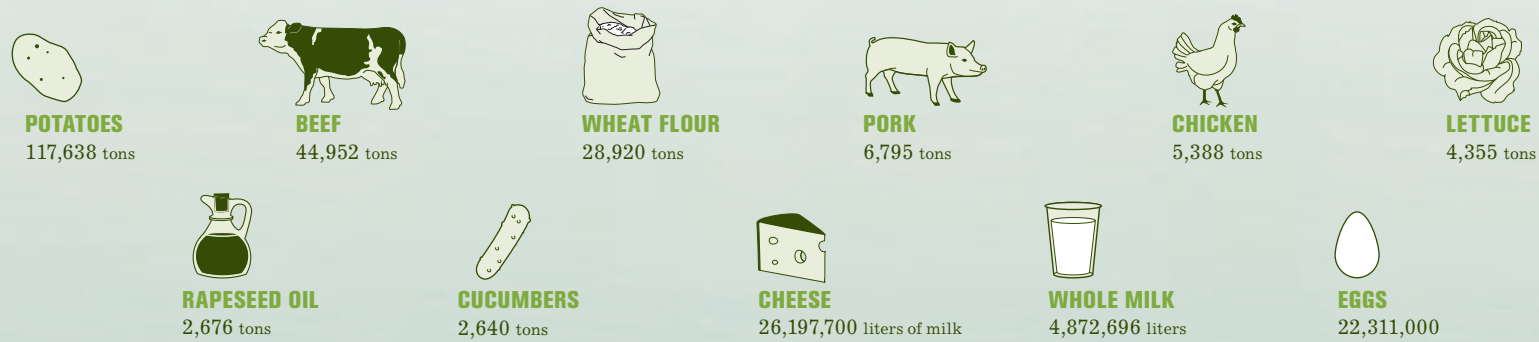
100 % of our fish comes from sustainable fisheries, certified in line with the MSC standard*

100 % of our caffeinated coffee comes from farms certified by the Rainforest Alliance

Information from 2011

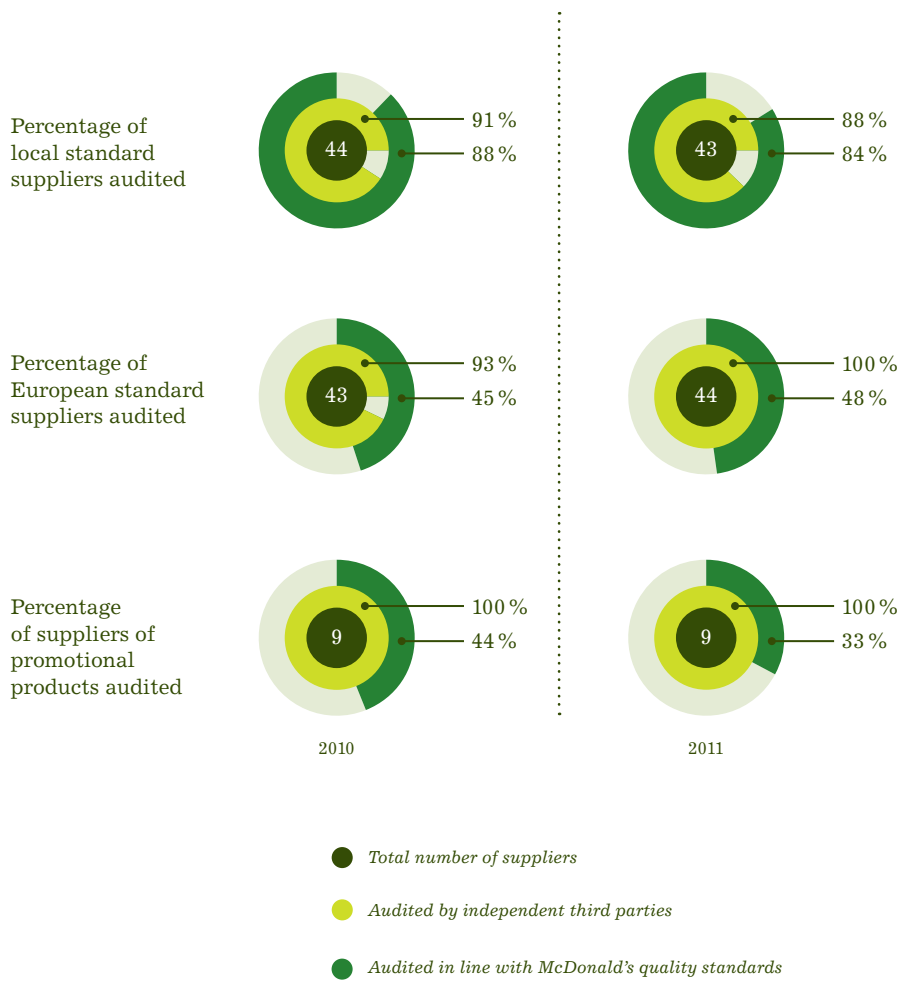
AMOUNT OF RAW MATERIALS PURCHASED

in Germany (2011)



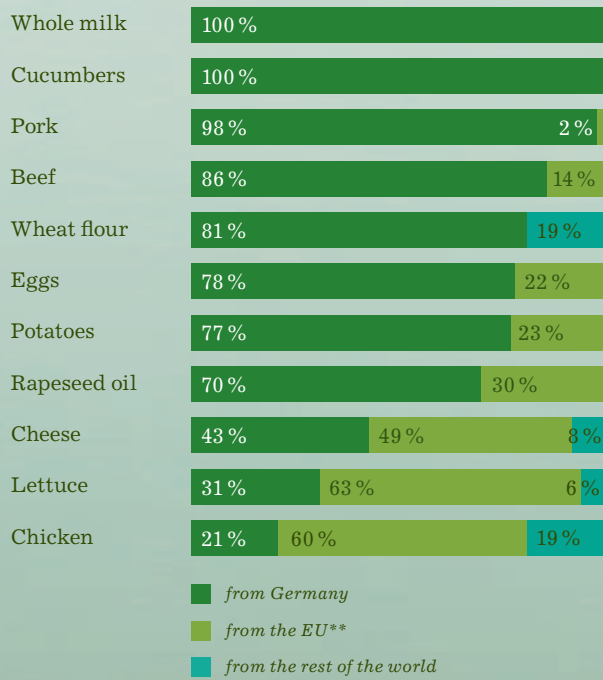
ENSURING FOOD SAFETY

through audits



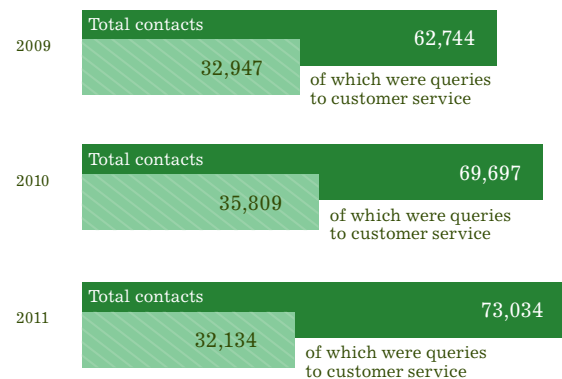
ORIGIN OF OUR RAW MATERIALS

2011



NUMBER OF CONTACTS

McDonald's Customer Service



PERCENTAGE OF RAW MATERIALS FROM GERMANY

of total volume purchased (2011)



Eco-footprint

HOW MUCH McDONALD'S CAN GERMANY TAKE?



WIDE ANGLE ON ENVIRONMENTAL PROTECTION

OUR GUESTS AND THE PUBLIC EXPECT US TO BE A GOOD NEIGHBOR AND RESPECT THE ENVIRONMENT. WE SET DOWN OUR COMMITMENT TO PROTECTING THE ENVIRONMENT BACK IN 1999 IN OUR INTERNAL, EUROPE-WIDE GUIDELINES. OUR STANDARDS HERE ALSO ALIGN WITH McDONALD'S GLOBAL ENVIRONMENTAL COMMITMENT (www.aboutmcdonalds.com).

OUR ENVIRONMENTAL GUIDELINES

Our overarching, long-term aim is to establish a sustainable business model that enables us to grow further and meet our customers' highest expectations.

We factor environmental considerations into all decision-making processes, balancing these against issues such as suitability, availability and economic viability. Environmental awareness is an integral part of our business dealings with suppliers and partners at all times. We also aim to keep the environmental impact of our business activities to a minimum. Our environmental management system helps us to achieve this.

Its goals include:

1. *Reduce the volume of materials we use (e.g. energy and raw materials)*
2. *Use resources efficiently (e.g. by using recycled materials)*
3. *Reduce emissions (e.g. by optimizing transport or improving the quality of waste water)*
4. *Reduce waste (e.g. in production processes and in our restaurants, and by separating secondary raw materials).*

We regard our environmental program as a work in progress. We are committed to continuously reviewing, evaluating and improving it to ensure that we embrace the best environmental practices in our processes and restaurants. We continue to communicate with our employees, customers and suppliers to raise awareness of environmental issues. Concrete measures include the publication of information through internal communication channels and regular training sessions.

Our voluntary commitment to environmental protection is lived and breathed by employees and management alike at McDonald's. McDonald's Germany also implements McDonald's internal Europe-wide minimum environmental standards.

ENVIRONMENTAL MANAGEMENT SYSTEM

To ensure environmental guidelines are followed to the letter, we check compliance with McDonald's internal requirements for systematic environmental management. This includes the following activities.

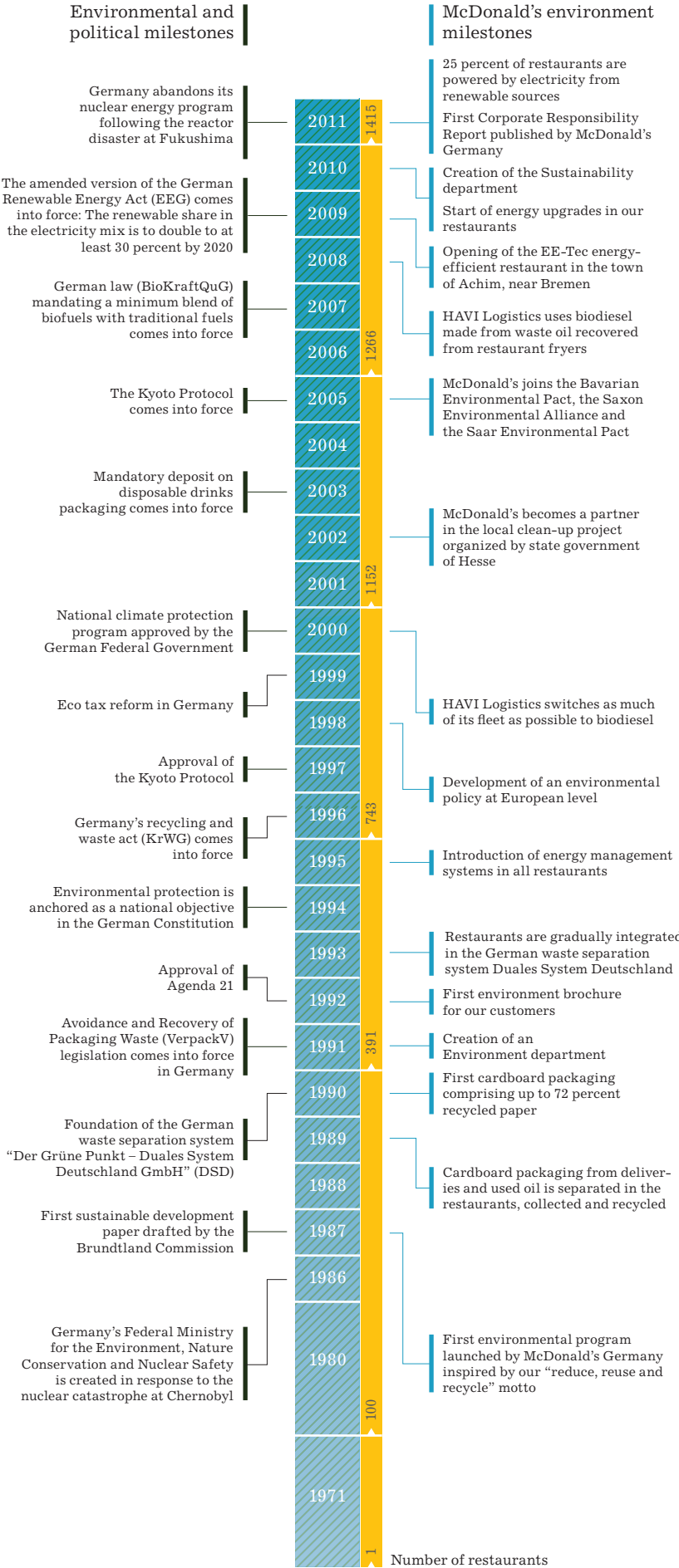
Responsibility for environmental issues is clearly defined in all instances. During the period under review, the member of the Executive Board responsible for development assumed overall accountability for disposal, energy, climate protection, buildings and equipment. The procurement department is responsible for packaging (supply chain).

We adhere to legal regulations and monitor the latest developments, for example in R&D or legislative changes.

Environmental awareness is hardwired into all department goals.

We have clearly subdivided our environmental impacts into the areas of disposal, packaging, energy and climate protection (reduction of direct and indirect emissions), buildings and equipment¹, and logistics. We have set ourselves ambitious goals in each field (see our Roadmap, page 66).

¹⁾ Restaurant Equipment



RESOURCE-EFFICIENT PACKAGING

THE PACKAGING WE USE TO SERVE FOOD AND DRINK IN OUR RESTAURANTS AND “TO GO” HAS TO FULFILL A WIDE RANGE OF STRICT CRITERIA.

On the one hand, it has to meet our ecological standards. Yet on the other, it has to be as attractive as possible as packaging builds our brand image. Packaging also has to provide information, for example on nutritional values. It should be easy to handle for our employees and protect our products during storage and transport. Last but not least, it must comply with statutory and internal McDonald’s regulations on food hygiene.

McDONALD’S PACKAGING STRATEGY

We started optimizing our packaging twenty years ago and have been continually reducing the amount of plastic we use and the overall weight of packaging ever since. And so today, we are already operating to a very high standard. The low variations in certain indicator values already show that we are reaching eco-optimization limits based on today’s technologies. We can, however, continue to push our strategy aimed at maximizing resource efficiency by further increasing the regenerative and recycled share of raw materials in our packaging. Our ecological packaging strategy pursues the following aims:

- 🌱 *To keep the amount of material used for packaging as low as possible*
- 🌱 *To continually increase the proportion of regenerative raw materials*
- 🌱 *To use as many secondary raw materials as possible, including recycled paper or R-PET (recycled polyethylene terephthalate), and to continually increase the proportion of wood from certified sustainable forests in paper production.*

FACTS AND TRENDS IN 2011

In 2011, McDonald’s Germany used a total of 48,623 tons of packaging material. This figure includes transport packaging. Around 72 percent of this was consumer packaging as defined by Germany’s packaging law (35,164 tons).

Just over two thirds (69.4 percent) of the total packaging material (consumer and transport packaging) was made of paper, cardboard and carton. The remaining third (30.6 percent) was lightweight packaging (primarily plastics and composite material).

The average weight of our consumer packages rose slightly in 2011 to 5.47 grams (2010: 5.35 grams). At the same time, the recycled share of total packaging was 0.8 percent up on 2010 at 51.9 percent. The proportion of regenerative raw materials rose during the period under review to almost 90 percent (2010: 89.5 percent), while the percentage of wood from certified forests used in paper production fell slightly (2010: 64.3 percent; 2011: 60.7 percent). We also tested a variety of new packaging types and materials in 2011.

Our goal for 2012 is to further reduce the volume of packaging (paper, cardboard, carton and lightweight materials). We are working closely with our packaging suppliers to this end. Our suppliers are also committed to continually improving resource efficiency.

In our McCafés, food and drinks consumed in house are served on or in porcelain plates and cups.



WASTE SEPARATION AND REUSE

In 1991, the German Avoidance and Recovery of Packaging Waste law (VerpackV) transferred responsibility for the collection and proper disposal of packaging for the first time to the person or organization where the materials originated – in other words, us.

As a result, all McDonald’s restaurants have been part of a nationwide, dual packaging disposal system organized by a private company since 1993. This free collection service allows customers to dispose of used consumer packaging close to their homes. It also ensures that all packaging in our restaurants is channeled into a high-quality recycling process. Since the introduction of this law, all used packaging (including non-packaging waste of a similar material) is carefully sorted by type and handed over to our qualified and certified disposal partners for further processing. Collection and recycling rates are regularly certified and documented in line with the requirements of VerpackV legislation. We provide training and extensive information to ensure that our employees are always up to date on the latest developments in waste separation.

In 2011, total waste increased slightly to 66,752 tons (2010: 63,353 tons). This corresponds to an average of 47 tons per restaurant, per year and includes transport packaging as well as non-packaging waste of a similar material.

Expressed in weight, paper, cardboard and carton generally account for around 50 percent of our restaurant waste. We increased the recycling rate for this category in 2011 to 75.2 percent (2010: 71.2 percent). Lightweight packaging (plastic wrap, plastics or composite material, for instance) make up around 20 percent of our waste by weight. 66.1 percent of plastics (2010: 67.1 percent) and 63.6 percent of composite materials (2010: 64.3 percent) were recycled² in 2011.

Organic waste, primarily food waste, accounts for around 15 percent and used oil for around ten percent of our waste. The technologies to recover secondary raw materials from our waste are becoming increasingly effective and important for our eco-footprint. Our waste oil, for example, is processed to create technical fats (see Logistics, page 33). Waste destined for recovery accounted for 2.1 percent of total waste whereas waste destined for disposal accounted for 0.2 percent. Municipal authorities are responsible for the disposal of this waste.

In line with our statutory obligation to accept returned products, we assume responsibility for the collection and recycling of electronic Happy Meal toys. We also meet our requirements to take back used batteries under the German Battery Act (Batteriegeseztz).

ANTI-LITTERING INITIATIVES

Littering is a daily challenge for McDonald’s. We have implemented many measures over the years to combat this issue. Where necessary, our employees collect carelessly discarded waste from neighboring areas such as parking lots, bus stops or green areas. We use clearly marked waste containers outside our restaurants to remind customers to dispose of their waste responsibly. We also support clean-up campaigns in many areas. In the German state of Hesse, for example, we have been collaborating with the local environment ministry for ten years in its clean-up campaign. In 2010, we launched the McDonald’s anti-littering initiative, Say No to Waste, in order to highlight the importance of protecting the environment.

²⁾ Only applies to our consumer packaging subject to licensing obligations

REDUCED EMISSIONS

IN 2011, THE SUCCESSFUL IMPLEMENTATION OF OUR ENVIRONMENTAL GUIDELINES HAD A SIGNIFICANT IMPACT ON OUR ENERGY CONSUMPTION. WE USED ENERGY MORE EFFICIENTLY AND COVERED 25 PERCENT OF OUR POWER NEEDS WITH RENEW-ABLE ENERGY, ENABLING US TO CUT OUR INDIRECT CO₂ EMISSIONS.

Although we opened more restaurants, welcomed more guests and extended opening hours, we managed to cut energy consumption per guest in 2011, thus reducing direct and indirect CO₂ emissions per guest count from 0.68 kg in 2010 to 0.50 kg in 2011. This figure significantly outperforms our target of 0.61 kg for 2011.

REDUCED ENERGY CONSUMPTION

During the period under review, we needed 572,4 million kWh of energy to power our restaurants (2010: 568.6 million kWh). The annual average consumption of a comparable restaurant³ fell by 653 kWh to 411,236 kWh. Our primary energy consumption has also fallen, primarily due to weather conditions. The amount of natural gas that we needed to heat our restaurants fell by around 50 mil- lion kWh from 282 million kWh in 2010 to 231 million kWh.

In 2011, 25 percent of our power came from renewable sources (biomass). By 2014, we intend to obtain 100 percent of our elec- tricity from renewable sources (interim target 2012: 50 percent). A far-sighted pro- curement strategy that bundles our energy requirements in order to absorb rising costs is key to achieving this goal.

³⁾ Open all year round

⁴⁾ Conversion factor for natural gas: 0.23 kg of CO₂ equiva- lent/kWh; conversion factor for electricity: 0.57 kg CO₂ equivalent/kWh

IMPROVED CLIMATE BALANCE⁴

We have set ourselves a clear, long-term goal: We aim to keep energy consumption as low as possible and thus minimize CO₂ emissions. To this end, we continually optimize processes in our restaurants, train our employees and ensure that our buildings and the equipment in our restaurants are as energy efficient as possible (see “Lowering consumption through energy upgrades”, page 30).

In 2011, we saved around 80,000 tons of indirect CO₂ emissions by purchasing electricity from renewable sources. Direct CO₂ emissions (Scope 1) arising from our natural gas consumption dropped faster than expected due to the mild weather. The total direct and indirect emissions of our restaurants thus came to 297,831 tons of CO₂ in 2011. This is around 100,000 tons or 25 percent less than the prior-year figure (2010: 394,805 tons of CO₂).

TRANSITION TO FC-FREE COOLING EQUIPMENT

Chlorofluorocarbons (CFCs) are widely used as cooling agents in our restaurant equip- ment. We carefully and regularly maintain our equipment to avoid leaks if at all possible. We estimate that CFCs account for less than one percent of our climate balance. Neverthe- less, they are chemical compounds that have been proven to contribute to global warming. As such, we aim to replace CFCs to the greatest possible extent in our restaurants.

In September 2011, with support from scientists at the Biberach University of Applied Sciences, we opened the first CFC-free McDonald’s restaurant in Germany in the town of Heidelberg. All cooling systems – from freezers through cold rooms to the air conditioning system – use climate-friendly cooling agents. As of 2012, we will only be purchasing CFC-free cooling equipment. McDonald’s Germany is taking a pioneering role on this front in the food service sector.

WATER CONSUMPTION – EXPANDING OUR KNOWLEDGE BASE

The majority of water we consume is used for cleaning purposes and flushing toilets. We ensure that water is used as efficiently as possible at all times. In our McCafés, for example, we use water-efficient dishwashers. Some restaurants use rainwater for watering outside areas and in toilet flush systems. We exclusively use environmentally sound cleaning products with special dosing systems to ensure that they are used as sparingly as possible.

All restaurants in Germany source their water from local utility companies. They are all connected to public sewage systems and must comply with respective legal thresh- olds for waste water.

We only currently have information on water consumption for restaurants run directly by McDonald’s. In 2011, that was 235 restaurants (around 17 percent of the total number). Total water consumption for these restaurants amounted to 468,401 m³ (2010: 469,054 m³ for 217 restaurants, approximately 16 percent of the total). Average annual water consumption has thus fallen to below 2,000 m³ per restaurant. We intend to work with our franchisees to gradually expand our knowledge base for water consumption.

LOWERING CONSUMPTION THROUGH ENERGY UPGRADES

IN RECENT YEARS, IT'S NOT JUST THE EXTERIORS OF OUR RESTAURANTS THAT HAVE CHANGED. THE BUILDING TECHNOLOGIES AND EQUIPMENT HAVE ALSO EVOLVED.

We aim to build restaurants that are as energy- and emissions-efficient as possible, using materials that can be reused and recycled wherever possible. Our commitment to energy management and lowering consumption is particularly visionary. In light of rising energy prices, investing in energy-efficient buildings and equipment doesn't just benefit the environment and climate, it also pays off for the McDonald's system as a whole.

Our Energy Upgrade program, for example, builds on various pilot projects showcasing innovative technologies. We use the findings from these projects to install modern, energy-saving technologies in existing restaurants.

IMPROVEMENTS TO OUTSIDE AREAS

Our EE-Tec pilot restaurant in Achim, near Bremen, makes a visible contribution to climate protection with its solar panels and wind turbines. However, many of our restaurants make a more subtle but similarly effective difference through energy-saving outdoor lighting. In restaurants with lighting systems that are at least fifteen years old with high to very high energy requirements, for instance, it makes sense to convert light pylons to LEDs. This reduces energy and material consumption and cuts maintenance effort. Converting car park lighting to LED technology and upgrading advertising displays on building walls and in McDrives offers the same benefits. Optimizing outside areas in this way reduces the energy consumption and subsequently indirect CO₂ emissions of restaurants. The energy used in outside areas can account for up to 15 percent of a restaurant's total energy bill. The responsible departments at the Main Service Center and at regional level are on hand to advise franchisees and McDonald's own restaurant managers on how best to implement these measures.

IMPROVEMENTS TO INSIDE AREAS

There are also many ways of saving energy inside our restaurants. Climate control systems are a prime example here. At our pilot restaurant in Achim, near Bremen, we demoed an energy-efficient, demand-driven control unit for air conditioning systems. The restaurant lobby and kitchen proved to be the biggest consumers. We aim to make this innovative climate control system available to all restaurants as air conditioning systems can account for up to 25 percent of a restaurant's electricity bill. Demand-driven

air conditioning not only saves electricity, it also cuts heating energy requirements by between five and ten percent.

Using the heat from kitchen outlet air to heat dining areas can also significantly cut the amount of energy needed for heating. Heat recovery can save up to 30 percent of energy required for heating.

Retrofitting modern control technology to cold rooms is another way of saving ener-

gy. Industrial cooling accounts for up to three percent of a restaurant's total energy consumption. In many restaurants, we already use energy-efficient lighting systems in dining areas and neighboring rooms.

We have been using energy-efficient kitchen machines for many years now, including the clamshell grill, which was specially designed for McDonald's, and our low oil volume (LOV) fryers, which consume around five percent less energy than conventional devices.

ENERGY CONTROLLING AND USER BEHAVIOR

In addition to our renewable energy policy and our Energy Upgrade program, our end-to-end energy strategy also focuses on energy controlling and user behavior.

If we want to use energy efficiently, we need to find out what our largest energy consumers are and when the most energy is being consumed. Which is why we are gradually installing electronic metering systems in our restaurants that will provide detailed information on power, gas and water consumption. Most of the energy consumption data presented in this report is already based on the readings from these meters.

Today, timed on and off windows already optimize energy consumption by ensuring kitchen machines are only on when they are needed. The windows take the warm-up phases of different appliances into consideration and can thus reduce power consumption by an average of six percent. We also regularly provide our franchisees and restaurant managers with an energy-saving catalog, which features a wide range of ideas and suggestions on how to save energy in day-to-day operations.

Promoting environmental awareness, in particular with regard to energy savings, is firmly anchored in our employee training program. In the coming two years, we intend to increase the focus on this aspect of training.

“We primarily focus on increasing energy efficiency as this not only reduces costs but is also good for the environment.”

Mathias Schätzthauer
Department Head Construction & Energy
Management, McDonald's Germany



INTEGRATED MEASURES FOR FEWER EMISSIONS

Modern storage technologies such as daylight-controlled lighting, rapid rolling gates and the recovery of heat released in cold stores keeps energy consumption at the seven distribution centers to a minimum. Photovoltaic systems are installed on the roofs of two distribution centers in Germany. The solar energy captured can be used for example to keep the cold store at the required –23 degrees Celsius. The company also intends to equip its own fleet of trucks with photovoltaic systems. It is currently implementing a one-of-a-kind test project, which will see it equip the roofs of truck trailers with solar modules to generate electricity for in-transit refrigeration. HAVI Logistics plans to test a total of four trucks in this project.

Biodiesel accounts for around 70 percent of all fuel required to transport goods to and from the distribution centers. By continually optimizing routes and avoiding empty loads, HAVI Logistics is constantly striving to minimize the number of kilometers driven per ton of goods delivered. Various temperatures zones can be set inside the trucks, enabling goods that require different temperatures to be delivered simultaneously to restaurants, thus eliminating the need for multiple deliveries.

In Duisburg and Günzburg, our suppliers of bakery products and burger patties are located next door to HAVI Logistics in sites known as food towns. Bundling these service providers means that the products do not need to be transported from the suppliers to the distribution center, thus cutting resource consumption, air and noise emissions.

Thanks to these measures, the total amount of CO₂ per ton of freight delivered fell from 73 kilograms in 2010 to 72 kilograms in 2011.



INTELLIGENT COLLECTION SYSTEMS

HAVI Logistics has set up a complementary service to collect the plastic menu posters and advertisements used in McDonald’s restaurants (translites). Since 2007, our logistics partner has also offered a collection service for used kitchen machines for all restaurants in Germany. In 2011, McDonald’s and HAVI Logistics started a new pilot project testing a system for collecting used oil from restaurants so it can be processed into biodiesel.

The waste frying oil is initially poured into a specially designed, mobile container. This is then pumped into another container on the underside of a distribution truck. The truck takes the oil to a collection point where it is fed into a biodiesel process chain. The project is currently being carried out at ten restaurants. If it continues to prove a success, we will be extending it to additional restaurants.

EFFECTIVE, EFFICIENT LOGISTICS

HAVI LOGISTICS GMBH IS OUR LOGISTICS PARTNER IN GERMANY. THE COMPANY MAKES SURE WE GET THE PRODUCTS WE NEED FROM DIFFERENT SUPPLIERS AND ORGANIZES THE STORAGE AND DELIVERY OF ALMOST ALL FOOD AND NON-FOOD PRODUCTS TO OUR RESTAURANTS. AT EACH POINT ON THE JOURNEY FROM SUPPLIERS TO DISTRIBUTION CENTERS AND FINALLY TO OUR RESTAURANTS, ALL GOODS UNDERGO A WIDE RANGE OF SAFETY AND QUALITY CHECKS (SEE ALSO PAGE 15).

In total, our logistics service provider moves around 5.7 million individual items per month for McDonald’s Germany and has around 1,100 employees at seven sites in Duisburg, Bingen, Ilsfeld, Günzburg, Wustermark, Neu Wulmstorf and Lederhose.

With its commitment to predictability, food safety, efficiency and environmental awareness, HAVI Logistics shares the same corporate goals as McDonald’s Germany – and we can always rely on our logistics partner to excel in reliability and environmental responsibility.

ENVIRONMENTAL PROTECTION BEYOND COMPANY WALLS

HAVI Logistics takes a strategic approach to reducing the ecological footprint of its logistics services. And this plays a defining role in minimizing McDonald’s overall environmental impact.

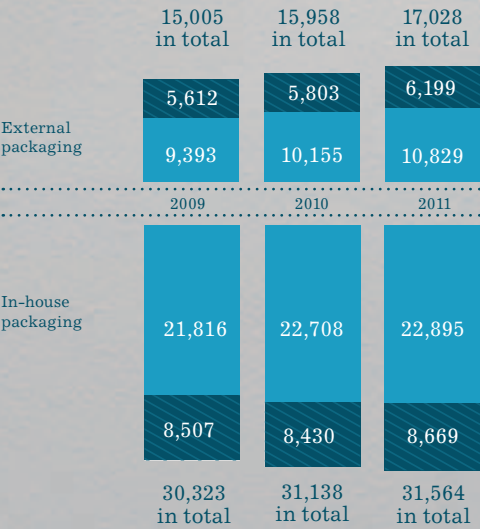
HAVI Logistics has defined four key targets for optimizing its – and thus our – value chain: distribution centers, transport, services and environmental initiatives. This last action item includes environmental partnerships with different organizations.

Since 1997, all measures have been steered by the company’s environment department with the support of a proven environmental controlling system. Its environmental management system has been certified in line with EN ISO 14001 and the EU Eco-Management and Audit Scheme (EMAS) since 2000. HAVI Logistics GmbH is one of the first companies worldwide to be validated in accordance with the new, stricter EMAS III standard.



PACKAGING

Volume and type of material in tons

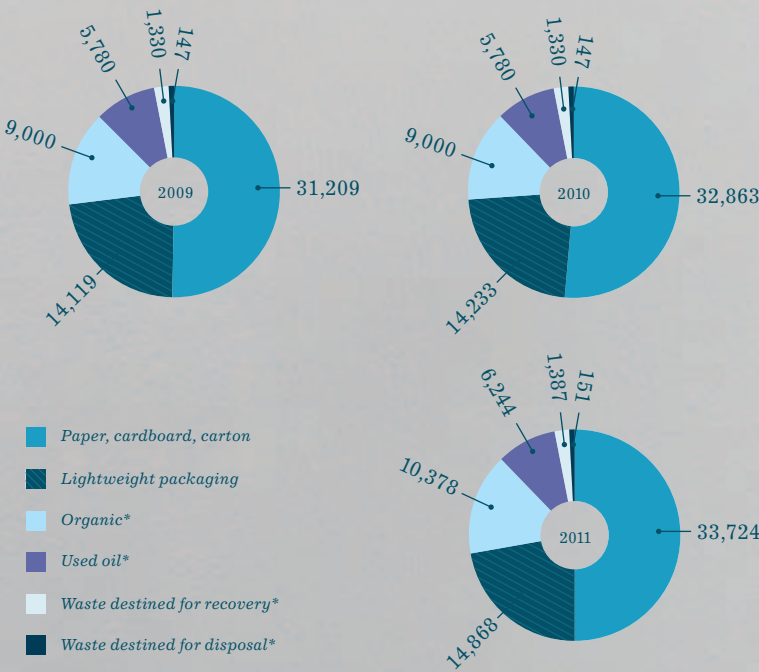


All figures quoted refer to certified amounts delivered to restaurants by HAVI. External packaging refers exclusively to consumer packaging subject to licensing. In-house packaging includes transport packaging and non-packaging waste of similar material.

* Data on waste destined for recovery, waste destined for disposal, organic waste and used oil is based on estimates using the average waste volumes produced by restaurants (no change in the estimates from 2009/2010)

WASTE

in tons



POWER CONSUMPTION TRENDS

for a comparable restaurant in relation to the total number of restaurants



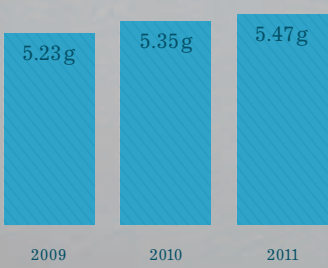
REGENERATIVE RAW MATERIALS

as a percentage of packaging



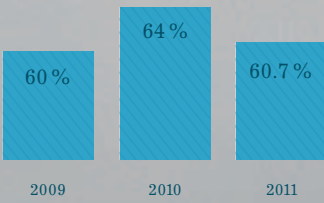
AVERAGE WEIGHT

per packaging unit



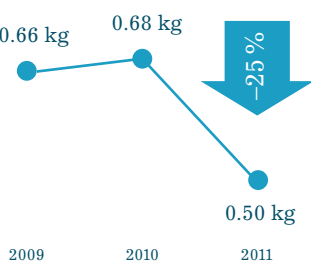
NON-RECYCLED FIBER FROM CERTIFIED FORESTS

Percentage of packaging material comprising non-recycled material



CO₂-EMISSIONS

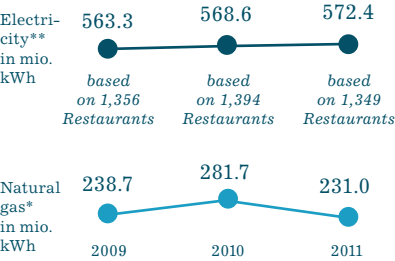
per restaurant visit



25% of electricity from renewable sources in 2011

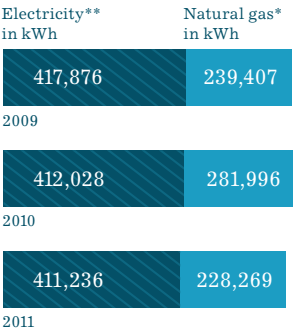
TOTAL ENERGY CONSUMPTION

Direct and indirect primary energy consumption



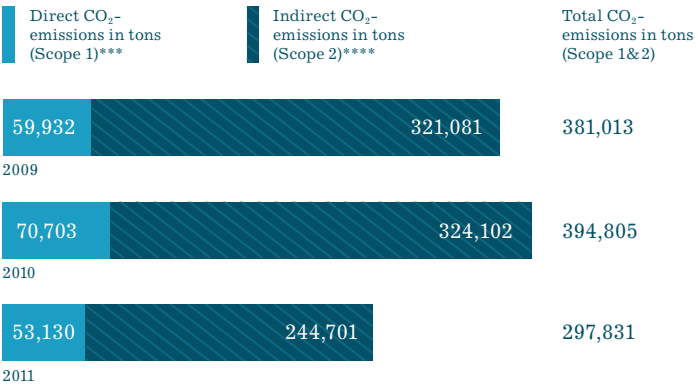
100% of electricity from renewable sources by 2014

ENERGY CONSUMPTION of a comparable restaurant



CO₂-EMISSIONS

Total amount of direct and indirect greenhouse gas emissions



**Refers to restaurants opened in Germany and Luxemburg and the Main Service Center (missing restaurants extrapolated)

***Conversion factor for natural gas: 0.23 kg CO₂ equivalent/kWh

****Conversion factor for electricity: 0.57 kg CO₂ equivalent/kWh

* In some cases values do not refer to a calendar year but to a gas business year or other period; values based on 1,012 restaurants; missing values extrapolated

Employer of choice

WHY WORK? WHO REALLY BENEFITS?



McDONALD'S AS AN EMPLOYER

McDONALD'S HAS GROWN CONTINUOUSLY IN GERMANY OVER THE LAST FOUR DECADES. TODAY, WE ARE THE LARGEST EMPLOYER IN THE GASTRONOMY SECTOR. ISSUES SUCH AS EMPLOYEE REPRESENTATION, FAIR REMUNERATION, TRAINING AND SKILLS DEVELOPMENT, DIVERSITY AND EQUAL OPPORTUNITIES ARE TOP PRIORITIES. WE CONTINUALLY FOCUS ON DEVELOPING THESE AREAS AS WE STEP UP TO OUR RESPONSIBILITY AS AN EMPLOYER. WE MAINTAIN OPEN DIALOG WITH OUR EMPLOYEES, FRANCHISEES, UNIONS AND OTHER ORGANIZATIONS IN ORDER TO UNDERSTAND THE DIFFERENT NEEDS OF EACH STAKEHOLDERS AND TO FIND JOINT SOLUTIONS, THUS STRENGTHENING OUR POSITION AS AN EMPLOYER OF CHOICE. ENGAGING WITH OUR STAKEHOLDERS HIGHLIGHTS JUST HOW IMPORTANT McDONALD'S GLOBAL VALUES AND BUSINESS PRINCIPLES ARE FOR THE SUCCESS OF THE ENTIRE COMPANY.

GLOBAL BUSINESS STANDARDS

McDonald's values provide an ethical backbone for the entire company. They:

- 1 place the customer at the heart of everything we do,
- 1 outline our commitment to our employees,
- 1 strengthen the McDonald's system¹,
- 1 provide the legal and moral framework for our employee's actions,
- 1 promote social commitment,
- 1 support economic growth, and
- 1 drive continual improvement.

These binding values form the basis for McDonald's global Standards of Business Conduct (www.aboutmcdonalds.com), which apply to all employees. These standards lay the foundation for all other codes of conduct and management guidelines.

McDonald's Germany has expanded the Standards of Business Conduct to include guidelines specifically for Germany.

All office staff and restaurant managers employed by McDonald's Deutschland Inc. have to regularly confirm compliance with these guidelines. They outline a variety of rules, including conventions on giving and receiving gifts and handling confidential information. They also prohibit donations to political parties, candidates running for political office, political committees or other political institutions.

The management promise that we formulated in 2010 in Germany builds on our values, also incorporating the daily experiences and needs of our employees. It was narrowed down in various workgroups bringing crew members together with restaurant managers and internal and external specialists. The management promise from McDonald's Germany highlights our commitment to outstanding customer service as well as our duty to treat employees with fairness and respect, acknowledge exceptional performance and offer regular employee training opportunities.

INTEGRITY AND OPEN COMMUNICATION

Every two to three years on average, specially trained employees in the HR department at the Main Service Center and in the

individual regions carry out HR audits in every restaurant. They assess each restaurant to ensure that they comply with labor and collective bargaining laws and with internal regulations. A total of 297 HR audits were carried out in 2011. In 2006, we set up a Confidential Contact Center for all employees of McDonald's Germany. They can contact the center by phone, letter, e-mail or fax to air any problems they might have at work if talking to colleagues and superiors did not help. Reports can also be made anonymously. The Confidential Contact Center tries to find solutions and reach a compromise with the line manager in question – usually through dialog engaging everyone concerned. It works as a neutral arbitrator independently of McDonald's Germany and its franchisees. It is bound to secrecy and provides advice to all employees free of charge. The Global Compliance Office is another point of contact for all employees worldwide to address any questions regarding ethical issues or violations of the code of conduct. Reports can also be made anonymously here. The McDonald's Business Integrity Line is a toll-free international telephone hotline with an interpreting service. It is available to all employees round the clock. We inform employees about the Confidential Contact Center and the Business Integrity Line through flyers, internal information channels and the intranet.

FACTS AND FIGURES

In 2011, around 64,000 people were employed on average in 1,415 restaurants. This is 2,000 more than in the previous year. Over 50,500 of these people were employed by our 247 franchisees and almost 12,800 in restaurants run directly by McDonald's (McOpCo). A further 620 employees work in administration.

On average, just over ten percent of all employees work in restaurant management. At 2,131, the number of trainees was up on the previous year (2,099 trainees). The average period of employment for crew members at our McOpCo restaurants in 2011 remained level with the previous year at 4.4 years. A total of 85 works councils were responsible for employee representation. Wolfgang Goebel, member of the Executive Board responsible for HR at McDonald's Germany bore overall responsibility for human resources during the period under review.

¹⁾ The McDonald's system is often described as a three-legged stool comprising franchisees, suppliers and the company

FAIR REMUNERATION AND FAIR TREATMENT

AT McDONALD'S, WE BELIEVE THAT FAIR, PERFORMANCE-RELATED PAYMENT IS A BASIC RIGHT. IN GERMANY, WE ADHERE TO A COLLECTIVE AGREEMENT NEGOTIATED BY THE FEDERAL ASSOCIATION OF THE FOODSERVICE SECTOR (BdS) AND THE FOOD, BEVERAGES AND CATERING UNION (NGG). AT THE END OF SEPTEMBER 2011, BOTH SIDES CONCLUDED A NEW COLLECTIVE WAGE AGREEMENT.

The collective wage agreement came into effect on December 1, 2011 and applies to around 100,000 employees in the German franchise foodservice sector. All members of the BdS, including McDonald's Germany, have committed to paying their employees in line with the agreement. The overall entry-level wage has been increased. In the western states of Germany this now comes to EUR 7.50. In the east it has been raised to EUR 6.85. After twelve months at the company, employees are automatically upgraded to the next highest wage group. The wage agreements are available on the BdS website at www.bundesverband-systemgastronomie.de.

McDonald's Germany also pays its trainees an agreed rate. In addition, we offer all employees covered by collective wage agreements attractive complementary benefits such as holiday pay, an annual special allowance, bonuses for working nights and capital-forming benefits. Men and women naturally receive equal pay for the same job.

During the period under review, we revised our pension scheme for employees and made preparations for a modern, supplementary system to be launched in 2012.

ANNUAL EMPLOYEE SURVEY

Once again in 2011, we carried out an employee survey at McDonald's Germany. Each year, we interview half of the employees at McOpCo restaurants on a rolling basis. Different questionnaires are given to crew members and restaurant managers and these are available in eight different languages. The survey is carried out online and is entirely anonymous. This annual feedback is extremely important as it provides us with information on how our values, guidelines and wage agreements are implemented at local level and, where necessary, enables us to take action to rectify any problems. We ask our employees if they are happy to come to work, whether there is a good line of communication between management and crew members and what they think about the training opportunities available to them.

TOP EMPLOYER

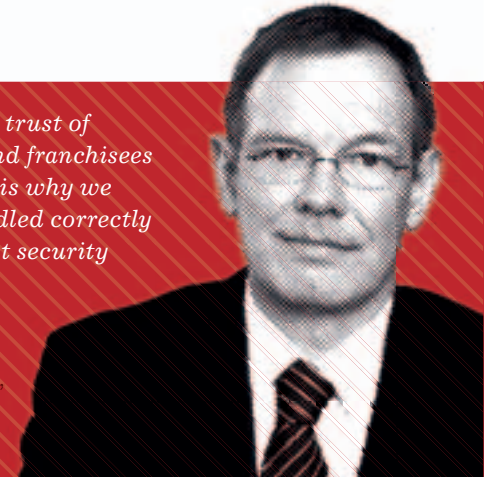
In an independent study by the opinion research institute CRF, McDonald's Germany was named one of the 118 top employers in Germany for 2012. The study was based on data collected in 2011 on career opportunities, primary benefits, secondary benefits, work/life balance, training, development and corporate culture. The administration division of McDonald's has been awarded this seal of approval every year since 2004.

DATA PROTECTION

Data protection is an extremely important topic for us and we set ourselves high standards in this area. We therefore regularly inform employees and franchisees about data security trends, build awareness about the importance of security and, if possible, develop appropriate initiatives. These included a training program in 2011. Here, McDonald's Germany developed a special training concept for dedicated security officers at franchise restaurants. The program was also highly rated by data security authorities. Known as "My Data Protection Expert", the concept is tailored to the data security needs of McDonald's franchise restaurants and therefore gives participants the skills they need for day-to-day operations. The training program was developed in collaboration with a renowned data security expert who also holds the course. After taking a final test, participants receive a certificate confirming that they have successfully completed the course and acquired the requisite technical expertise. In 2011, almost 120 in-house data protection officers representing over 600 of our franchise restaurants took part in this two-day course. Also in 2011, we revised our Video Policy. This policy defines exact procedures and prerequisites governing the use of video technology in our restaurants. To protect the privacy of our employees and customers, our Video Policy now frames very restrictive use of video surveillance systems in restaurants.

"At McDonald's, we take the trust of our employees, customers and franchisees extremely seriously. Which is why we ensure personal data is handled correctly and protected to the strictest security standards."

Marcus Lettschulte
Senior Department Head Legal,
Data Protection Officer,
McDonald's Germany



MANY ROADS LEAD TO McDONALD’S

SINCE THE BEGINNING OF 2010, WE HAVE BEEN RUNNING OUR MOST INTENSIVE AD CAMPAIGN TO DATE. IN TELEVISION, PRINT MEDIA AND ON OUR WEBSITE, WE HAVE BEEN USING AN EMPLOYEE-FOCUSED CAMPAIGN TO PROVIDE INFORMATION ON WORKING AT McDONALD’S. BY SHOWCASING OUR EMPLOYEES, WE HAVE BEEN ABLE TO HIGHLIGHT THE BENEFITS OF WORKING AT THE COMPANY AND THE MANY CAREER OPPORTUNITIES WE PROVIDE. AND THE CAMPAIGN HAS PROVED A SUCCESS. IN 2011, WE AGAIN INCREASED THE NUMBER OF EMPLOYEES AND TRAINEES AT THE COMPANY.

Under our “Jobs & Careers” portal at www.mcdonalds.de/jobs, we provide interesting, relevant information about working at McDonald’s as well as simple application forms for a wide range of jobs – from food-service expert to interior designer.

VARIED TRAINING OPPORTUNITIES

We offer a wide range of training opportunities. Trainees in the “Fachkraft im Gastgewerbe” (specialist in the hospitality services industry) program can obtain a qualification recognized by the German Chamber of Commerce (IHK) in just two years. Participants must have completed German Hauptschule (lower-ranked secondary schools) to qualify for the course. In 2011, 447 young men and women participated in this course (2010: 239 people).

McDonald’s also offers training to become a Fachmann” or “Fachfrau für Systemgastronomie” (expert in the foodservice sector, abbr. FASY). Training usually takes three years and is primarily aimed at good graduates from middle-ranked secondary schools and school-leavers who have taken the university entrance examination (German Realschule and Gymnasium). During the period under review, 1,684 trainees participated in the McDonald’s FASY program.

Trainees who successfully complete the two-year specialist course with good grades also have the option of following up with a FASY qualification.

We also offer school-leavers who have taken the university entrance examination (German Abiturienten) and graduates from technical colleges (German Fachoberschüler) a combined work/study program that gives young people the chance to graduate with an internationally recognized Bachelor of Arts (BA) or Bachelor of Science (BSc) degree.

We pay students an allowance and also pay for the course fees. The three-year course combines theory lessons at a vocational college with on-the-job training at the restaurant. In 2011, 148 students were employed at McDonald’s (2010: 164). 69 students successfully completed the course during the period under review.

EMPLOYMENT AFTER TRAINING

Secure job prospects are extremely important, especially for young people. Good career opportunities and the possibility of being offered a job after qualifying are decisive criteria for many trainees. From the company’s perspective, our own trainees make the best employees and managers of the future.

In 2011, as in 2010, we offered jobs to around 80 percent of our trainees. This puts us well above the average for the hotel and catering trade. 343 of the 447 FASY trainees hired were able to further their careers as shift leaders in restaurants run by McDonald’s Germany and its franchisees.

SKILLS DEVELOPMENT

McDonald’s offers a wide range of careers and talent development opportunities for motivated, enthusiastic employees. Our Hamburger University in Munich is one of seven training centers worldwide. These are flanked by our Regional Service Centers and dedicated in-restaurant trainers to bring a range of skills to our employees – from the basics of shift management to business planning.

In 2011, approximately 1,600 employees completed 92 courses at the Hamburger University. During the same period, 10,866 employees took part in 1,642 courses at our Regional Service Centers. In other words, almost 20 percent of our employees took part in talent development courses.

Our offering includes courses on workplace safety such as first-aid training and regular first-aid refresher courses. To systematically eliminate the causes of accidents and prevent accidents from happening in the first place, our employees have to attend regular training on a variety of safety-related topics.

We have created tailored development programs for different middle management target groups, such as field & operations consultants and operations managers. We have also developed courses for up-and-coming managers. Applicants for the young managers’ program first have to successfully pass a selection process. They can then start a training course that will prepare them for a future in management and which comprises modules such as intercultural training. All employees from the level of restaurant manager up receive regular performance feedback that forms the basis of their career and salary development. The feedback sessions are also used to determine appropriate skills development measures for individual employees.

LIFELONG LEARNING

McDonald’s firmly believes in lifelong learning. Our Crew College concept was founded to realize this vision.

The Crew College is a training program for crew members in all McOpCo restaurants and participating franchisee restaurants. The program encourages employees to sign up for courses at German adult education centers (Volkshochschulen). At the start of each academic semester, these institutions offer a wide range of courses including language, integration and computer skills. McDonald’s provides financial support for these courses in the form of a gross allowance of up to EUR 100 per semester. In order to receive this financial support, employees must attend at least 80 percent of the classes.

Employees at restaurant and middle management level also have the opportunity of completing a more advanced training program while working. “Fachwirt im Gastgewerbe” is a business qualification that gives applicants the skills and know-how required for management positions in the hospitality services industry. Applicants must have a vocational business qualification and at least

two years’ experience in the hospitality services industry. Through a combination of distance, online and classroom-based learning, employees can obtain a qualification recognized by the German Chamber of Industry and Commerce (IHK) in two years while they continue to work.

IHK QUALIFICATIONS

For some years now, we have been offering management-level employees who do not have vocational qualifications the option of obtaining a qualification as “Fachmann” or “Fachfrau für Systemgastronomie” (experts in the foodservice sector, abbr. FASY) through an external examination organized by the German Chamber of Industry and Commerce (IHK). Applicants who have not completed an apprenticeship can apply to sit the final exam if they have been working in the profession for a period that is one and a half times longer than the defined training period and can prove that they have acquired the required skills and knowledge during this time. The exam requirements are then identical to those for trainees. A preparatory course for the foodservice sector (Vorbereitungskurs Systemgastronomie) is held twice a year to prepare applicants for the exam. During the two-week course, managers are taught all the necessary business content for the final exam. In 2011, 38 managers took this effective preparatory fast-track to IHK qualification.

McDonald’s also supports crew members looking to take the external exam for Fachkraft im Gastgewerbe (specialist in the hospitality services industry), launching a preparatory course for this qualification (Vorbereitungskurs Fachkraft im Gastgewerbe in der Systemgastronomie, VK-FKGS) in 2012. The course bridges a vital gap for motivated crew members who do not have any formal training by giving them the opportunity to easily and quickly obtain a qualification. This course meets the needs of a growing number of regular trainees, sup-

porting and extending professional learning opportunities in McDonald’s restaurants.

McDonald’s also offers preparatory courses for Germany’s AdA examination, which employees can also take while continuing to work. AdA is a train the trainer scheme. The exam has to be completed by anyone responsible for instructing trainees during their apprenticeships or training courses as the German ordinance governing the appointment of trainers and instructors stipulates that a person can only train others if they have the requisite vocational and educational skills. In 2011, 102 people took part in the courses offered by McDonald’s for this qualification.



RAY KROC DAY

When employees in administration start their careers at McDonald’s they have to work for a day in a McDonald’s restaurant alongside crew members. They then repeat this experience once a year on what is known as Ray Kroc Day. It is obligatory for all office staff. We regard this as a crucial experience that enables our people in management and administration to work more successfully and effectively.



DIVERSITY AND EQUAL OPPORTUNITIES

PEOPLE FROM 129 COUNTRIES WORK AT McDONALD'S GERMANY. WE RESPECT, VALUE AND SUPPORT ALL EMPLOYEES REGARDLESS OF SEX, NATIONALITY, ETHNIC ORIGIN, RELIGION OR IDEOLOGY, DISABILITY, AGE, SEXUAL ORIENTATION OR IDENTITY. OUR COMMITMENT HERE IS ANCHORED IN OUR GLOBAL VALUES AND GUIDELINES AND IN THE DIVERSITY CHARTER THAT McDONALD'S GERMANY SIGNED IN 2007. McDONALD'S GIVES EVERYONE A FAIR AND EQUAL CHANCE.

Our diverse workforce is one of our greatest assets. The skills and talents of our employees form the basis of our success in a world increasingly shaped by globalization and demographic change.



“When it comes to our responsibility as a company, we look at the big picture. We recognize the benefits that a diverse workforce can bring, especially to a brand like McDonald’s. In our HR strategy for the coming years, diversity is therefore at the top of the agenda.”

Wolfgang Goebel
 Member of the Executive Board responsible for HR at McDonald's Germany

INTEGRATION OF PEOPLE WITH DISABILITIES

Integrating employees with a disability into day-to-day restaurant operations is both a challenge and an opportunity for everyone. In 2010, we launched a manual providing information on the integration of severely disabled employees at McDonald’s Germany. The document is targeted in particular at franchisees and aims to encourage them to offer job opportunities to people with disabilities. The results speak for themselves. In 2011, we employed 740 employees with a disability – an increase of around twelve percent on the previous year.

Some restaurants collaborate with workshops that employ disabled people, hiring, for example, employees trained in landscaping and gardening to maintain the areas outside restaurants. We will also be focusing more on the needs of older employees in the future. Our activities here will target in particular the simple ergonomic measures that can be taken to reduce the physical stresses of working in restaurants.

WE AIM TO INCREASE THE NUMBER OF WOMEN IN MANAGEMENT POSITIONS

McDonald’s global vision also places the company as one of the most progressive employers in the development of female talent. We have already made a lot of progress in past years. In 2000, only one managing director of a country was female. In 2011, twelve women are now in this top management position in different countries.

During the period under review, the McDonald’s Corporation was presented the Catalyst Award 2011 (www.catalyst.org), recognition that measures implemented by McDonald’s across the globe – and set down in our Global Women’s Initiative – have already led to concrete results. The percentage of female restaurant managers increased worldwide between 2006 and 2009. In Europe, the proportion of women in this position – which is a key stepping stone to higher level management – rose from 45 percent to 52 percent. In Germany, 42 percent of restaurant managers and senior restaurant managers were women in 2011. This is a slight increase on the previous year. The percentage of women in office management positions at McDonald’s Germany (leadership team, LST) rose from 13 percent to 16 percent during the period under review. We aim to increase the percentage of female workers at this level to 30 percent in the next three years. In 2010, we launched the German Women’s Leadership Network (GWLN) in order to promote the exchange of information on this issue at McDonald’s Germany and to encourage and implement concrete measures for increasing female representation. Members of the network are all women in management positions.

A HEALTHY WORK/LIFE BALANCE

OUR HR STRATEGY NOT ONLY FOCUSES ON DIVERSITY AND EQUAL OPPORTUNITIES. ENSURING A HEALTHY WORK/LIFE BALANCE IS EQUALLY IMPORTANT.

For many years now, our employees in restaurants and administration have had access to flexible full- and part-time work models.

ON-SITE DAYCARE CENTER

One of the highlights of 2011 was the opening in November of a children's daycare center on the grounds of our Main Service Center in Munich.

The city of Munich and McDonald's have been working hand in hand here for many years, with McDonald's Germany providing the premises and the city providing the funding. The additional facilities have enabled us to transition our Kindergarten, which has been operating since 1993, to a daycare center. This enables us to offer our employees professional childcare services for children from aged anywhere from eight weeks to six years. There are a total of 24 daycare places, half of which are allocated by our cooperation partners.

CORPORATE VOLUNTEERING

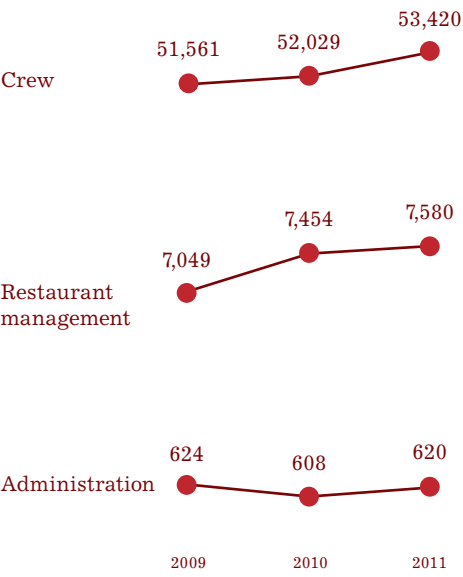
As of 2011, office staff have the opportunity to take part in a paid corporate volunteering day. Instead of doing their usual business on this working day, they assist the McDonald's Kinderhilfe Stiftung (Ronald McDonald House Charities) by participating in the daily duties arising in Ronald McDonald Houses. Our aim here is to support the charity while at the same time fostering a sense of community involvement among our employees (see also "Sharing brand", page 58).

RESPONSIBILITY FOR PERSONAL MOBILITY

In 2011, McDonald's Germany introduced a new regulation for our fleet of around 550 company cars. The new regulation introduces CO₂ thresholds for the first time based on the CO₂ emissions limits defined by the European Union.

Any employee who chooses a car that exceeds these CO₂ thresholds is bliged to make a one-off payment of EUR 500 per excess gram. This money will then be invested in the MoorFutures project, an initiative of the Mecklenburg-West Pomeranian Ministry of Agriculture, Environment and Consumer Protection. The money will be used to rewet moors in the state of Mecklenburg-West Pomerania so that they can fulfill their original function again. This prevents turf degradation and significantly reduces greenhouse gas emissions. The moors also act as long-term stores of greenhouse gases and thus make an active contribution to climate protection.

NUMBER OF EMPLOYEES
in restaurants and administration

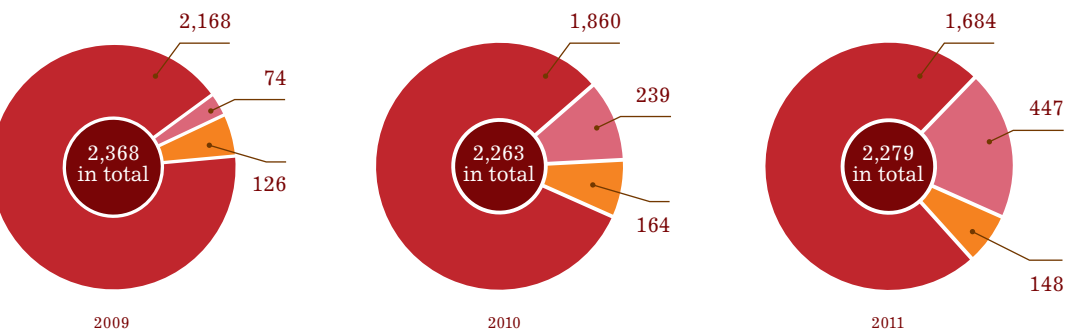


EMPLOYEE COURSES

Number of courses offered and participants

HU HSC	Courses	80	80	92
	Participants	1,542	1,529	1,579
RSCs	Courses	2,111	2,139	1,642
	Participants	11,978	14,467	10,866
		2009	2010	2011

PEOPLE
in training

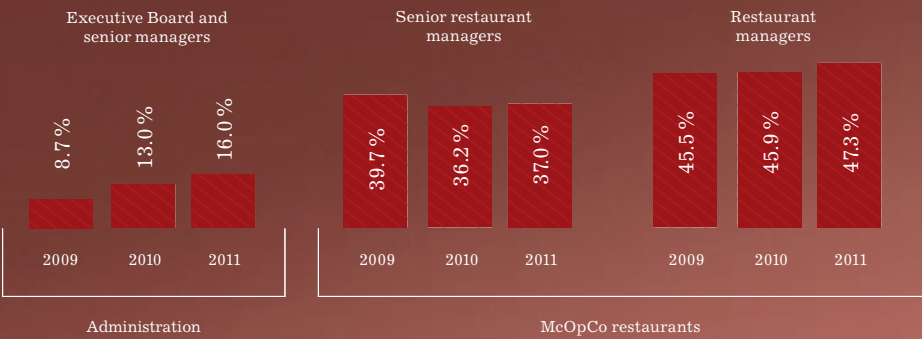


- BA students: Dual study program for Bachelor of Arts (BA) or Bachelor of Science (BSc)
- FASYS qualification: Three-year training program to become a "Fachmann/Fachfrau für Systemgastronomie" (expert in the foodservice sector, abbr. FASYS)
- "Fachkraft" qualification: Two-year training program to become "Fachkraft im Gastgewerbe" (specialist in the hospitality services industry)

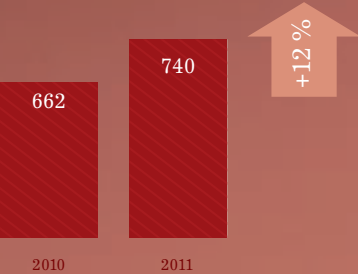
12,445 participants in training and skills development courses in 2011

557 trainees successfully completed their training in 2011

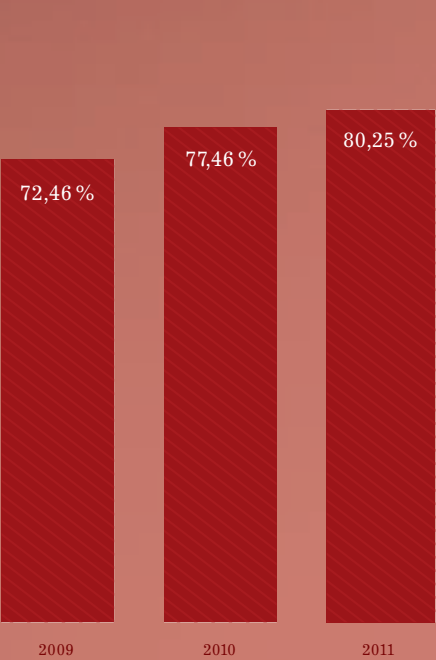
PERCENTAGE OF WOMEN
at various management levels



EMPLOYEES
with a disability



TAKEUP RATE
for trainees*



* Figures refer exclusively to the "Fachmann/Fachfrau für Systemgastronomie" qualification (expert in the foodservice sector, abbr. FASYS).

NUMBER OF EMPLOYEES
employed by McDonald's (total)



@ For further information, facts and figures on McDonald's as an employer of choice visit: www.mcdonalds.de/verantwortung

WHO'S INFLUENCING WHO HERE?

Sharing brand



Ich liebe
DICH



OPEN COMMUNICATION

Dear Reader,

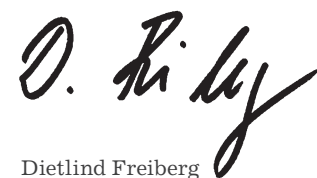
2011 was the first year in which McDonald's Germany set itself sustainability goals, clearly structured according to our four action items. We have already achieved some of our goals for 2013, including a reduction in CO₂ emissions from our restaurants. We have also optimized the energy consumption of 40 restaurants, switched to fish certified by the Marine Stewardship Council and identified a Flagship Farm for dairy products. Our achievements here have led us to expand our horizons to 2015. In some areas, it is still difficult to quantify our targets. In these cases, we have established overarching goals that align with the key sustainability issues that McDonald's Germany has identified and is addressing through a commitment to sustainable agricultural and breeding practices, the promotion of health and nutrition, responsible waste management and reduced packaging, systematic environmental management, fair remuneration and support for diversity and equal opportunities. We aim to achieve these goals gradually and systematically.

We started work on a benchmarking system during the period under review. From over one hundred non-financial indicators, we have to establish relevant benchmarks that will enable us to determine whether our sustainability performance is moving forwards or backwards. And although we will be using these indices for internal purposes, they still have to be transparent for our stakeholders.

We achieved a lot during the period under review. This is all thanks to the unwavering commitment to sustainability shown by the Executive Board of McDonald's Germany, seamless, constructive collaboration between all departments in the Main Service Center, support from our Regional Service Centers and franchisees and – last but certainly not least – the dedication of our restaurant staff.

We would love to hear your opinions and suggestions regarding sustainability at McDonald's. Visit verantwortung@mcdonalds.de and let us know what you think.

Best regards,



Dietlind Freiberg
Director Corporate Responsibility & Environment



IN THE HEART OF THE COMMUNITY

THE McDONALD'S BRAND HAS BEEN SOMETHING OF AN INSTITUTION IN GERMANY FOR OVER FORTY YEARS. WE ARE KNOWN PRIMARILY FOR OUR PRODUCTS AND ARE NO STRANGERS TO THE PUBLIC'S CRITICAL EYE. WE WELCOME CONTACT WITH OUR GUESTS AND EXTERNAL STAKEHOLDERS. FROM NON-GOVERNMENTAL ORGANIZATIONS AND UNIONS THROUGH POLITICIANS AND ASSOCIATIONS TO SUPPLIERS AND PARTNERS, WE BELIEVE EVERYONE HAS THE RIGHT TO LOOK CLOSELY AT WHAT WE DO, TALK ABOUT IT AND TALK WITH US.

We represent our interests by actively seeking open dialog with our stakeholders and through our membership in different interest groups and organizations. These include the Confederation of German Employer Organizations Bundesvereinigung der Deutschen Arbeitgeberverbände; BDA) and the Federal Association of the Foodservice Sector Bundesverband der Systemgastronomie (BdS). A complete list of our memberships is available online at www.mcdonalds.de/verantwortung.

We believe that exchanging opinions, needs, expectations and requirements openly via the widest range of media is a great catalyst for change.

This not only has a direct, positive impact on our product offering (as is the case with our "Mein Burger" campaign). It also benefits all sustainability activities at McDonald's. Which is why dialog is the fourth pillar in our sustainability management strategy along with product stewardship, environmental protection and employees.

Dialog can drive and shape the way we act in the future. To give members of the public the chance to share their views, we have to transparently and regularly communicate the challenges we face, the goals we set and the progress we make in sustainability performance.

Building on our first sustainability report in June 2011, we improved both the scope and quality of our dialog with a number of stakeholders during the period under review. Our aim for 2012 is to communicate sustainability issues as intensively as possible to restaurant staff, office employees and franchisees via internal media, events and roadshows. We intend to use the full range of communication channels. Our contact with the Wuppertal Institute for Climate, Environment and Energy is an excellent example of dialog with the scientific community. Our exchange started back in 2010 and culminated in a research project that is now investigating the changes the company would have to make to increase sustainability in production and consumption as well as the potential impact of these process changes on the environment and society.

EXPLORING SUSTAINABILITY OPPORTUNITIES – COLLABORATION WITH THE WUPPERTAL INSTITUTE

Where exactly is there potential for increasing sustainability in McDonald's operations along the value chain? How can McDonald's help make eating habits more sustainable? What forward-looking scenarios and strategies can be developed for restaurant and "to-go" foodservice? How can we trigger changes that increase our sustainability performance and what call to action do these changes raise? These are just some of the questions McDonald's Germany and the Wuppertal Institute are addressing as part of a research project that will run until April 2014. The collaboration focuses on identifying how we can move to more sustainable production and consumption value chains and the process changes that would be required in the company to achieve this. Social trends, growing mobility and flexible working models have increased the need for catering outside of the home – from nursery schools and schools through company canteens to the restaurants and diners. Against this backdrop, McDonald's can have a major impact on resource conservation, climate protection and eating habits in Germany by adopting more sustainable business practices. We are stepping up to the plate here by investing in research into sustainability. We aim to take a leading role in this area.



DEEPLY EMBEDDED

TO MAKE EFFECTIVE PROGRESS IN REALIZING SUSTAINABILITY GOALS, THEY MUST BE ANCHORED AT THE HIGHEST LEVEL OF THE CORPORATE ORGANIZATION. WHICH IS WHY THE CEO OF McDONALD'S GERMANY, BANE KNEZEVIC, IS RESPONSIBLE FOR SUSTAINABILITY AT EXECUTIVE BOARD LEVEL. THE CORPORATE RESPONSIBILITY DEPARTMENT REPORTS DIRECTLY TO THE HIM, COLLABORATING WITH INDIVIDUAL DEPARTMENTS TO DEVELOP AND IMPLEMENT STRATEGIES AND TARGETED SOLUTIONS.

We set sustainability goals to steer and chart our progress. These goals are part of the performance targets entrusted to our extended management team (leadership team). Part of their variable remuneration is tied to the achievement of these goals.

“Social media provides creative opportunities for establishing simple interfaces between digital communication and sustainability.”

Nicolas von Sobbe

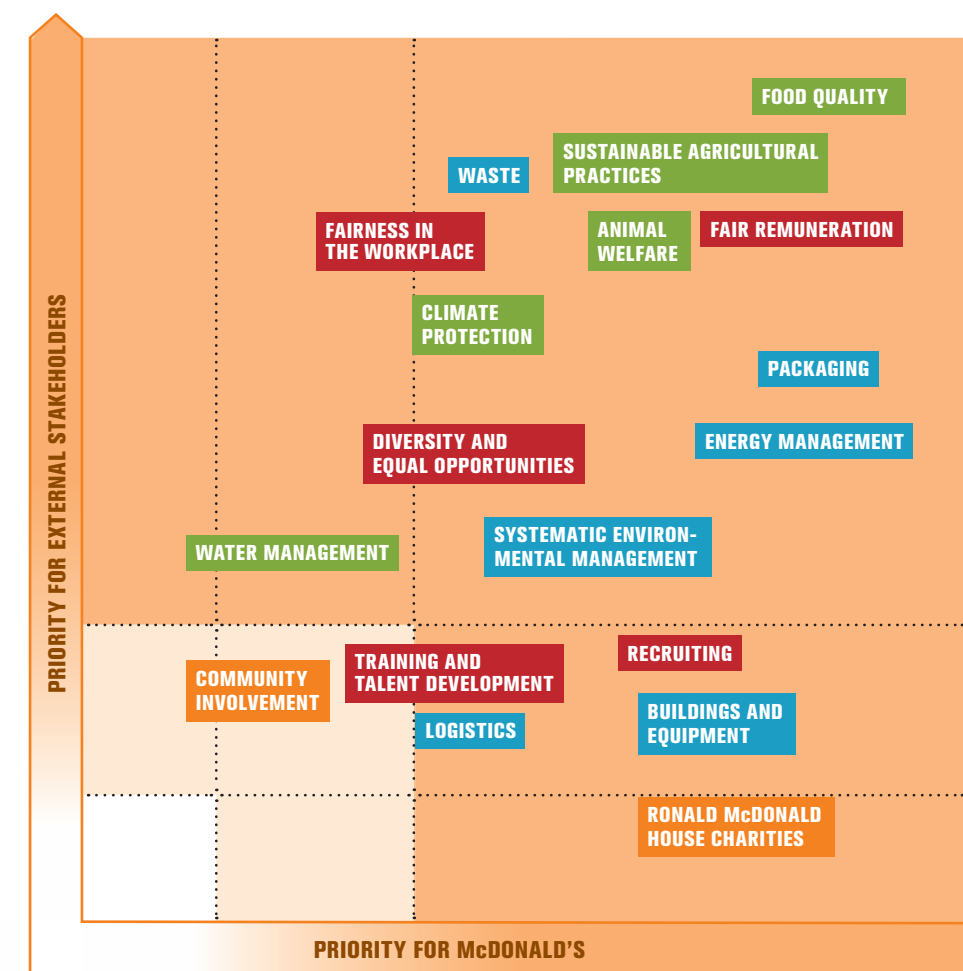
Department Head Media und Community Relations,
McDonald's Germany



Our panel of three experts continues to be on hand to advise us and provide us with valuable input on our core issues. Its members include Dr. Gerd Leipold, former Executive Director of Greenpeace International, Prof. Werner Sobek, architect and expert in green building, and Dr. Walter Jochmann, Chairman of the Executive Board of Kienbaum Management Consultants GmbH.

KEY ISSUES

Sustainability at McDonald's spans a variety of topics that we have bundled into four action items. Each of these areas has a different priority for us and our stakeholders. The following chart shows how we currently rank these issues based on stakeholder analyses and the evaluation of our own processes.



- Product stewardship
- Employer of choice
- Eco-footprint
- Sharing brand

SOCIAL MEDIA CAMPAIGN: “MEIN BURGER”

DIGITAL AND SOCIAL MEDIA HAVE CHANGED THE WAY COMPANIES AND STAKEHOLDERS – AND ABOVE ALL CONSUMERS – COMMUNICATE WITH EACH OTHER BY EMPOWERING INDIVIDUALS WITH THE MEANS TO EXERT A DIRECT AND GROWING IMPACT.

Our “Mein Burger” campaign gave guests and fans of McDonald’s Germany the chance to create a burger online, thus enabling them to have a direct impact on the very heart of the McDonald’s brand – our products.

From February 21 to March 25, 2011, fans were encouraged to let their imagination run wild and create their own burger from around 70 ingredients. And if their product got enough votes, they were able to eat it later at a McDonald’s restaurant. All participants were able to create their own advertising campaign for their favorite burger and spread the word via social networks such as Facebook. Around 116,000 burgers were created and approximately 1.5 million votes submitted during the campaign – figures that far exceeded our expectations. During the period under review, the campaign was shortlisted for numerous awards and also received a gold medal in the social media category of Der Pixel CommAward. It also received a silver medal at the AME Award in the use of medium – social media section as well as a bronze medal in the DMMA Online Star awards in the social marketing campaign category. The campaign was also ranked second in the Mobius Awards.

We launched a second round of the “Mein Burger” campaign in spring 2012.



“Brands and products are part of our everyday lives. In Germany, McDonald’s has been a fixed institution for 40 years.”

Rainer Saborny
Marketing Director, McDonald’s Germany

VARIED ENGAGEMENT

DEDICATED TO SPORT

To mark a national soccer game between Germany and Holland on November 15, 2011, McDonald’s Germany and the German Soccer Association (DFB) announced that they would be extending their partnership until June 30, 2015. In our capacity as the “official partner of the German Soccer Association”, we will be continuing our successful sports programs: the DFB & McDonald’s Soccer Badge and McDonald’s Soccer Escorts. Since its launch in 2007, around one million DFB & McDonald’s Soccer Badges have been awarded. The program’s success is largely down to support and commitment from numerous clubs throughout Germany. Building on the extension of our partnership, we aim to expand the program further over the coming four years. The overall aim of McDonald’s commitment to sports is to enable families and our employees to experience the thrills of major sporting events and, above all, to motivate children and young adults to take an interest in sports. Which is why our international commitment in this field also includes long-standing affiliations with FIFA, UEFA and the IOC in addition to our partnership with the DFB.

COMMUNITY INVOLVEMENT

Our franchisees engage with local communities. They support various social projects such as sports facilities for young people, Ronald McDonald Houses and family rooms (Oases) in hospitals, as well as daycare facilities and clubs. They are often the first port of call for institutions looking for assistance. As employers and trainers, franchisees carry a huge responsibility to local communities. They provide training for young people and – thanks to good chances of being offered a subsequent position – they also provide career prospects. Franchisees create on average 40 to 50 flexible full- and part-time positions per restaurant.

The environment is becoming an increasingly important issue. More and more franchisees are committed to anti-littering campaigns, thus ensuring that the areas around their restaurants are kept clean and well maintained. These activities are often carried out in conjunction with local communities and institutions. In Bad Säckingen, the work carried out by the town’s McDonald’s restaurant and the environmental agency is a prime example of local, long-term collaboration on anti-littering. The restaurant and the agency have been working together to organize annual litter collections since 2000. The franchisee also provides the community with trash cans in areas where littering is a particular problem.

In addition, our franchisees support the McDonald’s Kinderhilfe Stiftung (Ronald McDonald House Charities) through annual fundraising activities and fixed donations that are not tied to revenue.

25 years of Ronald McDonald House Charities in Germany

637 volunteers gave their time to the Ronald McDonald Houses and Oases in 2011

79,306 hours worked by volunteers in 2011

69,702 families have found a home from home at the Ronald McDonald Houses since 1987

5,347 families stayed at Ronald McDonald Houses in 2011

12,541 families have retreated to Ronald McDonald Oases in clinics since 2008

17 Ronald McDonald houses are located in Germany

3 further houses are planned or already under construction

ORGANIZATIONAL STRUCTURE of the Ronald McDonald House Charities

The Ronald McDonald House Charities operate under the umbrella of the supervisory authority for foundations of the District Government of Upper Bavaria. Three separate bodies manage, advise and control the foundation's work. The Executive Board is responsible for the management of the foundation. The Foundation Council is a voluntary control and monitoring body, comprising volunteers from our franchisees and suppliers. The Board of Trustees is primarily an advisory body made up of representatives from politics, society and business as well as our franchisees and suppliers, all of whom use their knowledge and connections to the benefit of the Ronald McDonald House Charities.

SUPERVISORY AUTHORITY FOR FOUNDATIONS OF THE DISTRICT GOVERNMENT OF UPPER BAVARIA

FOUNDATION COUNCIL:

Ulrich Bissinger
Wolfgang Goebel
Adriaan Hendriks
Detlef Hochstein
Valerie Holsboer
Rolf Kreiner
Dr. jur. Karl Rauser

advisory

BOARD OF TRUSTEES:

Prof. Dr. phil. Rita Süßmuth
Prof. Dr. rer. pol. Hans Bertram
Michael Durach
PD Dr. med. Thomas Erler
Wilhelm Hecker
Prof. Dr. med. John Hess
Heinz Hilgers
Karl-Heinz Heuser
Dr. sc. techn. Dieter Hundt
Wilfried Jacobs
Dr. rer. pol. Thilo auf'm Kamp
Judith Lukacs
Henry Maske
Maren Otto
Manfred Wulf

EXECUTIVE BOARD:

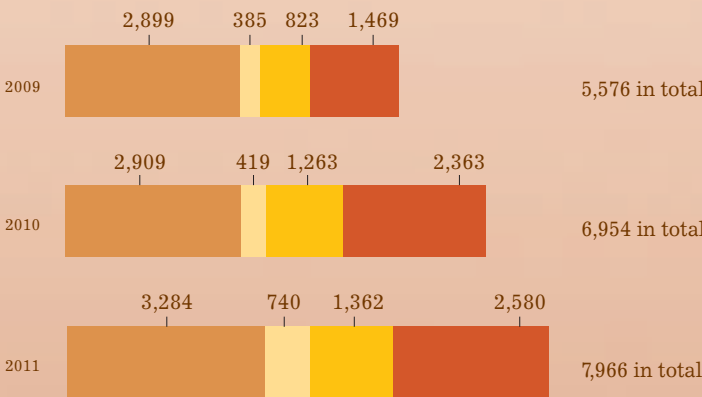
Manfred Welzel
Adrian Köstler

advisory

defines strategies

DONATIONS

made by McDonald's Deutschland Inc., franchisees, suppliers and customers



Donations in EUR K made by



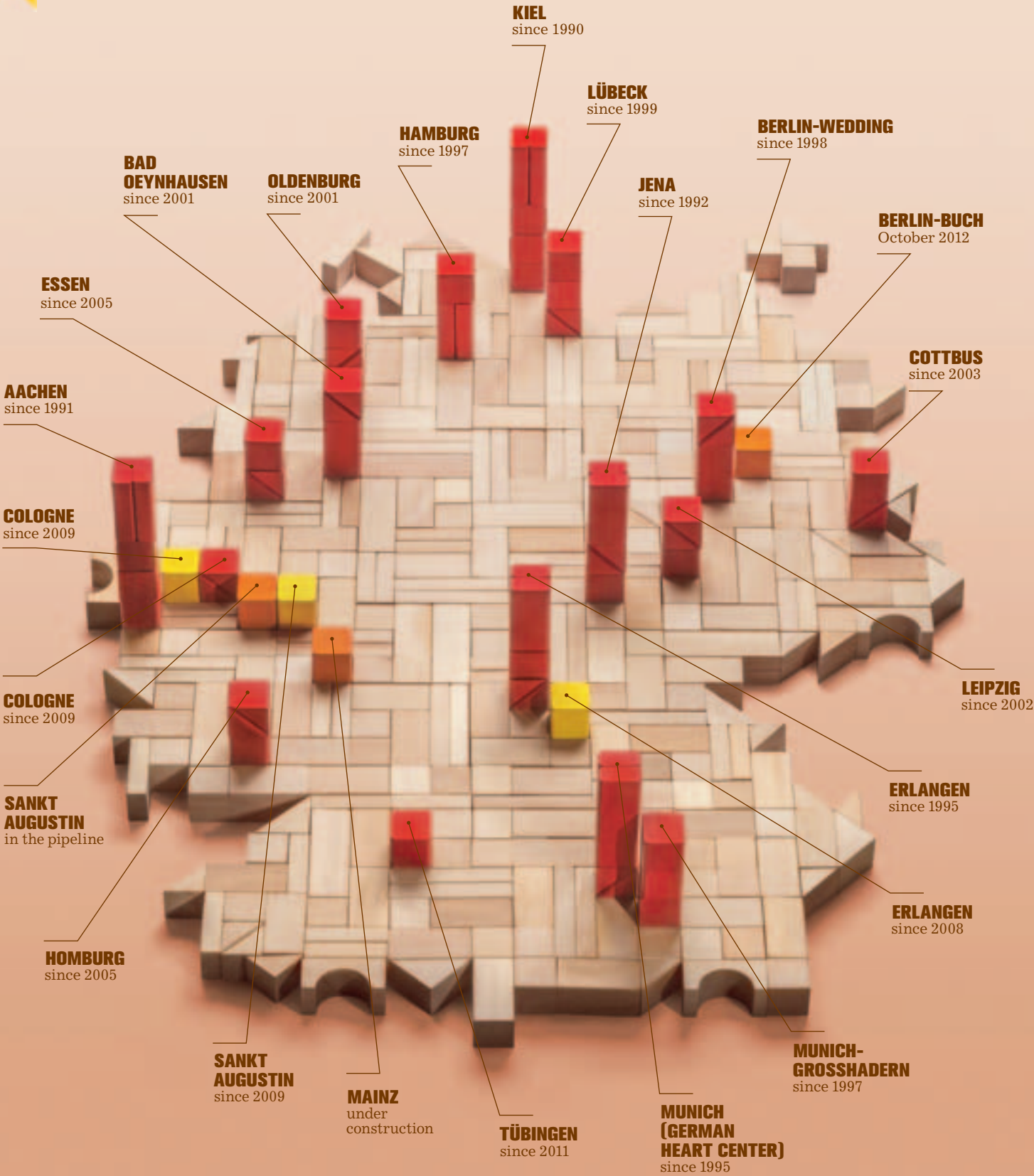
PROVEN EFFICIENCY:

Once a year, the Ronald McDonald House Charities are assessed by the German Central Institute for Social Issues (DZI) to ensure that donations are used efficiently in line with the foundation's charter and by-laws. The foundation has had the DZI seal of approval for donations since 2004. The approval helps donors make informed decisions.



RONALD MCDONALD HOUSE CHARITIES

Ronald McDonald Houses and Oases in Germany



- Ronald McDonald Houses
- Ronald McDonald Houses in the pipeline and/or under construction
- Ronald McDonald Oases

@ For further information, facts and figures on our sharing brand visit: www.mcdonalds.de/verantwortung



KEEPING SOMEONE COMPANY IS THE BEST MEDICINE

NOT BEING ABLE TO SEE A CHILD THAT IS SERIOUSLY ILL AND HAS TO SPEND WEEKS OR MONTHS IN A HOSPITAL FAR AWAY FROM HOME IS A NIGHTMARE SCENARIO FOR MOST PARENTS. THE TESCHNER FAMILY FROM BRANDENBURG WAS FACED WITH JUST SUCH A SITUATION WHEN THEIR SIX-YEAR-OLD SON, TOM, WAS SUDDENLY DIAGNOSED WITH A GENETIC DISEASE THAT WOULD BE FATAL WITHOUT MEDICAL TREATMENT. A BONE MARROW TRANSPLANT AT BERLIN'S CHARITÉ CAMPUS VIRCHOW HOSPITAL WOULD SAVE HIS LIFE. TOM'S PARENTS WERE DETERMINED TO BE WITH HIM IN BERLIN AND LOOK AFTER HIM EVERY DAY. THIS PROVED BOTH AN ORGANIZATIONAL AND FINANCIAL CHALLENGE FOR THE FAMILY.

Tom's parents were lucky. They were able to move into an apartment in the Ronald McDonald House in Berlin's Wedding district. The presence and support of his family were crucial for Tom during his long stay alone in isolation. When things got really bad, his mother was by his side to hold his hand and talk to him. Tom's father and brother were also able to visit and play with him every day. The staff at the Ronald McDonald House helped give the family the strength they needed to support Tom. They did everything to create a sanctuary that helped the family keep going. Aided by the love and support of his parents, Tom recovered from the demanding treatment in the hospital and joined his family in the Ronald McDonald House, where he had to spend a further six weeks in a sterile apartment.

The Ronald McDonald House Charities: Helping the families of seriously ill children for 25 years

Many parents are in the same situation as Tom and his parents. Luckily, Germany has an outstanding medical system. Nevertheless, thousands of children still have to be treated far away from their homes. The Ronald McDonald House Charities play an important role here, closing a gap in the healthcare system with Ronald McDonald Houses and Oases. It is particularly important that parents staying at the houses always have someone to share their thoughts and worries with. And who could understand this situation better than other people who have had the same experience? In addition to the permanent employees, over 600 volunteers donate their time to support families. They carry out housekeeping duties, prepare a "feel good" breakfast every Tuesday and an evening meal every Thursday for

the families, look after brothers and sisters and do everything to make the houses a real home from home.

This year, the foundation is celebrating its 25th anniversary. Since 1987, it has enabled around 70,000 families to be close to their seriously ill children while they undergo treatment in hospital. 17 Ronald McDonald Houses have been built in this time in Germany. Three Ronald McDonald Oases also give families a place to retreat and recover in hospitals during outpatient treatment. The foundation also helps other projects that benefit children. In 2011, for example, it supported Ark (Arche) project in the town of Meissen, a charity that provides children with warm meals and helps them with their homework.



A STRONG PARTNER: McDONALD'S DEUTSCHLAND INC.

McDonald's Deutschland Inc. has always been committed to active, long-term support for Ronald McDonald House Charities. This engagement is built on several pillars. McDonald's Germany and its franchisees provide a significant amount of support through direct donations (2011: approximately EUR 3 million). We also have over 4,000 collection boxes in McDonald's restaurants across Germany that restaurant guests can also use to give to the charity. Around EUR 2.6 million was donated via these boxes in 2011 alone. Our customers also have the opportunity to donate during our annual campaign for World Children's Day. In fall 2011, for example, they were able to buy Helping Hands stickers in all McDonald's restaurants. From each euro spent per sticker, 84 cents was channeled directly into the House Charities. Our trainees put in a particularly strong effort during the campaign and ensured that the restaurants sold more stickers than ever. Total proceeds came to EUR 740,000 – a record result for this campaign. We also collected record-breaking donations at our benefit gala in October 2011. Total takings of EUR 1.4 million represent an increase of almost 8 percent on the previous year.

Our unflagging commitment to the House Charities is also reflected in the dedication of our employees at the Ronald McDonald Houses. They work tirelessly for the charity, for example cooking for parents, making sure that the buildings and gardens are ready for winter and also organizing events to say thank you to volunteers. In a nutshell, it's corporate volunteering at its best. This enthusiastic dedication has had a ripple effect over the years. Many other companies are now fans and supporters of the Ronald McDonald House Charities, above all the suppliers of McDonald's Deutschland Inc. A large number of private individuals also donate time or money to this important cause. In 2011, the House Charities raised EUR 13.5 million in total.

This long-term engagement enables the Ronald McDonald House Charities to build further Houses and Oases and also initiate new projects dedicated to the health and well-being of children in Germany. From fall 2012 on, the "Kindergesundheitsmobil" (kid's health truck) will be hitting the streets of Essen. This pilot project is aimed at promoting children's health and preventing illness in collaboration with the City of Essen and the Essen branch of the German Association for the Protection of Children (Deutschen Kinderschutzbund).

This strong community uniting the House Charities, donors and the many supporters and helpers is a source of pride for us. It shows the families at the houses that they are not alone in difficult times. It also reflects the philosophy of McDonald's founder Ray Kroc: That we have an obligation to give something back to the communities that give us so much.

To contact the Ronald McDonald House Charities or obtain further information visit:

www.mcdonalds-kinderhilfe.org

GRI-COMPLIANT REPORTING

This report is based on our corporate responsibility strategy and performance, also reflecting the insights gained through dialog with different stakeholders. To help our readers compare our performance with that of our peers, we have used the Global Reporting Initiative (GRI G3) guidelines as our framework. We also cover the “Food Processing Sector” supplement from May 2010. The information in our print report focuses on core indicators, while our online version also includes the GRI’s additional indicators. Based on our own assessment, the report matches GRI’s usability level “B”.

GRI INDEX

1. Strategy and Analysis			
1.1	Introduction from the CEO	4–5	
1.2	Description of key impacts, risks, and opportunities	3	
2. Organizational Profile			
2.1	Name of the organization	1	
2.2	Primary brands, products, and/or services	1	
2.3	Operational structure of the organization	1	
2.4	Location of organization’s headquarters	1	
2.5	Number of countries where the organization operates	1	
2.6	Nature of ownership and legal form	1	
2.7	Markets served	1	
2.8	Scale of the reporting organization	1	
2.9	Changes regarding size, structure, or ownership	1	
2.10	Awards received in the reporting period	1	
3. Report Parameters			
3.1	Reporting period	u2	
3.2	Date of most recent previous report	u2	
3.3	Reporting cycle	u2	
3.4	Contact point for questions regarding the report or its contents	u4	
3.5	Process for defining report content	u2, 55	
3.6	Boundary of the report	u2	
3.7	State any specific limitations on the scope or boundary of the report	u2	
3.8	Joint ventures, subsidiaries, leased facilities, outsourced operations	No impact on the CR report	
3.9	Data measurement techniques	u2	
3.10	Explanation of the effect of any re-statements of information	No key re-statements	
3.11	Significant changes from previous reporting periods	No significant changes	
3.12	GRI Content Index	62–64	
3.13	External assurance for the report	Planned for 2014	
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization	2	
4.2	Independence of the CEO	2	
4.3	Control body or independence of the highest governance body	2	
4.4	Mechanisms to provide recommendations to the highest governance body	2, 39	
4.5	Linkage between Executive Board compensation and sustainability performance	54, 67	
4.6	Processes to ensure conflicts of interest are avoided	2	
4.7	Executive Board members’ expertise on sustainability	2	
4.8	Mission statements, codes of conduct, and principles	2	
4.9	Procedures for overseeing the organization’s performance	2	
4.10	Processes for evaluating the highest governance body’s own performance	54	

4.11	Implementation of the precautionary principle	@	
4.12	Externally developed charters, principles or initiatives	19, 44, 66	
4.13	Memberships in associations and/or national/international advocacy organizations	53	
4.14	Stakeholder groups engaged by the organization	53	
4.15	Basis for identification and selection of stakeholders	u2, 53–57	
4.16	Approaches to stakeholder engagement	53–57	
4.17	Key topics and concerns raised through stakeholders	53–57	
Economic performance			
	Management approach	1, 6	
EC1	Direct economic value generated and distributed	1 @	
EC2	Financial implications due to climate change	3, 66–67	
EC3	Coverage of the organization’s defined benefit plan obligations	40	
EC4	Significant financial assistance received from government		
EC6	Locally-based choice of suppliers	20–21, 66	
EC7	Procedures for local hiring		
EC8	Infrastructure investments and services provided for public benefit		
Environmental performance			
	Management approach	24–33	
EN1	Materials used by weight or volume	20–21, 34–35	
EN2	Percentage of recycled materials in total material use	34–35 @	
EN3	Direct energy consumption	34–35 @	
EN4	Indirect energy consumption	34–35 @	
EN8	Total water withdrawal by source	29 @	
EN11	Land in, or adjacent to, protected areas		
EN12	Significant impacts on biodiversity		
EN16	Direct and indirect greenhouse gas emissions	34	
EN17	Other relevant indirect greenhouse gas emissions		
EN19	Emissions of ozone-depleting substances by weight		
EN20	NO _x , SO _x , and other significant air emissions		
EN21	Total water discharge by quality and destination	29	
EN22	Total weight of waste by type and disposal method	27, 34 @	
EN23	Total number and volume of significant spills		
EN26	Initiatives to mitigate environmental impacts	26, 28–31	
EN27	Percentage of reclaimed packaging materials	26, 34	
EN28	Fines/sanctions for non-compliance with environmental regulations		
Social performance (Labor Practices and Decent Work)			
	Management approach	38–40, 42–45	
LA1	Total workforce by employment type, employment contract, and region	39, 48–49	
LA2	Employee turnover by age group, gender, and region	39	
LA4	Employees covered by collective bargaining agreements	40	
LA5	Notice period(s) regarding significant operational changes		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism		
LA8	Training, counseling, prevention, and risk-control programs		

SYMBOLS

pages
Internet

completely covered
partly covered
not covered



LA10	Hours of training by employee category	48	
LA13	Composition of governance bodies	45, 48 @	
LA14	Salary by gender and employee category	40	
Social performance (<i>Human Rights</i>)			
	Management approach	10, 19	
HR1	Investment agreements that include human rights clauses		
HR2	Suppliers that have undergone screening on human rights	10	
HR4	Incidents of discrimination and actions taken		
HR5	Operations involving significant risk to exercise freedom of association		
HR6	Operations carrying significant risk of child labor	10–11, 19	
HR7	Operations carrying significant risk of forced or compulsory labor	10–11, 19	
Social performance (<i>Society</i>)			
	Management approach	18–19, 38–39, 66	
SO1	Impacts of operations on communities		
SO2	Business units analyzed for risks related to corruption		
SO3	Employees trained in anti-corruption policies		
SO4	Actions taken in response to incidents of corruption	38–39	
SO5	Public policy positions and lobbying		
SO8	Fines for non-compliance with laws and regulations		
Social performance (<i>Product Responsibility</i>)			
	Management approach	11–19	
PR1	Impact on health and safety throughout the product lifecycle	11–17, 66	
PR3	Required product and service information	13, 18–19	
PR6	Programs for adherence to regulations related to advertising	19	
PR9	Fines for non-compliance with laws concerning the use of products and services		

GRI – FOOD PROCESSING SECTOR SUPPLEMENT

Sourcing performance			
	Management approach	10–11, 15, 32–33	
FP1	Suppliers compliant with company's sourcing policy	20 @	
FP2	Purchased volume in accordance with internationally recognized production standards	20	
Social performance (<i>Labor Practices and Decent Work</i>)			
FP3	Working time lost due to strikes		
Social performance (<i>Society</i>)			
FP4	Programs and practices that promote access to healthy lifestyles	18–19, 66	
Social performance (<i>Product Responsibility</i>)			
FP5	Production volume manufactured in sites certified to food safety standards	20	
FP6	Products lowered in saturated fat, trans fats, sodium and added sugar	18	
FP7	Products that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives		
FP8	Nutritional information beyond legal requirements	18–19	
Animal Welfare			
	Management approach	10–14	
FP9	Percentage and total of animals raised and/or processed	12–14	
FP10	Physical alterations and the use of anaesthetic	10–14	
FP11	Animals raised and/or processed by species		
FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments by species	10–14	
FP13	Non-compliance with regulations and adherence to voluntary standards related to transportation, handling, and slaughter practices		

GLOSSARY

<i>Biodiesel</i>	Biosynthetic fuel that can be used as an alternative to mineral diesel fuel. In Europe, biodiesel is most commonly produced by transesterification of rapeseed oil and methanol.
<i>Carbon dioxide (CO₂)</i>	Chemical compound composed of carbon and oxygen. It is a non-flammable gas which is produced, for example, during the combustion of fossil fuels and as a by-product of road transport and industrial manufacturing processes. Carbon dioxide is one of the greenhouse gases that trigger climate change as its concentration in the atmosphere increases.
<i>Certificate</i>	Seal of approval that assures the quality and sustainability credentials of products.
<i>Charta der Vielfalt (Diversity Charter)</i>	A corporate initiative that promotes diversity in companies. The Federal Government Commissioner for Migration, Refugees and Integration in Germany, Prof. Maria Böhmer, is patron of the initiative.
<i>Clamshell</i>	Boxes used by McDonald's primarily as packaging for burgers.
<i>Ecological footprint (eco-footprint)</i>	The productive land and water resources required to produce the resources a company needs and absorb its waste. At McDonald's, eco-footprint is synonymous with environmental protection in our restaurants.
<i>EMAS (and EMAS III)</i>	EMAS stands for Eco-Management and Audit Scheme. It is a community scheme that extends to organizations operating in the European Union and the European Economic Area (EEA). EMAS is the world's most stringent system for sustainable environmental management and environ-mental auditing. The latest regulation, EMAS III, came into effect on January 11, 2010.
<i>Filet-o-Fish</i>	White bread roll containing a battered filet of sea fish fried in vegetable oil, garnished with "Fischmâc" sauce (dill/gherkin relish) and a cheese slice.
<i>Fluorocarbons (FCs)</i>	Organic compounds whose hydrogen atoms are either partly or entirely replaced by fluorine. In the atmosphere, they have an impact on the climate and contribute to global warming.
<i>Food Town Concept</i>	An integrated site where bakery production facilities are combined with a distribution center, for instance. This means that goods do not have to be transported from the supplier to the distribution center.
<i>Foodservice retail/sector</i>	Branch of gastronomy characterized by standardized, uniform organizational structures implemented in all restaurants.
<i>Franchisee Leadership Council</i>	Elected council representing all McDonald's franchisees in Germany. The council is involved in the approval of business-related issues and the development of corporate strategy.
<i>Fresh fiber</i>	Also known as virgin (non-recycled) wood fiber, this refers to plant fibers gained by mechanical or other forms of pulping for processing into paper, cardboard or carton.
<i>Guest count</i>	All transactions that occur while serving an individual customer.
<i>Hazard Analysis and Critical Control Points (HACCP)</i>	HACCP is a preventive system aimed at ensuring food safety. It is a requirement of EU food hygiene legislation (2004). Only food that meets HACCP standards can be imported and traded in the EU.
<i>ISO 14001</i>	A set of international environmental management standards that help organizations to achieve their environmental targets.
<i>Low oil volume (LOV) fryer</i>	A type of fryer that uses up to 40 percent less oil than conventional fryers.
<i>Mangelberger system</i>	Standardized energy management and controlling system for restaurant networks. McDonald's uses Mangelberger technology to increase energy efficiency and reduce consumption.
<i>Marine Stewardship Council (MSC)</i>	International, non-profit, independent organization committed to maintaining healthy fish stocks in the world's oceans. The organization runs an ecolabel program certifying fish from sustainable fisheries. Since October 2011, McDonald's exclusively sources fish for its Filet-o-Fish from fisheries certified to the MSC standard.
<i>Non-packaging waste of similar material</i>	Waste that is not used as packaging by McDonald's but is similar in composition to packaging.
<i>Patty</i>	A flat, disc-shaped serving of ground meat or vegetables used for McDonald's burgers.
<i>QSC</i>	QSC stands for quality, service and cleanliness at McDonald's.
<i>Quality management (QM)</i>	Measures aimed at improving and assuring processes, products and performance.
<i>Rainforest Alliance</i>	International, environmental organization that runs a certification program for farms that meet specific social, environmental and economic criteria.
<i>Ronald McDonald House Charities</i>	Ronald McDonald House Charities (McDonald's Kinderhilfe Stiftung) builds and runs Ronald McDonald Houses near to hospitals to provide the families of seriously ill children with a temporary home from home. In 2011, there were 17 Ronald McDonald Houses in Germany.
<i>Sarbanes-Oxley Act</i>	US law enacted in 2002 that set new financial reporting standards for companies listed in the US and their subsidiaries.
<i>Scope 1–3</i>	Classification of CO ₂ emissions. Scope 1: Direct emissions from a company. Scope 2: Indirect emissions resulting from the energy purchased by a company. Scope 3: Other indirect emissions, for example caused by suppliers.
<i>Secondary raw materials</i>	Recycled paper or R-PET (recycled polyethylene terephthalate, which is a thermoplastic polyester).
<i>Standard supplier</i>	McDonald's supplier with a fixed, long-term contract.
<i>Waste destined for disposal</i>	Waste products that cannot be recycled.
<i>Waste destined for reuse</i>	Waste products that can be recycled either by being physically converted into useful products or chemically treated to obtain useful raw materials.

CORPORATE RESPONSIBILITY ROADMAP

2011–2015

IN 2011, WE ACHIEVED MANY OF THE GOALS THAT WE HAD SET FOR THE END OF 2013. THIS HAS ENCOURAGED US TO SET FURTHER AMBITIOUS MID-TERM GOALS FOR 2015. OUR ROADMAP IS DIVIDED INTO FOUR ACTION ITEMS, WHICH COVER THE SEVEN MOST IMPORTANT ISSUES FOR US AND OUR STAKEHOLDERS: SUSTAINABLE AGRICULTURAL PRACTICES AND LIVESTOCK BREEDING; HEALTH AND NUTRITION; PACKAGING; WASTE DISPOSAL; ENVIRONMENTAL MANAGEMENT; FAIR REMUNERATION; AND THE PROMOTION OF DIVERSITY AND EQUAL OPPORTUNITIES AS AN EMPLOYER.

PRODUCT STEWARDSHIP

Vision 2020: We stand for “good food fast”, setting the benchmarks for sustainable agricultural practices, quality, variety and a balanced diet.

AREA

Product development

ACHIEVED IN 2011

- Obtain Marine Stewardship Council (MSC) certification for all four filet-o-fish options (October 2011)
- Offer a grilled chicken wrap with less than 300 calories (May 2011)
- Reduce fat and salt in our sandwich sauce (February 2011)

GOALS FOR 2015

- Overall goal: Balanced choice and product variety
- Present nutritional information more clearly
- Develop a nutritional footprint

Sustainable quality and supply chain management

- Identify a flagship farm for exemplary cattle farming in Bavaria (August 2011)
- Start preparing a carbon footprint for beef in collaboration with McDonald's Europe, suppliers and agricultural holdings
- Research into sustainable cattle farming practices in collaboration with the University of Weihenstephan-Triesdorf

- Overall goal: Improve sustainability across our supply chain – starting with the “Sustainable McDonald's Germany” research project in collaboration with the Wuppertal Institute
- Develop and introduce a corporate responsibility scorecard for all direct suppliers

Quality, service, cleanliness (QSC)/ customer satisfaction

- Hold an internal QSC (Quality, Service, Cleanliness) prize-giving competition for all eligible restaurants (franchises and McOpCos) in Germany (QSC Challenge 2011)
- Organize regular customer surveys on the subject of McDonald's and sustainability

- Overall goal: Optimize Quality, Service and Cleanliness (QSC) performance across all restaurants in Germany
- Integrate sustainability into existing internal QSC processes
- Hold roadshows for all restaurant managers in Germany to encourage active dialog on sustainability
- Promote active dialog on sustainability between McDonald's and diners

Responsible marketing

- Commit voluntarily to responsible advertising, especially with regard to children
- Join the EU Pledge (Jan. 1, 2012)

- Overall goal: Implement the EU Pledge – increased focus on a balanced diet, awareness of health issues and educational content when we welcome children as guests
- Introduction of the Happy Meal book campaign (2012)

ECO-FOOTPRINT

Vision 2020: We use natural resources such as energy and water efficiently, actively support recycling systems and use innovative technologies to optimum effect. This allows us to grow without lock-step increases in resource consumption, emissions and refuse/waste.

AREA

Systematic environmental management

ACHIEVED IN 2011

- Implement a Europe-wide environmental management system
- Define eight key indicators to benchmark environmental performance

GOALS FOR 2015

- Review and reissue the 2001 McDonald's Germany environmental guidelines
- Create a uniform environmental control system in all restaurants as a management tool for McDonald's Germany and all franchisees

Waste management / anti-littering

- Maintain recycling rates (paper, cardboard, cardboard boxes and lightweight packaging)
- Support anti-littering campaigns at municipal and regional levels – the region West, for example, has supported the community campaign “Sauberhaftes Hessen” organized by the Hessen authorities since 2002

- Overall goal: Reduce all types of waste and maximize materials efficiency – limiting the amount of waste channeled into recycling systems
- Overall goal: Increase the quality and quantity of recycled waste to optimize the recycling value chain
- Overall goal: Maintain support for and initiate new anti-littering campaigns at municipal and regional levels

Packaging

- Conduct market research into new forms of packaging (April 2011), for example, research into cups for cold drinks made from renewable, compostable and recyclable materials or new, fully biodegradable biopolymer lids made from renewable raw materials
- Run real-world tests on new, environmentally sound packaging options

- Implement the five European strategic packaging guidelines: (1) Avoid waste by reducing the weight of packaging materials; (2) Use renewable raw materials; (3) Source the highest possible percentage of wood from certified sustainable forests for free fibre; (4) Optimize share of recycled materials; (5) Reduce various plastics in packaging

Energy management / direct and indirect emissions

- Obtain 25 percent of energy from renewable sources
- Reduce direct (scope 1) and indirect (scope 2) emissions to 0.5 kg CO₂e per restaurant visit in 2011
- Increase the number of Mangelberger energy management systems in use from around 750 in 2010 to around 800 in 2011

- Complete transition to renewable sources of energy by 2014; passing 50 % milestone in 2012
- Reduce direct (scope 1) and indirect (scope 2) emissions per restaurant visit
- Control and manage energy consumption with a Mangelberger EMS9040 system as standard
- Record precise electricity, gas and water consumption data in all restaurants

Buildings / equipment

- Improve energy efficiency in around 40 restaurants (conventional and drive-thru)
- Open first McDonald's restaurant in Germany that does not use any fluorocarbon-based (HFC) cooling agents (September 2011)
- Purchase only HFC-free cooling equipment from 2012 on

- Improve energy efficiency in around 500 restaurants
- Reduce energy consumption by gradually equipping all restaurants in Germany with energy- and oil-saving low oil volume (LOV) fryers

Logistics / indirect emissions (scope 3)

- Introduce a new reverse logistics system that converts used cooking oil (OSCAR) from McDonald's restaurants into biodiesel (starting May 2011)
- Install temperature controllers at distribution centers to reduce gas consumption
- Equip HAVI Logistics GmbH offices and storage rooms with LED technology to reduce electricity consumption

- Expand the OSCAR pilot project to other restaurants in Germany on successful completion of tests
- Capture solar energy from a 6,200 m² photovoltaic installation on the roof of the Günzburg distribution center
- Equip truck trailers with solar modules to generate electricity for on-board refrigeration systems
- Reduce CO₂ per trucking kilometer
- CO₂ compensation¹
- Reduce paper consumption²

^{1,2} Environmental goals set by HAVI Logistics GmbH (environmental statement 2010–2012). Any reductions in CO₂ emissions achieved by our logistics service providers classify as a contribution to climate protection in our upstream value chain (scope 3).

EMPLOYER OF CHOICE

Vision 2020: We are one of the most popular employers in Germany, known throughout our industry for our excellent training and skills development programs as well as our commitment to diversity and equal opportunities.

AREA

Guidelines / communication between employees and management

ACHIEVED IN 2011

- Strengthen our corporate values, living the McDonald's Germany management promise
- Launch the “train the trainer” data privacy training concept (“My Datenschutzbeauftragter”)
- Carry out the annual employee survey at the main service center (HSC), at regional service centers and in restaurants

GOALS FOR 2015

- Overall goal: Implement all guidelines systematically
- Drive our project to promote a modern management and corporate culture
- Overall goal: Carry out regular employee surveys at all organizational and hierarchical levels

Recruitment / training and skills development

- Introduce an electronic, online application tool
- Use social media more strategically to support recruitment
- Run the Management Development Program (MDP) for restaurant management
- Organize talent development programs for different hierarchical levels in administration

- Introduce an e-learning module also covering sustainability issues in the MDP
- Evolve regional job and career centers
- Offer training for all shift supervisors – also covering sustainability issues

Compensation and benefits

- Close new standard wage agreement with the German association of foodservice retailers
- Create new guidelines for company cars (car policy) that includes thresholds for CO₂ emissions and a CO₂ compensation model
- Define sustainability goals for the leadership team

- Introduce a revised pension model
- Review the award scheme for long-serving employees
- Introduce and implement the car policy

Diversity and equal opportunities

- Work-life balance – open a childcare center (main service center in Munich)
- Gender diversity – organize networking meetings for female employees at European and national level

- Create concepts to provide wider work opportunities for older employees and employees with disabilities
- Populate 30 percent of management positions with women (Leadership Team)

Social engagement

- Helping hands – trainees volunteer for the Ronald McDonald House Charities
- Introduce Corporate Volunteering Day at the main service center and at regional service centers
- Organize Ray Kroc Day: Working day in a restaurant mandatory for office staff

- Overall goal: Encourage community service among employees
- Continue Corporate Volunteering Day and Ray Kroc Day

SHARING BRAND

Vision 2020: We are committed to supporting the communities in which our restaurants are located. We maintain continuous, constructive dialog on all key sustainability issues with a wide range of stakeholders. Particularly when it comes to children, we are committed to promoting the right balance between nutrition and exercise.

AREA

Organizational integration / stakeholder dialog

ACHIEVED IN 2011

- Analyze key stakeholder groups within and beyond company walls
- Identify and prioritize key issues that arise during the course of stakeholder dialog (sustainability matrix)
- Initiate dialog with external stakeholders (focus on non-governmental organizations and research institutes)

GOALS FOR 2015

- Communicate sustainability issues to all employees
- Embed sustainability more effectively into franchisee committees by providing them with regular information
- Realization of the “Sustainable McDonald’s Germany” research project in partnership with the Wuppertal Institute, and presentation of results (mid-2014)

Ronald McDonald House Charities / community involvement

- Support Ronald McDonald House Charities through various activities in restaurants (helping hands, collection boxes) and through the annual charity gala
- Numerous specific franchisee initiatives at local level

- Continue support for Ronald McDonald House Charities, especially in the anniversary year 2012
- Encourage local activities such as anti-littering campaigns, especially through regional service centers (RSCs)

Encouraging sport and activity

- Organize the DFB & McDonald’s Soccer Badge initiative

- Extend partnership between McDonald’s Germany and the German Football Association (DFB) until June 30, 2015 to continue and expand the “DFB & McDonald’s Soccer Badge” and “McDonald’s Player Escorts” sporting programs

CR-MANAGEMENT

Vision 2020: We take a holistic, long-term approach to sustainability, integrating it into all of our business activities. We communicate our achievements and areas where we see scope for improvement openly and transparently.

AREA

Management

ACHIEVED IN 2011

- Create a dedicated department for sustainability
- Initiate the Corporate Responsibility Expert Advisory Council
- Define 17 key indicators to benchmark sustainability performance

GOALS FOR 2015

- Introduce a sustainability control system at restaurant level
- Continue the Corporate Responsibility Expert Advisory Council

Communication

- Publish first sustainability report (June 2011)
- Publish a diner brochure on sustainability and distribute in all restaurants (December 2011)

- Anchor a basic understanding of sustainability issues at all organizational units and levels of the company
- Annually reporting on corporate responsibility



Statement GRI Application Level Check

GRI hereby states that **McDonald's Deutschland Inc. Zweigniederlassung München** has presented its report "Recipe for the future. Corporate Responsibility Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 4 May 2012

A handwritten signature in blue ink, appearing to read "Nelmar Arbex", is written over a large, faint background watermark of the GRI logo.

Nelmar Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 27 April 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

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