

**GLOBAL**  
**BEST OF GREEN**  
2012

**BUILDING A  
BETTER BUSINESS  
THROUGH EFFECTIVE  
ENVIRONMENTAL  
PRACTICES AROUND  
THE WORLD**





**BEING A GOOD GLOBAL CITIZEN MEANS HELPING TO SUSTAIN THE EARTH AND THE BOUNTY IT PROVIDES. FOR MCDONALD'S, THIS IS A MULTIFACETED EFFORT THAT STRETCHES FROM OUR SUPPLY CHAIN TO OUR RESTAURANTS.**

Our green efforts — and overall progress under the broader umbrella of sustainability — are critical to the ongoing success of McDonald's as both a business and a brand. Put simply, continuously improving our environmental performance makes us a stronger brand and a more sustainable company.

Like any global organization, we utilize our share of resources, and we understand that this doesn't come free. Being a good global citizen means helping to sustain the earth and the bounty it provides. For McDonald's, this is a multifaceted effort that stretches from our supply chain to our restaurants. It requires the efforts of all three legs of our three-legged stool — our franchisees, our suppliers and our employees — to seek and develop tangible business solutions that minimize our environmental impacts and contribute positively to the growth of the company.

The best practices outlined in this report highlight the progress we are making on multiple fronts. You will read about our commitment to energy solutions, including 20 energy-efficiency initiatives, carbon-reduction practices and green building advancements in more than a dozen markets. These are just a sampling of initiatives that are not only good for the business, but good for the world in which we operate as well. Through collaboration and information sharing, we will continue to develop sustainable solutions across our entire system.

Overall, these best practices give us all great confidence in our System's ability to truly mainstream sustainability. But we know there is much more to do. So, we remain committed to using our size and scope to make a difference in the world.

*Jim Skinner*  
Vice Chairman and Chief Executive Officer



**SUSTAINABILITY IS ALL ABOUT BEING BETTER TOMORROW THAN WE ARE TODAY. AS A COMPANY, WE ARE FOCUSED ON CONCURRENTLY INCREASING EFFICIENCY AND DECREASING WASTE.**

At McDonald's, continuous improvement is one of our core Values and the basis for everything we do. As we like to say, "It's not real until it is real in the restaurants," and it is here where our commitment to environmental sustainability truly comes to life.

As McDonald's Chief Restaurant Officer, I am passionate about sustainability — it's important to both our planet and our success as a business.

Sustainability is all about being better tomorrow than we are today. As a company, we are focused on concurrently increasing efficiency and decreasing waste. Achieving these goals reduces our costs, makes us a more modern and appealing company in the eyes of our people and our consumers and increases trust in our brand.

As a global company, we operate in a wide range of business environments. Some McDonald's markets are further along on their environmental innovations than others. This is natural and, in the long run, it helps us leverage the great strengths of the McDonald's System — continuous innovation, best-practices sharing and maintaining our focus on the issues that matter most to our customers and the communities we serve.

The following Global Best of Green case studies really shine a light on the great advances that are happening across the McDonald's System. Here you will read about how being a responsible and sustainable company creates shared value for both our company and our planet. I encourage you to read and learn about the initiatives that are working in other markets, and then build upon and implement those initiatives where they make sense in your own markets at the restaurant level and in the workplace.

To those who have already contributed your talent and hard work to these efforts, thank you. I know we will continue to build on the great work that is already underway.

*Jeff Stratton*  
McDonald's Chief Restaurant Officer



# WELCOME TO THE BEST OF GREEN

Building a better business through effective environmental practices around the world.

## 90 CASE STUDIES HIGHLIGHTING ENVIRONMENTAL INNOVATIONS WITH TANGIBLE BUSINESS BENEFITS

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IF YOU HAVE ANY COMMENTS OR QUESTIONS, PLEASE JOIN THE CONVERSATION ON THE McDONALD'S SUSTAINABILITY BLOG, OPEN FOR DISCUSSION, AT [WWW.ABOUTMCDONALDS.COM/MCD/LETS\\_TALK.HTML](http://WWW.ABOUTMCDONALDS.COM/MCD/LETS_TALK.HTML)

IF YOU WOULD LIKE TO LEARN MORE ABOUT McDONALD'S AND SUSTAINABILITY, TAKE A LOOK AT THE SUSTAINABILITY SECTION OF [ABOUTMCDONALDS.COM](http://ABOUTMCDONALDS.COM). [WWW.ABOUTMCDONALDS.COM/MCD/SUSTAINABILITY.HTML](http://WWW.ABOUTMCDONALDS.COM/MCD/SUSTAINABILITY.HTML)

### McDONALD'S GLOBAL ENVIRONMENTAL COUNCIL

At McDonald's, we know that "success breeds success" and through the sharing of innovative best practices such as these, we hope you are able to leverage these activities and use them as a catalyst for similar improvements in your markets. Best of Green highlights environmental best-practice innovations in a wide spectrum of areas with tangible impacts for our business and our brand. These environmental innovations, taking shape at multiple levels throughout the McDonald's System, illustrate that positive change can originate from anywhere and that we all have a role to play in improving our environmental performance.



### NORTH AMERICA

- Steve DePalo
- Jessica Droste Yagan
- Jeffrey Fitzpatrick-Stilwell
- Sherry MacLauchlan
- John Rockwell
- Jill Scandridge
- Angie Steele

### EUROPE

- Else Krueck

### ASIA / PACIFIC, MIDDLE EAST AND AFRICA (APMEA)

- Adrian Cullen
- Brian Kramer

### LATIN AMERICA

- Leonardo Lima
- Flávia Vigio

### GLOBAL

- Townsend Bailey
- Shane Bertsch
- Roy Buchert
- Heidi Glunz
- Frank Kohout
- Bob Langert
- Jennifer McCracken
- Jerry Sus

# 2012 PLANET CHAMPIONS

For the first time this year, McDonald's collaborated with key external stakeholders to recognize "best of the best" actions by selecting "Planet Champions" for each report category. The selection committee voted for projects and included representatives from McDonald's as well as Business for Social Responsibility, Ceres, Conservation International and World Wildlife Fund (WWF). They made their selections based on the level of innovation, environmental and business impacts, scalability and business integration. Congratulations to this year's winners.

## ENERGY



LEARN MORE ON PAGE 6

### CALCULATE YOUR CARBON FOOTPRINT

McDonald's Europe's innovative carbon footprint measurement "toolkit" sets the stage for identifying future carbon reduction opportunities.

## LOGISTICS



LEARN MORE ON PAGE 25

### BIODIESEL AND REVERSE LOGISTICS IN THE UAE

McDonald's entire fleet of supply trucks in the United Arab Emirates currently run on 100 percent biodiesel made from vegetable oil recycled from McDonald's restaurants.

## PACKAGING



LEARN MORE ON PAGE 13

### BETTER NAPKINS AND BAGS OFFER BETTER ENVIRONMENTAL PERFORMANCE

McDonald's Canada's switch to unbleached napkins and bags leads to positive environmental, customer and cost savings impacts.

## COMMUNICATIONS



LEARN MORE ON PAGE 30

### McDONALD'S SPAIN ADDS ENVIRONMENTAL TRAINING FOR ALL

For McDonald's restaurant employees in Spain, environmental training is a core element of orientation and training.

## ANTI-LITTERING



LEARN MORE ON PAGE 16

### LEADING THE WAY TOWARD CLEANER STREETS IN AUSTRALIA

Through a focus on litter reduction for more than 20 years, McDonald's Australia works to establish a leadership position by engaging its

restaurant employees, staff and customers to control the impacts of litter around restaurants in Australia.

## GREENING THE RESTAURANTS



LEARN MORE ON PAGE 34

### GREENING OUR RESTAURANTS WITH LEED VOLUME

McDonald's USA plans to build 25 additional LEED-certified restaurants by 2015 through its participation in the LEED Volume Program.



LEARN MORE ON PAGE 36

### NEW RESTAURANT EARNS FIRST LEED GOLD CERTIFICATION IN ARGENTINA

The first green restaurant in Pilar, Argentina, built by Arcos Dorados, McDonald's development licensee in Latin America, becomes the first new building in the country to receive LEED Gold for New Construction certification.

## RECYCLING & WASTE REDUCTION



LEARN MORE ON PAGE 18

### WASTE MANAGEMENT WITH McRECYCLE®

McDonald's Austria achieves an overall 95 percent recycling rate in its restaurants with the McRecycle program.

## GREENING THE WORKPLACE



LEARN MORE ON PAGE 44

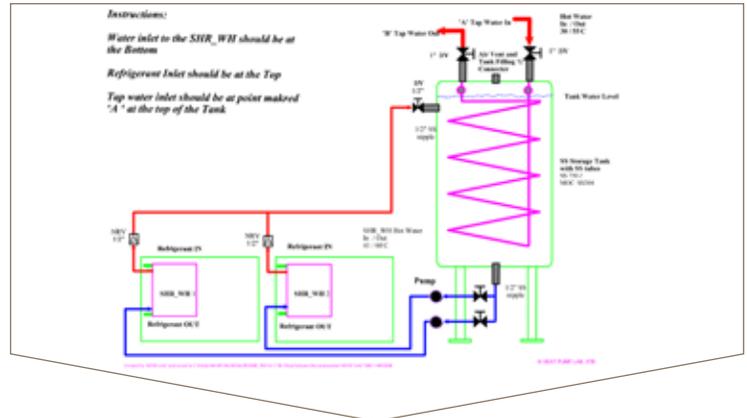
### 160,000 CREW MEMBERS PARTICIPATE IN POWER SAVING CAMPAIGN

McDonald's Japan helps nearly 5,500 of its crew members achieve a 15 percent reduction in their power usage from July through September 2011.



# ENERGY

To maximize opportunities for operational efficiency and minimize environmental impacts in our restaurants, addressing the issue of energy is a key priority. This means adopting best practices, investing in energy-saving equipment and exploring options for the utilization of renewable sources.



## LEADING THE WAY TOWARD A GREENER FUTURE

**Steve DePalo**  
Director of Energy, McDonald's USA

**OPPORTUNITY:** As a way to share energy best practices across the McDonald's System, McDonald's USA recognizes Energy All-Stars – restaurant managers, company employees and owner/operators – whose focus on proper maintenance, education and energy conservation provide leading examples for other restaurant managers to follow.

**SOLUTION:** Since 2005, Energy All-Stars have been nominated by their owner/operators or McDonald's company-operated restaurant supervisors or representatives based on their use of restaurant energy tools and applications. In addition to having their profiles and practices shared throughout the company, top restaurant managers in each of the three major U.S. divisions receive a \$500 award for their performance.

**RESULTS:** The Energy All-Stars program is just one reason that McDonald's USA was named an ENERGY STAR Partner of the Year in 2007 by the U.S. Environmental Protection Agency. Through sharing best practices, restaurant managers are able to improve the efficiency of their restaurants and reduce their environmental impact.

## McDONALD'S INDIA EMBRACES SUSTAINABILITY

**Shivprasad Bale**  
General Manager, National Equipment and Maintenance & Repairs, McDonald's India, Hardcastle Restaurants Private Ltd.

**OPPORTUNITY:** Rising energy costs, concern for the environment and quickly depleted sources of fossil fuels are forcing McDonald's India to review conventional practices and develop sustainable and greener ways of meeting the needs of its restaurants. It is necessary to comply with the regulatory norms for prevention and control of pollution. McDonald's India believes it is imperative to go beyond compliance by adopting clean technologies and improvements in management practices.

**SOLUTION:** Over the years, McDonald's India has undertaken various initiatives that have been beneficial for the environment, as well as for the industry at large. Energy-saving technologies used at McDonald's India include:

- Superheat recovery from HVAC
- Variable Frequency Drive (VFD) technology for exhaust
- Multi-utility heat pump with contacting device
- LED lighting technology expansion

**RESULTS:** Due to the effective use of these various energy-saving technologies throughout its restaurants, McDonald's India has reduced its environmental impact and operational costs.

The combined use of all these technologies has helped McDonald's India reduce its energy consumption and reduce its CO2 emissions by 3,000 tons. These initiatives have saved more than \$2,000 per store in 55 stores. Once the rollout reaches 150 stores, potential savings should be up to \$300,000 in operational costs per year.



## POWERED BY THE SUN



*Sandra Moura*

*Security & Environment Technician, McDonald's Portugal*

**OPPORTUNITY:** To reduce CO<sub>2</sub> emissions by investing in renewable energy sources.

**SOLUTION:** Besides purchasing green energy, McDonald's Portugal is generating green energy from solar power. In cooperation with its franchisees, the company is outfitting its restaurants with photovoltaic panels. As of 2012, McDonald's Portugal has rooftop installations on 14 restaurants. With its photovoltaic installations, McDonald's Portugal is contributing to the national renewable energy production goals.

**RESULTS:** Each restaurant equipped with solar panels is expected to produce 6,000 kilowatt hours of electrical energy per year. This energy can be used by the restaurants or sold to energy suppliers at a rate higher than the purchasing price, as energy from renewable resources is subsidized by the government. Currently, the restaurants sell the electrical energy they generate. The payback period for the investment is seven years.



## CALCULATE YOUR CARBON FOOTPRINT



*Rolf Huwyler*

*Environment & CSR Manager, McDonald's Europe*

**OPPORTUNITY:** To identify key CO<sub>2</sub> reduction potentials and to set and monitor greenhouse gas reduction targets.

**SOLUTION:** As part of the greenhouse gas reduction strategy, McDonald's Europe has provided its markets with a unique toolkit to calculate an individual country's carbon footprint. The methodology of this tool is based on the pan-European model and was verified by SGS Group. It is linked with the existing web-based Corporate Responsibility Reporting System (CRRS) and provides pre-filled-in data from Europe where useful and applicable. Each market simply enters its actual key usage figures, e.g., the total electricity usage and the volume of products sold. The toolkit will then automatically calculate the CO<sub>2</sub> impacts using system data and the agreed-upon methodology.

**RESULTS:** The easy-to-use web-based toolkit is currently implemented in 26 European markets. It enables the markets to generate a representative country carbon footprint to help them identify and measure the key reduction potentials. It will also let the market set and monitor its country reduction targets going forward.

## McDONALD'S CANADA DISCOVERS ITS FOOTPRINT



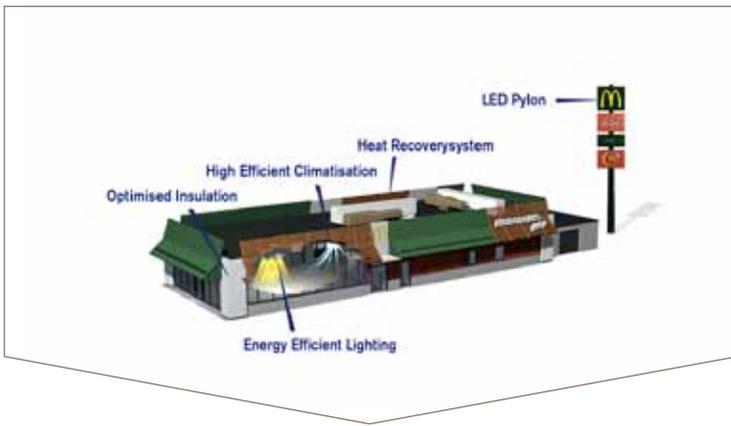
*Jeffrey Fitzpatrick-Stilwell*

*Manager of Sustainability & Government Relations, McDonald's Canada*

**OPPORTUNITY:** McDonald's Canada saw carbon footprinting as an opportunity to reduce its environmental impact, align with efforts underway in McDonald's Europe, and prepare for the future as McDonald's builds a robust sustainability strategy. In creating an accurate baseline inventory, McDonald's Canada sought to measure the impact of its carbon reduction and mitigation efforts.

**SOLUTION:** McDonald's Canada worked closely with McDonald's Europe, as well as McDonald's Corporate, to complete an inventory analysis. By doing so they acted as a prototype to determine if other areas of the world would be able to perform carbon inventories using similar metrics and tools, thereby generating similar output data to enable comparisons and benchmarking. McDonald's Canada was thus able to complete its own inventory.

**RESULTS:** McDonald's Canada was able to complete an inventory for 2009 and 2010 that will now form the basis for future carbon mitigation and reduction activities.



## ENERGY UPGRADE PROGRAM



**Mathias Schaezthauer**  
 Department Head, Construction and Energy Management,  
 McDonald's Germany

**OPPORTUNITY:** Energy saving and efficiency plays an essential role at McDonald's Germany to support sustainable sourcing.

**SOLUTION:** The energy strategy of McDonald's Germany is based on four pillars:

- Energy purchase (goal of 100 percent green energy in 2014)
- Optimization of user behavior (training of staff, maintenance of equipment)
- Consumption management (extensive consumption measurement, energy controlling, smart building)
- Energy upgrade

The energy upgrade program enables the company and the franchisees to upgrade the restaurants with the most energy-efficient and economical sound technologies, which allow reducing energy consumption by up to 40 percent.

Depending on the age of a restaurant, three upgrade packages are available: basic, advanced and plus. The measures include restaurant lighting; heating, ventilation and air-conditioning systems (HVAC); advertising structure; industrial cooling devices and energy management.

**RESULTS:** In 2011, about 40 restaurants were upgraded, and in 2012, an additional 60 upgrades have been planned.



## CHALLENGE 25: ENERGY-SAVING STORES



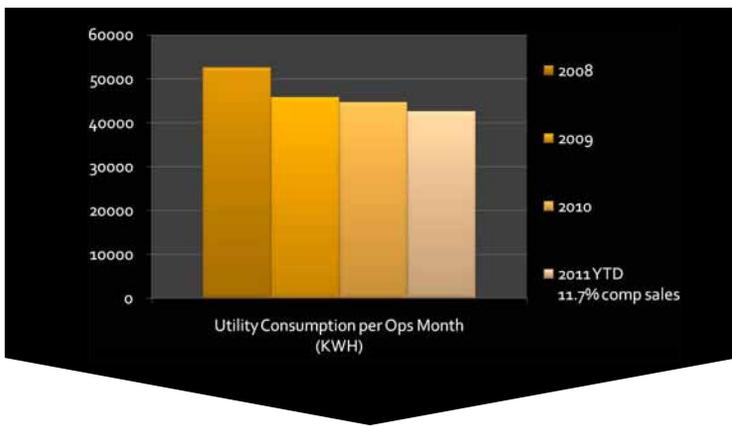
**Hiroaki Okano**  
 Director of Corporate Social Responsibility, McDonald's Japan

**OPPORTUNITY:** McDonald's Japan introduced four energy-saving concept restaurants in Osaka Prefecture. In collaboration with the Ministry of the Environment, the goal was to achieve a 25 percent reduction in CO<sub>2</sub> emissions.

**SOLUTION:** The following 13 types of energy-saving equipment were introduced to achieve a 25-percent reduction in CO<sub>2</sub>.

- LED lighting
- Conversion from GHP to EHP
- Indoor air circulation units
- Heat-shielding paint
- Capture jets
- Cogeneration waste heat usage
- Solar power
- Duct inverters
- Heat pump water heaters
- Voltage drop control units
- Energy-saving belts
- Inverter refrigerators/freezers
- Power monitoring units

**RESULTS:** Each participating store's average CO<sub>2</sub> reduction was 3.8 tons per month. The total CO<sub>2</sub> reduction rate for the four stores was 22.3 percent (March-August 2011). The cost of the measures, approximately 90 million yen for the four stores, was undertaken by the Ministry of the Environment. The experiment enabled McDonald's Japan to compare the different conditions of each store during the same time period.



## ENERGY CONSERVATION LEADS TO REAL SAVINGS IN CHINA



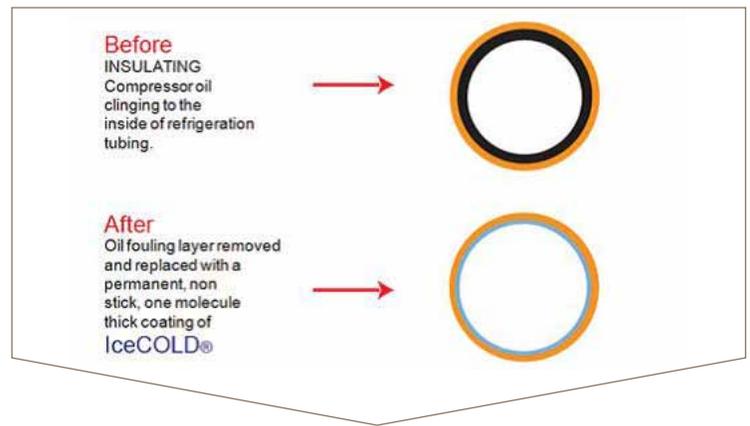
**Doni Ma**

Construction Manager, McDonald's China

**OPPORTUNITY:** Energy management can lead to increased profits for restaurants, saving thousands of dollars annually. Consumers are aware and concerned about corporate practices and ethics. McDonald's China is committed to improving energy use efficiency and reducing greenhouse gas emissions.

**SOLUTION:** McDonald's China established a cross-functional team to perform energy management initiatives – from operations and construction to equipment. LED lighting, high-efficiency HVAC, and kitchen equipment were the primary approaches to saving energy in 2011. LED interior and exterior lighting has led to 75 percent energy savings. High-efficiency HVAC equipment can reduce energy usage by 20 percent.

**RESULTS:** Costs for McDonald's China's energy utilities dropped from 5.87 percent to 5.47 percent of overall costs, and energy consumption decreased by 1.98 percent through October 2011, compared with the same period in 2010.



## ICE COLD



**Adrian Cullen**

National Environmental Manager, McDonald's Australia

**OPPORTUNITY:** As utilities are a major expense for restaurant operations, McDonald's Australia has been exploring energy efficiency improvement opportunities in its restaurants. HVAC systems represent one of the largest opportunities in this area because they account for approximately 25 percent of a McDonald's Australia restaurant's consumption.

**SOLUTION:** McDonald's Australia optimized the energy efficiency of its refrigeration equipment and HVAC systems by installing the product IceCOLD®. IceCOLD® improves the efficiency of the heat exchanges by removing the naturally occurring oil fouling from the tubing and coil walls. As a result, cooler air flow is generated from the system. The shortest payback is achieved on equipment more than three years old.

**RESULTS:** The initial results have indicated a 20 percent energy savings on HVAC and refrigeration. Currently seven restaurants across the country are participating in the trial. McDonald's Australia is evaluating the payback and, depending on the results, will make it available to all restaurants.

## A GROUNDBREAKING COMMITMENT TO RENEWABLES



**Steve DePalo**

Director of Energy, McDonald's USA

**OPPORTUNITY:** At McDonald's USA, we have efforts in place to help continually reduce our energy requirements in our buildings and restaurants and to find technical innovations to minimize energy consumption. We see an opportunity to augment these efforts by supporting the development of renewable energy through renewable energy credits (RECs).

**SOLUTION:** McDonald's USA has made a national commitment to match 30 percent of its electricity use at company-owned restaurants in 2011 and 2012 with renewable energy credits from U.S. wind sources. This represents more than 300,000 megawatt hours of electricity per year.

**RESULTS:** Matching a significant portion of our energy usage with RECs supports the development of renewable energy in a meaningful way. RECs help fund the development of new renewable energy resources to increase the amount of available clean energy for everyone.

## EMAIL FOR YOU



*Peter Schroeder*  
Environment Consultant, McDonald's UK

**OPPORTUNITY:** How do you control your electricity consumption? The first step is to know when you are using electricity. In the UK, that's where Sie-Smart comes in.

**SOLUTION:** Together with Siemens, the company's electricity meter operator, McDonald's UK developed an energy management website. Since April 2009, the Siemens Sie-Smart website automatically sends daily email messages of electricity consumption graphs to each restaurant by midday of the next day. Managers have been trained to spot and resolve the opportunities that may be available, such as high overnight consumption and incorrect equipment fire-up times.

**RESULTS:** This tool is part of a range of measures that have enabled the UK to achieve significant underlying electrical consumption reductions. Sie-Smart is currently being tested by McDonald's Sweden.



## USING RENEWABLE ENERGY IN BRAZIL



*Hélio Muniz*  
Communications Director, Arcos Dorados Brazil

**OPPORTUNITY:** In every region or market where the company operates, Arcos Dorados (McDonald's developmental licensee in Latin America) works continuously to improve environmental performance by recycling nonperishable materials and using natural resources efficiently. These objectives drive McDonald's Brazil's long-term results and contribute to positive financial performance.

**SOLUTION:** At the restaurant level, the company focuses on new ways to increase energy efficiency in restaurants in order to generate savings and reductions in environmental impacts. Efficiency and innovation go hand-in-hand. When electricity is conserved, companies spend less and save more.

**RESULTS:** In May 2008, the company started testing a turbine in the Fortaleza restaurant to produce wind power to be used in restaurants, generating up to 1.8 kilowatts. Photovoltaic sheets were also installed on the restaurant's roof to capture solar energy and turn it into electric energy. The energy, in turn, is used to power external light posts and to heat water in showers and faucets.



## MORE EFFICIENT FRENCH FRIES



*Gladys Terman*  
Director, Worldwide Equipment Systems, McDonald's Corporate

**OPPORTUNITY:** The challenge presented to our global equipment suppliers when designing the next fryer for our restaurants was to develop equipment that provides us with better-tasting food while improving crew efficiency. We also needed to use less cooking oil and energy.

**SOLUTION:** The Low Oil Volume (LOV) fryer is our next-generation fryer. LOV improves cooking efficiency, simplifies filtering and cleaning, and provides enhanced environmental benefits. It uses approximately 4 percent less energy than standard fryers. It also reduces packaging waste for markets using "jug-in-box" oil delivery and results in less oil to be disposed of for recycling or rendering.

**RESULTS:** The LOV's innovative design allows restaurants to cook the same amount of product with approximately 40 percent less oil. It uses approximately 4 percent less energy than standard fryers. After the completion of successful tests, both electric and gas versions of this fryer are now in use and available for our restaurants worldwide.



## SMART WAYS TO OPTIMIZE ENERGY USE



Mats Hornellas

Development Director, McDonald's Sweden

**OPPORTUNITY:** Regulating kitchen equipment performance can improve energy consumption. Adjusting ventilation system power according to client traffic, for example, saves energy.

**SOLUTION:** In 2004, 24 McDonald's restaurants in Sweden started coupling CO<sub>2</sub> detectors with ventilation systems to assess client traffic density. When few customers are present in the restaurant, the ventilator switches to a lower speed, consuming less energy than during rush hours. This ensures customer and staff comfort while saving energy. The detector has been installed in at least 78 stores.

**RESULTS:** On average, the detector-equipped restaurants marked a 15 percent drop in energy consumption. They achieved a return on investment in slightly more than one year.



Store Number: 00068		Open: 05:00, Regular Menu: 10:30, Close: 23:00	
Gas Rate: 1.50, Electric Rate: 0.10			
Oven Biscuit H_n	On: 03:45	On2: 23:00	Off2: 23:00
Horno Hobart	On: 03:45	On2: 23:00	Off2: 23:00
Freezer Meat double	On: 04:00	On2: 23:00	Off2: 23:00
Congelador carne doble	On: 04:00	On2: 23:00	Off2: 23:00
Freezer Ovhd single	On: 04:00	On2: 23:00	Off2: 23:00
Congelador de arriba solo	On: 04:00	On2: 23:00	Off2: 23:00
Grill 36 3 ft section 1	On: 04:25	On2: 23:00	Off2: 23:00
Parrilla 3' seccion 1	On: 04:25	On2: 23:00	Off2: 23:00
Heated Landing Zone	On: 04:25	On2: 23:00	Off2: 23:00
Fry Bagging 36"	On: 04:30	On2: 23:00	Off2: 23:00
Fry Station (Primary) Vat 1	On: 04:00	On2: 23:00	Off2: 23:00
Fria la estacion primario lva 1	On: 04:00	On2: 23:00	Off2: 23:00
Freezer Ovhd double	On: 04:00	On2: 23:00	Off2: 23:00
Congelador de arriba doble	On: 04:00	On2: 23:00	Off2: 23:00
Toaster Bagel-Muf	On: 04:15	On2: 18:30	Off2: 23:00
Grill 36 3 ft section 2	On: 04:25	On2: 23:00	Off2: 23:00
Parrilla 3' seccion 2	On: 04:25	On2: 23:00	Off2: 23:00
Heated Landing Zone	On: 04:25	On2: 23:00	Off2: 23:00
Pie Merchandiser	On: 04:40	On2: 23:00	Off2: 23:00
Coffee Brewer drip	On: 04:45	On2: 23:00	Off2: 23:00
Coffee Brewer drip	On: 04:45	On2: 23:00	Off2: 23:00
UHC Full	On: 05:00	On2: 23:00	Off2: 23:00
UHC repleto	On: 05:00	On2: 23:00	Off2: 23:00
Chicken / Fillet Saut			

## LET'S GET DENSE



David Kirby

Manager Restaurant Innovation, McDonald's Corporate

**OPPORTUNITY:** As our menu has continued to expand with increased product offerings, our restaurants need more capacity in the kitchen to keep our products hot. This has led to increased food prep line length and affected our ability to deliver hot, quality food quickly. Since there is limited space in the kitchen, larger-sized equipment is not the solution. This situation presented the opportunity to deliver a hot holding cabinet that is basically the same size as the earlier version but offers increased holding capacity.

**SOLUTION:** The High Density Universal Holding Cabinet (HDUHC) provides a 50 percent increase in hot holding capacity and is similarly sized to the current holding cabinet. The HDUHC also uses existing UHC trays, so new trays do not need to be produced and purchased. The HDUHC eliminates the need for an external programming device via easy-to-use onboard programming. In addition, the HDUHC allows crew to turn off unused rows within the cabinet to reduce energy consumption.

**RESULTS:** The HDUHC provides six rows with 18 tray positions of hot holding capacity while delivering an energy savings of 40 percent per row compared to the current holding cabinet.

## FIRED UP ABOUT ENERGY SAVINGS



Steve DePalo

Director of Energy, McDonald's USA

**OPPORTUNITY:** Following an equipment fire-up schedule in the restaurants is a great way to reduce electrical demand during peak times and control overall gas and electric use.

**SOLUTION:** McDonald's USA developed the restaurant equipment fire-up tool, a computer program that has become a widely accepted energy-efficiency tool in U.S. restaurants. Based on restaurant-specific equipment and operating hours, this tool identifies the optimum times to turn kitchen equipment on or off. It also helps managers and crew follow the recommended schedule. The fire-up tool also revives McDonald's traditional lighting dot system, providing color-coded dots for lighting circuit breakers. This offers a simple way for crew and managers to ensure lighting efficiency in the restaurant. Additional print materials, including equipment labels, are available to guide crew actions on a continuous basis.

**RESULTS:** Through the consistent use of the fire-up schedule and associated tools, the average restaurant can save up to \$1,500 per year. The fire-up tool includes the flexibility to provide 24-hour locations with the ability to have multiple on/off times and a simple method to add new pieces of equipment to the software.



## INFORMATION AND INSPIRATION THROUGH INNOVATIVE SOFTWARE

 *Sophie Boucher*  
Environment Project Leader, McDonald's France

**OPPORTUNITY:** Representing 26 percent of the carbon footprint in 2005, energy consumption was the leading source of greenhouse gas emissions and the strategy's principal focus, as well as the principal focus of McDonald's France's greenhouse gas reduction strategy.

**SOLUTION:** In 2006, McDonald's France designed interactive software, called EcoProgress. Accessible from the company's Intranet, this tool enables each restaurant to:

- Learn about the key issues related to energy (as well as other environmental topics);

- Record its monthly energy consumption and compare it to other similar McDonald's restaurants; and

- Benefit from specific advice and improvement tools, such as audit tools, a best-practices guide and an ignition plan for cooking equipment that suits each restaurant's individual characteristics.

Thanks to this easy-to-use tool to manage fundamental data, users can improve their environmental practices. This was the first step in creating an overall environmental management system. In 2008, the software was completed to create the EcoProgress System:

- A human network: the EcoProgress participants

- An innovative way to lead the network: e-learning formation, a hotline crew dedicated to the participants, etc.

- A dynamic incentive with personal objectives as part of a yearly challenge (on reductions in electricity, water, etc.) that restaurants have to reach. McDonald's France calls this "Défi EcoProgress."

### RESULTS:

- Today, 97 percent of restaurants have EcoProgress participants

- To date, participants have made an average of 3,200 connections per month to the EcoProgress software

- 8,900 fire-up plans for kitchen equipment realized

- 8,800 audits filed for good practices

- 1,145 participants have already completed an e-learning session

- In 2011, more than 12 million kilowatt hours were saved thanks to the objectives set by the challenge (Défi EcoProgress)

Energy consumption became the third source of greenhouse gas emissions. This impact decreased by 53 percent between 2005 and 2011.



## SMART CALCULATOR

 *Peter Schroeder*  
Environment Consultant, McDonald's UK

**OPPORTUNITY:** McDonald's UK aims to have four energy-saving technologies installed in every restaurant throughout the market.

**SOLUTION:** In addition to an energy savings booklet, which gives franchisees initial information about energy-saving technologies, McDonald's UK also offers a 'best return' calculator to help franchisees establish what technologies they should invest in by calculating their return on investment (ROI).

**RESULTS:** The energy savings booklet and ROI calculator helped motivate more than 99 percent of franchisees to sign up and contribute to reductions in underlying electricity consumption.

"Today, thanks to EcoProgress, we can follow our monthly consumption of energy and compare the results to other restaurants. We are working on a program for switching on cooking equipment that can be quickly modified to suit the restaurant activity or the season, for example. The modification takes no more than 10 minutes. EcoProgress also offers us a way to raise our team's awareness of good environmental habits. This valuable tool proves to be an excellent way to have an overview of good environmental practices that we previously lacked"

**NICOLAS CARLIER**  
RESTAURANT VICE-DIRECTOR AND ECOPROGRESS PARTICIPANT AT McDONALD'S VALENCIENNES HARPIGNIES, FRANCE

# \$3k-\$6k

SAVINGS PER YEAR THAT SOME  
McDONALD'S USA RESTAURANTS  
HAVE EXPERIENCED BY USING  
THE ENERGY SURVEY



## IDENTIFYING TOP ENERGY OPPORTUNITIES



*Steve DePalo*  
Director of Energy, McDonald's USA

**OPPORTUNITY:** Conserving energy is not just the right thing to do from an environmental perspective; it's a significant opportunity to reduce direct operating costs in the restaurants.

**SOLUTION:** McDonald's USA's Restaurant Energy Survey is a restaurant operations tool that quickly focuses restaurant managers and crew on the greatest opportunities to save utility costs, resulting in net benefits for the bottom line. This paper-based survey allows restaurant managers to quickly look at energy use in the restaurant – from the roof all the way to the interior of the kitchen – and identify the key areas of opportunity throughout. Restaurant managers conduct the survey, which is weighted based on known savings opportunities, with the goal of identifying possibilities for additional ways to improve energy efficiency and reduce operational costs.

**RESULTS:** McDonald's restaurants in the U.S. have experienced savings of up to \$3,000-\$6,000 per year by using the energy survey to identify and act upon additional energy-saving opportunities.



## ON THE ROAD TO RENEWABLE ENERGY



*Rolf Huwiler*  
Environment & CSR Manager, McDonald's Europe

**OPPORTUNITY:** Though reducing and optimizing energy consumption is McDonald's Europe's first choice when it comes to improving McDonald's Europe's carbon footprint, purchasing renewable energy is an additional option in pursuing its Greenhouse Gas Reduction strategy.

**SOLUTION:** Purchasing energy from renewable sources such as photovoltaic, wind, biomass and hydro-power helps to improve the environmental performance of our company as well as supporting the further development of such resources. McDonald's Europe is therefore encouraging markets to develop a roadmap to integrate renewable energy into their overall sustainability plans. Aspects for consideration are for instance availability, quality, the associated costs of renewable energy, and the different options, such as buying renewable energy from electricity suppliers, supporting direct developments, or generating renewable energy on site.

**RESULTS:** A growing number of McDonald's European markets are buying renewable energy. As of December 2011, in Austria, Sweden, Ireland, The Netherlands, Belgium, Switzerland and France, the McDonald's restaurants are committed to purchasing 100 percent of their energy directly from renewable electricity or through renewable energy certificates. Other markets such as Germany, Spain, the UK, Italy, Poland and Portugal are looking to follow.

## FACTORING IN EFFICIENT ENERGY USE IN THE RESTAURANTS



*Adrian Cullen*  
National Environmental Manager, McDonald's Australia

**OPPORTUNITY:** McDonald's Australia has undertaken some innovative ways to reduce the amount of energy lost through normal equipment use.

**SOLUTION:** McDonald's Australia has installed Power Factor Correction (PFC) equipment into a selection of new and existing restaurants. The PFC equipment reduces transmission losses and ensures that every kilowatt of energy consumed produces useful work.

**RESULTS:** Since 2009, PFC equipment has been installed in 40 company-owned restaurants and is now standard for all new restaurants. Average energy demand in the restaurants employing this technology has decreased as a result of this equipment, with per-restaurant savings of \$1,800-\$3,300 per year.



# PACKAGING

For more than 20 years, McDonald's has been striving to continuously improve the environmental performance of its packaging. Through innovations in packaging design, enhancements in sustainable sourcing for paper-based packaging, and the use of recycled materials, significant improvements have been achieved.



## BETTER NAPKINS AND BAGS OFFER BETTER ENVIRONMENTAL PERFORMANCE

 **Jeffrey Fitzpatrick-Stilwell**  
Manager of Sustainability & Government Relations,  
McDonald's Canada

 **Wayne Niezen**  
Senior Director, HAVI Global Solutions, Canadian Procurement

**OPPORTUNITY:** Little changes can have big impacts. McDonald's Canada continues to seek ways to enhance both environmental performance and brand trust. Because more than 85 percent of its packaging is fiber based, McDonald's Canada routinely looks for opportunities to lessen its environmental and operational impacts. A transition from white napkins and bags to brown (unbleached) products is an example of continuous improvement with bottom-line benefits for the company.

**SOLUTION:** A survey of Canadian competitors revealed that McDonald's Canada was the only quick service restaurant in Canada using white (previously bleached and recycled fiber) bags. Further research also indicated a shift towards unbleached, brown napkins. An operations test in western Canada was conducted to determine how customers would respond to the changes. Results showed no negative customer feedback relative to the changes, and indicated that customers were actually using fewer napkins. McDonald's Canada restaurant employees have found the bags to be sturdier. As a result, McDonald's Canada decided to make the transition System-wide.

**RESULTS:** By switching from the previous napkins and bags, McDonald's Canada has reduced energy, wood and water consumption. Additionally, switching to unbleached bags saved an estimated \$667 per restaurant each year. Cumulatively, this represents an approximate McDonald's Canada System savings of nearly \$1.3 million annually.



## DOUBLE WALL HOT CUP USES 40 PERCENT RECYCLED MATERIAL

 **Jocelyne Ehret**  
Senior Head of Sustainability - Innovation & QA Europe,  
HAVI Global Solutions

**OPPORTUNITY:** In 2011, McDonald's Europe set out to design a new hot cup that supported its packaging strategy of working towards using 100 percent recycled or certified sustainable resources. The goal was to increase the percentage of recycled paperboard in the double wall hot cup.

**SOLUTION:** Seda, a supplier for HAVI Global Solutions, set about modifying the cup-forming machine in order to manufacture double wall hot cups using recycled board as raw material for the outer shell. After several trials experimenting with different paperboards and machine adjustments, Seda was able to produce double wall hot cups using 40 percent post-consumer waste (PCW) recycled paperboard. A third-party laboratory, ISEGA, has released all the certification for food packaging.

**RESULTS:** The new cup retains the same thermal insulation characteristics as the prior product, which was made from virgin paperboard. The new double wall hot cup has accomplished its goal and moved toward the strategy to optimize the use of recycled content.



## A WINDOW INTO RETHINKING A SALAD BOX



**Jocelyne Ehret**  
Senior Head of Sustainability - Innovation & QA Europe,  
HAVI Global Solutions

**OPPORTUNITY:** In 2011, McDonald's Europe set about reducing the environmental impact of the large salad container by eliminating the plastic lid, while at the same time working toward their 100 percent renewable resources packaging strategy goal.

**SOLUTION:** HAVI Global Solutions developed a leak-proof, large salad box with their supplier Seda. The box featured an integrated lid and transparent window that reduced total material needed and reduced the use of nonrenewable resources.

**RESULTS:** Thanks to the elimination of the plastic lid and the introduction of the leak-proof box, Seda achieved:

- Total source reduction (down 17.7 percent vs. current bowl and lid)
- Reduction of nonrenewable sources consumption (down 86 percent)
- Waste disposal fees reduction
- Reduction of stock-keeping units (SKUs)
- Carbon footprint reduction



## WASTE NO MORE



**Andreas Helbig**  
Director, Sales & Marketing, Van Genechten Packaging



**Jocelyne Ehret**  
Senior Head of Sustainability - Innovation & QA Europe,  
HAVI Global Solutions

**OPPORTUNITY:** HAVI Global Solutions (HGS) wanted to develop a more environmentally friendly cardboard container for big sandwiches, since they usually require a more rigid and heavy package that consumes more paper and natural resources to produce.

**SOLUTION:** HGS, along with Van Genechten Packaging, one of McDonald's Europe's suppliers, developed a lightweight N-fluted clamshell for the launch of the M Burger. The immediate attraction of this carton was its more interesting overall shape created by using new creasing lines. But by changing the material used in its construction, the carton's overall weight was reduced. At the same time, the new carton offered improved functionality, high print quality and a clear demonstration of the understanding of environmental issues and a positive response to them.

**RESULTS:** The new materials reduced the weight of the carton by about 20 percent. The carton is made with virgin fibers, with 74 percent coming from certified well-managed forests (FSC- and PEFC-certified). The new packaging was awarded the sustainability prize by Europe's Pro Carton ECMA award in 2008 and recognized by the U.S. DuPont Award in 2009.



## SUPER CLEANING FACILITATES PACKAGE RECYCLING



**Volker Bartling**  
Managing Director, Bartling



**Jocelyne Ehret**  
Senior Head of Sustainability - Innovation & QA Europe,  
HAVI Global Solutions

**OPPORTUNITY:** HAVI Global Solutions (HGS) sought a way to recycle post-consumer food packaging back into food-grade packaging, which is considered high-value recycling. To date, the potential for contamination has prevented such initiatives. Packaging is necessary to prevent spoiling, provide carry-out service, and offer the storage and apportioning of products in an easy way. However, after its use, the packaging becomes waste that generally goes to landfill, incineration or low-value recycling processes.

**SOLUTION:** HGS partnered with Bartling, a food packaging supplier, to develop an acceptable food-contact grade of recycled plastic (RPET). One solution is super-cleaning post-consumer waste from food packaging, enabling its recycling into further food packaging applications. The collected plastic (in this case PET) is shredded, washed, extruded, filtered and degassed under high temperatures in a vacuum. This makes the postconsumer recycled resin as acceptable as virgin resin in nearly all applications.

**RESULTS:** In the summer of 2009, Bartling, under the lead of HGS at McDonald's France, introduced the first frappe cup and lid made out of 40 percent RPET. This means a savings of 123 metric tons in virgin material requirements and a reduction of 123 metric tons to the consumer waste stream. Other products are now in the pipeline with a planned use of 50 percent RPET.



## KEEPING SCORE: SUSTAINABLE PACKAGING FROM THE OUTSET



**Jennifer McCracken**  
Senior Environmental Manager, HAVI Global Solutions



**Townsend Bailey**  
Senior Manager, Sustainability, McDonald's Corporate

**OPPORTUNITY:** The goal of HAVI Global Solutions (HGS) is to minimize the environmental impacts of packaging by evaluating the design during the development phase. By establishing a framework for evaluating the environmental impacts, HGS and McDonald's will be able to make more sustainable packaging for products. We can also prioritize opportunities for improvement across a market's full packaging portfolio.

**SOLUTION:** HGS partnered with McDonald's to develop a framework for a packaging design evaluation tool, Eco-Filter 2.0, to provide better information about packaging decisions. HGS leveraged the expertise of Environmental Packaging International (EPI), a consulting firm that specializes in design for environment tools, to assist with building the tool. The tool builds on McDonald's historic key packaging performance indicators, best practices from the European and North American markets, and advice from outside experts and NGOs such as the Environmental Defense Fund.

The tool's framework focuses on key environmental priorities for packaging, such as minimizing weight, maximizing use of recycled materials, preference for renewable and certified sustainably managed materials, minimizing the amount of harmful chemicals used in production, reducing CO<sub>2</sub> and other greenhouse gas emissions, and maximizing "end-of-life" options such as recycling. Leveraging the platform of the Eco-filter packaging design tool, HGS directed EPI in developing a portfolio tool, called the Eco-Filter Portfolio Assessment Tool (EFPAT), which incorporates sales volume to yield an environmental performance indicator of the packaging portfolio used in a market.

**RESULTS:** HAVI Global Solutions has deployed the Eco-Filter 2.0 tool globally, where it is used by product development leads when designing and developing new packaging at the market level. This environmental information can then be weighed against the cost, availability of materials, functionality and operations impact of any new proposed package. Furthermore, EFPAT provides the ability to evaluate impacts of packaging changes on the portfolio level and to prioritize opportunities for packaging improvements.



# ANTI-LITTERING

Keeping the environment around our restaurants tidy has been one of our key priorities for a long time. Although we have implemented very successful measures to prevent littering, McDonald's can still easily become the focus of attention when these discussions arise in the community. We need to demonstrate continuously that we are part of the solution.



## PARTNERSHIP WITH MAYORS AND MANUFACTURERS

 **Sophie Boucher**  
Environment Project Leader, McDonald's France

**OPPORTUNITY:** In the fight against litter, McDonald's France is aiming for a comprehensive solution and ways to permanently change peoples' attitudes.

**SOLUTION:** In 2007, McDonald's France decided to engage in a large-scale project involving associations, customers and manufacturers of packaging and garbage cans. In a two-year process of work and dialogue supported by the Ministry of Environment, promising measures were identified and tested in the cities of Dijon and Albert. The Anti-Littering Plan includes the introduction of easily crushable carry-out bags, an update of the carry-out assembly orders that led to the reduction of bags, the design of an easily accessible "garbage can drive-thru" that allows customers to dispose of waste without leaving the car, and indoor and outdoor posters to raise customers' awareness of the actions taken by McDonald's and actions they can take themselves. This was done in cooperation with the French Mayors' Association (AMF), which encourages the partnership between restaurants and communities.

**RESULTS:** The solutions tested in Dijon and Albert proved to be a real success. They received very positive feedback from customers, which led to a significant decrease in the amount of litter. To spread the program, McDonald's signed a national agreement with the AMF and the National Labour Syndicate for catering and quick service industries (SNARR). Today, McDonald's France is engaged in more than 1,220 partnerships between restaurants and communities.

## LEADING THE WAY TOWARD CLEANER STREETS IN AUSTRALIA

 **Adrian Cullen**  
National Environmental Manager, McDonald's Australia

**OPPORTUNITY:** Litter is an issue of concern for Australian consumers. McDonald's Australia has worked to establish a leadership position by proactively engaging restaurant employees, staff and customers in efforts to control the impacts of litter around existing restaurants across the country.

**SOLUTION:** McDonald's Australia has a nationwide Clean Streets program to keep restaurant grounds and nearby streets clear of litter. Crew members participate in litter patrols as a regular part of their work day. Messages on packaging, traymats, trash bins and parking lot signage help remind consumers not to litter. McDonald's Australia is also a founding partner of Clean Up Australia, the organization behind Clean Up Australia Day, and marked its 21st year of partnership in 2010. Since 2010 McDonald's restaurants and headquarters coordinated an electronics recycling pick-up the week following Clean Up Australia Day. This event helped customers easily recycle their mobile phones to keep this electronic waste out of landfills.

**RESULTS:** Since the first Clean Up Sydney Harbour event in 1989, McDonald's Australia's support of Clean Up Australia has enabled this initiative to grow and flourish. Clean Up Australia Day is now a community icon and the country's biggest annual volunteer event. Preliminary results for 2011 showed that some 16,454 tons of waste were collected, with an estimated 565,510 volunteers across Australia taking part at 7,479 registered Clean Up sites. In 2011 McDonald's Australia had the most successful Clean Up Australia Day ever with registration numbers increasing by 45 percent. The mobile phone recycling program was also a huge success with 200 restaurants registering to have a recycling booth set up in their restaurants.



## GIVE WASTE A PLACE FOR DISPOSAL



**Birgit Hoefler-Schwarz**  
Environmental Specialist, McDonald's Germany

**OPPORTUNITY:** Proper management of the environment does not stop at the restaurant door. In addition to litter patrols, providing litterbins and displaying anti-litter slogans, McDonald's Germany started a new long-term campaign called Give Waste a (Place For) Disposal that is addressed to customers.

**SOLUTION:** In 2010, McDonald's Germany started to refresh its anti-litter efforts by launching the long-term campaign Gib Müll eine Abfuhr (Give Waste a (Place For) Disposal that is addressed to customers. It started with an online video contest where customers were able to produce and submit videos that showcased their freestyle soccer talent by kicking waste into a bin. In 2011 this campaign was continued with redesigned stickers for outside waste bins, anti-litter printing on carry-out bags and a one-week tray mat period.

**RESULTS:** McDonald's Germany shows its responsibility for the neighborhood and for the environment and tries to raise awareness among its customers to keep the landscape tidy.



## 2011 LOVE WHERE YOU LIVE



**Katie Parker**  
Head of Environment, McDonald's UK

**OPPORTUNITY:** To effectively communicate McDonald's commitment to anti-littering, McDonald's UK sponsored the Love Where You Live campaign from Keep Britain Tidy.

**SOLUTION:** As a founding sponsor of Keep Britain Tidy's new anti-littering campaign, Love Where You Live, we want to support the launch by involving as many restaurants as possible. The campaign showcases events around the country that have had the most positive impact on the local community – whether through education, stakeholder engagement or the event's legacy.

### RESULTS:

- 4,400 volunteers took part: 2,100 McDonald's employees and 2,300 external volunteers
- 300 restaurants ran at least one event (and many ran more than one)
- 39 positive press articles - with a combined reach audience of nearly 3 million (2,940,864)

## NATURE WILL BITE BACK



**Dorthe Thomas**  
Environment Consultant, McDonald's Denmark

**OPPORTUNITY:** McDonald's Denmark identified an opportunity to raise awareness for anti-littering and encourage people to dispose of waste responsibly.

**SOLUTION:** "Someday nature will bite back." With this slogan and animals posing provocatively with guns and baseball bats, McDonald's Denmark campaigned against littering in partnership with the Danish Society for Nature Conservation. The campaign included outdoor posters, tray liners and free go-cards in cafés and restaurants.

**RESULTS:** Experience shows that this kind of campaign receives very positive feedback and sends an important message to customers: At McDonald's Denmark, we take care of our litter.



# RECYCLING & WASTE REDUCTION

Some call it waste. We see it as a potential resource. Whether it's used packaging and frying oil or leftover organic waste, we're seeking newer and better ways to reuse and recycle.



## THE REMAKING PROJECT



**Helio Muniz**  
Communications Director, Arcos Dorados Brazil

**OPPORTUNITY:** At the end of 2009, Arcos Dorados (McDonald's developmental licensee in Latin America) Brazil realized that the shredding and disposal to landfill of promotional banners did not align with growing sustainability practices. The company began looking for a way to mitigate the impact of the production and disposal of these banners. They saw an opportunity in the work of the Brazilian Mothers' Club, a nonprofit organization based in downtown São Paulo.

**SOLUTION:** The Remaking Project reuses the banners, turning the vinyl tarp into corporate gifts, resulting in environmental, social and economic gains. In addition to keeping these materials from being discarded in landfills, the Remaking Project contributed to the inclusion and empowerment of people who were socially vulnerable. What's more, the reduced volume of waste means a reduction in employee time spent on disposal.

**RESULTS:** Since the project began, the Brazilian Mothers' Club has produced about 20,000 pieces, directly benefiting 32 families under the Remaking Project. More than 6,000 banners – or 18,000 square meters of vinyl tarp – have been reused. In addition, with the distribution of the gifts made from the banners, the production of new promotional materials for corporate events could be avoided.



## WASTE MANAGEMENT WITH McRECYCLE®



**Holger Hirmann**  
Director, Development & Real Estate, McDonald's Austria

**OPPORTUNITY:** With McRecycle®, McDonald's Austria seeks to avoid, reduce and recycle as much waste as possible.

**SOLUTION:** As early as 1992, McDonald's Austria developed and implemented McRecycle®, a waste-management concept that focuses as much on the input of materials as on the output. The simple hierarchy is to first avoid and reduce as much waste as ecologically and economically viable and then recycle what is left. For McDonald's Austria, packaging represents the largest group of materials made from renewable and recyclable resources. Therefore, materials used for packaging were streamlined. Specially trained employees guarantee correct waste separation in the restaurants, where the waste is then compressed and finally collected by a recycling company.

**RESULTS:** 95 percent of the restaurant's waste – both from the kitchen and from the dining room – is recycled. Only 5 percent goes to landfill or the incinerator. For packaging from renewable resources, the percentage of plastic materials used is as low as 7 percent. Used plastic foil is granulated for the production of waste bags. Food waste is collected and composted. All used cooking oil is recycled into biofuel for the company's trucks.



## CORRUGATED CARDBOARD RECYCLING: SAVING TREES, WATER AND OIL



Anne Berens

Director, SpendSmart Procurement Team, McDonald's USA

**OPPORTUNITY:** On an annual basis, each of McDonald's USA company-owned restaurants generates an average of 36 tons of corrugated cardboard waste. Recycling this cardboard represents a huge opportunity for McDonald's USA to reduce its environmental impact.

**SOLUTION:** Where restaurants have control of their recycling decisions and where recycling facilities are available, 100 percent of company-owned McDonald's USA restaurants now recycle their corrugated cardboard. Of the remaining company-owned restaurants, more than 50 percent are recycling their cardboard. McDonald's continues to work with facility owners to provide recycling options for their tenants, specifically for recycled cardboard.

**RESULTS:** At least 1,206 of McDonald's USA's company-owned currently recycle corrugate, diverting this waste from landfills. This diversion from landfill of 36 tons of corrugated cardboard by recycling saves 612 trees, 252,000 gallons of water, 396 barrels of oil and 324 cubic yards of landfill space annually per restaurant.



## BACK-OF-HOUSE ORGANIC WASTE TRIAL: INCREASING THE RECYCLING RATIO OF OUR FOOD



Adrian Cullen

National Environmental Manager, McDonald's Australia

**OPPORTUNITY:** McDonald's Australia is undertaking a back-of-house recycling trial in 24 company-owned restaurants. In order to meet legislative requirements, McDonald's Australia is aiming to divert more than 60 percent of its waste from landfill.

**SOLUTION:** The purpose of the trial was to increase the diversion of waste from landfill. As part of the recycling initiative, the restaurants separate organics (food/liquid), cardboard and general waste onsite. The organics are then transported to a compost facility, the cardboard is recycled and the general waste is separated into recyclable waste streams at the waste collector's facility.

**RESULTS:** In some cases, trial restaurants have increased landfill diversion rates to more than 76 percent in the time period. The projected savings on waste collection is approximately 20 percent per month or \$90,000 per year for the collection at company-owned restaurants.

## FORGET THE LANDFILL: WASTE BECOMES ELECTRICITY



*Katie Parker*  
Head of Environment, McDonald's UK

**OPPORTUNITY:** McDonald's UK is looking for the safest and most responsible means of waste disposal available. The long-term objective is to achieve zero waste to landfill.

**SOLUTION:** Eleven McDonald's restaurants in the Sheffield area participate in a pilot scheme, in which waste from the restaurants is converted into electricity and heat for local buildings.

**RESULTS:** The program was so successful that it has now been expanded to more than 200 restaurants. Each restaurant avoids sending more than 75 tons of waste a year to landfill. The energy produced from the recycled waste provides electricity which is either fed into the national grid, or in areas like Sheffield, directly produces heating for local buildings. Analysis by The Carbon Trust shows that this method of waste disposal can reduce annual carbon emissions from waste management by up to 50 percent.



## NEW LIFE FOR ORGANIC WASTE



*Heinz Haenni*  
Environment Manager, McDonald's Switzerland

**OPPORTUNITY:** Organic materials represent a large portion of the waste in an average McDonald's restaurant. For McDonald's Switzerland, finding a cost-effective and environmentally sound way to recycle them was a priority.

**SOLUTION:** Since 2001, McDonald's Switzerland has collaborated with Kompogas, a company specializing in the process of fermenting organic waste to produce biogas. This biogas is used to fuel the company's four biogas trucks. The volume of biogas that can be produced with the organic waste from all Swiss McDonald's restaurants is even higher than the amount needed to operate the vehicles.

**RESULTS:** All McDonald's Switzerland restaurants recycle organic waste into biogas. The biogas trucks each save about 5,000 liters of diesel annually.



## SUPERLIZZY IN THE LOBBY



*Carla D'Andrea*  
Environment Manager, McDonald's Italy

**OPPORTUNITY:** Looking for ways to improve waste separation, McDonald's Italy has found Superlizzy, a waste separation unit that helps to reduce waste volume and time spent on waste disposal.

**SOLUTION:** Superlizzy is a simple-to-install and easy-to-handle unit with an automatic liquid separation and waste compacting function. It replaces conventional waste bins in the lobby, which allows for multiple collection points. As a result, less space is consumed and fewer waste bags are needed with Superlizzy. In addition, tray-emptying time is reduced by one-third, no more liquid collects in the waste bag and less employee time must be spent cleaning the equipment.

**RESULTS:** Units have been installed and are working successfully in about 40 percent of the restaurants. They are attractive additions to the restaurants and the number of customers emptying their trays has increased. Local authorities and waste collectors have also provided positive feedback.

## REVERSE LOGISTICS



**Katie Parker**  
Head of Environment, McDonald's UK

**OPPORTUNITY:** Using diversion tactics, McDonald's UK seeks to reduce the amount of waste going to landfill.

**SOLUTION:** McDonald's companies all over Europe use the same trucks that deliver new goods to the restaurants to also collect cardboard for recycling. This practice, known as backhauling, reduces waste going to landfill, emissions from transport and waste-disposal costs.

**RESULTS:** McDonald's UK started backhauling cardboard in 2009. In 2010, the company diverted 12,000 tons of cardboard from landfill to recycling facilities.



## OPTIMIZED SORTING MAXIMIZES RECYCLABLES



**Oliver Kanz**  
Department Head Environment, McDonald's Germany

**OPPORTUNITY:** McDonald's is often viewed as generating a lot of waste. McDonald's Germany set out to disprove this misconception by adopting exemplary recycling practices. The goal of McDonald's Germany is to maximize the share of recyclable material through an optimized sorting system.

**SOLUTION:** In the past, McDonald's Germany encouraged customers to sort what was left on their trays after a meal themselves. The results were disappointing. After switching to separation of customer waste by employees, the share of nonrecyclables could be minimized. Customers are invited to leave their trays with packaging and food waste in a tray cart placed in the lobby. Staff takes the tray cart to the specially designed sorting room, where the waste is separated into color-coded bags for paper and cardboard, plastics, food and residuals. The same sorting process takes place in the kitchen, where the used oil, PE-foil and corrugated delivery boxes are also collected for recycling. Well-trained staff can sort rapidly and efficiently. Trained employees collect large amounts of secondary product of good quality for recycling, thereby helping to reach high recycling quotas for the restaurants.

**RESULTS:** Now that all McDonald's restaurants in Germany use this system, the mandatory recycling quotas for the different packaging fractions are exceeded regularly.

# Cardboard Collection

**What is cardboard collection?**  
We are now using our Keystone delivery trucks to pick up used cardboard boxes from all of our restaurants. This is taken back to our distribution centres for recycling.

**Did you know?**  
★ RECYCLING ONE TON OF CARDBOARD SAVES 31,000 LITRES OF WATER - THAT'S THE EQUIVALENT OF 320 BATHS  
★ EVERY TON OF RECYCLED CARDBOARD SAVES 17 TREES

**Why are we doing this?**  
• **Good for the brand:** Consumers care about the environment - even in a recession - so it's important that we do our bit, and build brand trust.  
• **Good for the business:** Landfill taxes are rising dramatically as the country starts to run out of space. With cardboard representing 23% of total restaurant waste, we can make big savings by recycling, instead of sending cardboard to landfill.  
• **Good for the environment:** Recycled cardboard requires 64% less energy than making cardboard from new wood pulp. This is an **important step** towards our target of sending **zero waste to landfill**.

For more information please go to the Environment section on [our.souge.co.uk](http://our.souge.co.uk)



"I have been a McDonald's franchisee for many years and currently own six restaurants in Hamburg. During the 1980s, when I knew McDonald's just as a customer, only transport packaging was collected separately; all other waste was collected in a single container. Now, we collect and separate six types of waste, some of which represents a valuable resource. Let's take used frying oil. It is converted into biodiesel that can be used to run trucks. This is an ideal closed-loop economy, isn't it?"

**FRANCHISEE OLIVER BAYER**  
HAMBURG, GERMANY

## PAPER AND WASTE RECYCLING CAMPAIGNS IN ARGENTINA, BRAZIL, CHILE, COSTA RICA AND PUERTO RICO



Flávia Vigio  
Communications VP, Arcos Dorados Latin America

**OPPORTUNITY:** As a socially responsible company, Arcos Dorados, McDonald's developmental licensee in Latin America, wanted to generate awareness about taking care of the environment and the importance of maximizing recycling and minimizing waste.

**SOLUTION:** Give Paper a Second Chance was launched in Argentina, and similar initiatives were rolled out in several other Latin American countries. In Santiago, Chile, the Paper and Carton Recycling Project was piloted in 10 restaurants with the objective of contributing to the city's cleanup goals. In the Trujillo Alto restaurant in Puerto Rico, a garbage and carton compactor for recycling was installed. With a minimal investment of \$10,000, it will considerably reduce waste. In other Latin American markets, additional measures have been initiated to encourage both employees and consumers to recycle.

**RESULTS:** The McDonald's Selective Collection Program in Brazil expanded into 17 new restaurants in May 2009. Currently, 71 São Paulo-based locations take part in this project. The process of separating waste in restaurants, which leads to a reduction in the amount of garbage sent to landfill, contributes to employees' and customers' awareness of the environmental importance of recycling. This makes it as easy as possible for customers to secure adequate disposal of organic and recyclable materials. Also, the recycling program in Costa Rica continues to be a success in the corporate offices. The program began in September 2009 and has been implemented in restaurants throughout the country.



## SAVINGS THROUGH McENVI

 Gréta Nagy  
 Environmental Manager, McDonald's Hungary

**OPPORTUNITY:** McDonald's Hungary optimizes waste management through software.

**SOLUTION:** McDonald's Hungary is managing the waste of its 51 company-owned restaurants with the help of McEnvi, software specifically designed for the company. McEnvi is a tracking software program with filtering options that support planning and tracking of waste quantities and costs. With McEnvi, environment coordinators can forecast the amount of waste for the coming period and easily monitor data, such as the frequency of grease trap cleaning or the income from the sale of used cooking oil.

**RESULTS:** McEnvi has helped to reduce work time, waste amounts and costs. Local authorities and waste collectors have also provided positive feedback.



"Each and every one of us in the McDonald's System has a unique opportunity to make a difference in our communities – starting with small initiatives that can be replicated. Across the Arcos Dorados organization, the innovation and commitment shown by employees, owner/operators and suppliers offer outstanding ways to improve efficiency while promoting sound environmental causes."

**FLÁVIA VIGIO**  
**COMMUNICATIONS VP**  
**ARCOS DORADOS LATIN AMERICA**



## ON THE RIGHT TRACK WITH GREEN TRUCKS

 *Jos van Kempen*  
 *Manager, Franchise & Legal, McDonald's Netherlands*

**OPPORTUNITY:** McDonald's Netherlands saw the chance to reuse and recycle a large percentage of the waste coming from its restaurants.

**SOLUTION:** In 1992, McDonald's Netherlands started its own recycling system. Currently, paper and cardboard, plastics, food remains, vegetable frying oil and minor chemical waste are separated and recycled. The employees separate the waste in the restaurants, and the waste is collected every few days by the company's own Green Trucks. The complete process is being tracked and monitored by an independent organization.

**RESULTS:** In 1992, McDonald's was one of the first Dutch companies to practice the "reduce, reuse and recycle" waste system on a large scale. Now, the company reuses and recycles more than 98 percent of the waste the restaurants produce. For recycling paper, cardboard, plastics and frying oil, McDonald's even earns a fee. The system is continually optimized and reflects positively on the company's sustainability efforts. In 2009, the Dutch system was implemented in Belgium.

All of McDonald's Netherlands' waste is recycled or recovered. Paper and cardboard are processed into napkins and placemats. Cooking oil is used as material for biodiesel. Food waste is used to make biogas. Green electricity can be generated out of this biogas. Plastic is processed into garbage bags and roadside poles. Fuel granules are created from the remaining residual waste.



## SELECTIVE DISPOSAL OF USED COOKING OIL IN ARGENTINA HELPS HOSPITAL

 *Federico Ovejero*  
*Communications Director, Arcos Dorados South Latin America Division*

**OPPORTUNITY:** For many years, Arcos Dorados, McDonald's Developmental Licensee in Latin America, has been working on the selective disposal of used cooking oil from the fryers in our restaurants. It has become a great opportunity to further advance environmental efforts. In Argentina, Arcos Dorados currently produces around 40 tons of residual oil every month, which can in turn generate 40 tons of biofuel.

**SOLUTION:** In December 2009, McDonald's Argentina and the Hospital Pedro de Elizalde created a joint program that led to the company donating all the used oil from their kitchens once a month to produce biodiesel. The fuel operates three power generators as an alternative energy source in case of power failure. This backup will allow the staff of 400 doctors at the hospital to maintain basic primary activity in emergency situations.

**RESULTS:** In the first 10 months after starting the program, the average monthly donation amounted to 3,000 liters of biodiesel, a renewable and clean fuel that does not harm the environment. As a result, the Hospital Pedro de Elizalde saves 30 percent on the purchase of diesel for their power generators.

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"The program of recycling used vegetable oil from our kitchens is part of the sustainability program that Arcos Dorados has been developing in Latin America and a critical aspect of our approach to acting as a responsible corporate citizen."

**FEDERICO OVEJERO**  
**COMMUNICATIONS DIRECTOR**  
**ARCOS DORADOS**



## FROM BANNER TO BAG



**Heinz Haenni**  
Environment Manager, McDonald's Switzerland

**OPPORTUNITY:** Turned into fashionable bags, advertising banners carry a new, indirect message of eco-consciousness. McDonald's Switzerland found an innovative way to say, "We are a company well aware of the importance of protecting the environment."

**SOLUTION:** McDonald's Switzerland thought of a way to increase the comparatively short lifespan of the plastic banners used to advertise special offers. The company repurposes and recreates the banners into fashionable bags that are given as an environmentally friendly and awareness-raising present to new staff members and other stakeholders.

**RESULTS:** The bags are a fun and sensible present and very much appreciated by the recipients. Turning the banners into bags also helps save waste disposal costs.



## DESIGNING THE WAY TO BETTER BATTERY COLLECTION RATES



**Sandra Moura**  
Security & Environment Technician, McDonald's Portugal

**OPPORTUNITY:** McDonald's Portugal recognized an opportunity to ensure the collection and recycling of used batteries in restaurants throughout the country.

**SOLUTION:** Since the container for battery collection provided by its national partner Ecophilas was not suitable, McDonald's Portugal designed its own container. Customers and employees can now dispose of used batteries in the lobby of every McDonald's Portugal restaurant.

**RESULTS:** McDonald's Portugal is ensuring the recycling, through national infrastructure, of all collected batteries in the restaurants.



## A HOLISTIC APPROACH TO RECYCLING OIL: BULK COOKING OIL DELIVERY AND COLLECTION



**Larry Stewart**  
Director, Strategic Supply, McDonald's USA

**OPPORTUNITY:** Always looking to improve efficiency in restaurant operations, McDonald's USA sought a way to improve the efficiency of new cooking oil distribution and collection of used oil.

**SOLUTION:** For more than 10 years, McDonald's USA has worked with supplier RTI to implement a bulk cooking oil delivery and retrieval program. This program includes delivery of fresh cooking oil to the restaurants in bulk via a portal on the exterior of the restaurant to a large tank in the store. At the same time, waste oil is collected from a separate tank and taken back to a larger distribution facility where it is sold for re-use to a variety of vendors, including biodiesel companies. Today, more than 8,400 U.S. restaurants are enrolled in this program. Additional restaurants are being converted as infrastructure advancements develop.

**RESULTS:** Today, the average participating U.S. restaurant recycles nearly 11,600 pounds (1,516 gallons) of used cooking oil per year. In addition to more efficient restaurant operations, significant amounts of plastic and corrugated packaging have been eliminated because cooking oil no longer needs to be delivered in 35-pound plastic jugs in corrugated boxes, or "jibs." This eliminates the creation of packaging in the first place and keeps additional packaging waste from going to the landfill.



# LOGISTICS

Sustainable transportation represents a major challenge and an area well worth focusing on. McDonald's supports the use of biodiesel and other means to limit the environmental impacts of transportation within our business operations.



## BIODIESEL AND REVERSE LOGISTICS IN THE UAE

 **Warren Morris**  
General Manager – Quality Systems & Business Sustainability,  
Keystone Foods

**OPPORTUNITY:** Keystone Foods / Allied Keystone Logistics (AKL) in the United Arab Emirates (UAE) sought to use alternative fuel for the delivery fleet while supporting McDonald's UAE to optimize the delivery-backhaul loop. The team also wanted to challenge the industry standard of relying on nonrenewable fossil fuels.

**SOLUTION:** In 2010, Keystone Foods helped support the concept of closed-loop recycling in the UAE. In this system, used cooking oil was collected from McDonald's restaurants by the same vehicles that delivered the virgin oil. The used oil was then backhauled to a local facility dedicated to converting the material into 100 percent biodiesel, which was then pumped back into the delivery fleet to continue this process.

**RESULTS:** Currently, McDonald's fleet of 12 supply trucks in the UAE runs on 100 percent organic, biodegradable biodiesel, made from the vegetable oil recycled from McDonald's restaurants. In addition to the cost savings from this used oil biodiesel, the fuel burns cleaner and more efficiently than traditional fossil diesel. More than 25,000 liters of cooking oil are collected from McDonald's UAE's approximately 90 restaurants each month and are converted, liter for liter, into the more environmentally friendly biodiesel. As the McDonald's UAE restaurants generate more used cooking oil than the trucks need, excess biodiesel can be sold on the open market. McDonald's UAE and the APMEA Logistics Council are exploring further expansion into other APMEA markets in 2012 and are estimating as much as \$600,000 savings over the next five years if the program continues to expand.

## CLOSING THE BIODIESEL LOOP IN BRAZIL

 **Celso Cruz**  
Supply Chain Director, Arcos Dorados Brazil

 **Augusto Santos**  
National & International Accounts, Martin-Brower

**OPPORTUNITY:** Arcos Dorados, McDonald's developmental licensee in Latin America, with the help of Martin-Brower (MB), seeks to close the loop on recycled waste oil from restaurants into biodiesel to use in its fleet. That means all related operations – oil distribution, reverse logistics, recycling and consumption – would occur within the McDonald's System.

**SOLUTION:** The Arcos Dorados and MB program embraces the entire loop of distributing cooking oil, collecting the used oil, recycling this oil into biodiesel and using it in its fleet. All phases of this closed-loop concept will occur within MB and McDonald's Brazil restaurants, with no other outside handling.

**RESULTS:** In collaborating with MB, Arcos Dorados Brazil expects to reduce its greenhouse gas footprint by 27 percent. The business goal is to have a final cost of fuel that is lower than market prices and to keep current guarantees for trucks and refrigeration equipment engines. The program will contribute to standardization, improved quality assurance and increased safety in used oil disposal procedures for McDonald's restaurants. The project includes a tailor-made plastic container used to collect hot oil directly from the fryer. Finally, Arcos Dorados Brazil and MB expect to donate part of the savings to Ronald McDonald House Charities in Brazil.



## McDONALD'S UK 100 PERCENT BIODIESEL

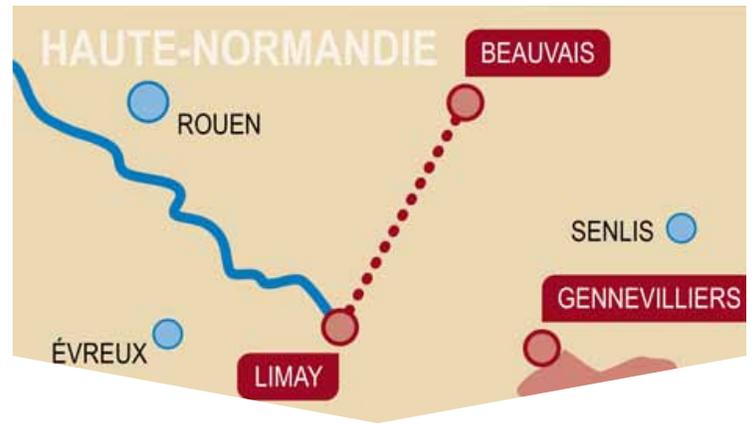


*Jean-Francois Legrand*  
 Director of Quality, Health, Safety, Environment, Keystone Foods

**OPPORTUNITY:** Keystone Foods sought to develop techniques to reduce carbon emissions by using the resources already available through the transport operations. McDonald's UK's used cooking oil (UCO) was identified as a way to reuse an existing waste stream while lowering carbon emissions during the delivery process.

**SOLUTION:** Since 2008, Keystone has collected UCO from McDonald's UK restaurants, converted the oil into biodiesel and subsequently used it to power the Keystone fleet. The process for collecting and transporting the UCO is fully integrated into Keystone's standard delivery process, utilizing empty vehicle space, and eliminating the previous requirement for a third-party collection service. This closed-loop, reverse logistics solution has been fully implemented across the McDonald's UK restaurant network since July 2010, enabling Keystone and McDonald's to significantly reduce their environmental impact.

**RESULTS:** During 2011, Keystone collected 3.6 million liters of UCO from McDonald's UK restaurants, and it is estimated that integrating the collection of the UCO into the delivery process has saved an estimated 1,333 tons CO<sub>2</sub> equivalent. The biodiesel produced from the UCO now powers around 60 percent of the Keystone fleet, covering more than 118,000 deliveries or nine million truck kilometers per year. By using biodiesel, as opposed to mineral diesel, Keystone also saved 3,742 tons of CO<sub>2</sub> emissions in 2010. In 2012, Keystone expects to collect around 4.8 million liters of UCO that will be converted into 4.2 million liters of biodiesel.



## HAPPY MEAL TRANSPORT EFFICIENCY



*Marcus Buchkremer*  
 Senior Head of Promotion Operations & Procurement,  
 HAVI Global Solutions Europe

**OPPORTUNITY:** HAVI Global Solutions (HGS) Europe delivers time-sensitive promotions through a large supply chain, with positive contributions regarding optimal logistic costs and sustainability by reducing CO<sub>2</sub> emissions. One of the main objectives of HGS Europe is to coordinate the European Happy Meal supply chain in a way that meets customer requirements at minimum costs. While these costs have been defined in purely monetary terms in the past, HGS Europe also takes into account the external costs of logistics associated with climate change and air pollution to reflect increased environmental concerns. The objective is to achieve a more sustainable balance between economics and environment.

**SOLUTION:** HGS Europe requires local logistics providers to use barge services from main ports like Antwerp, Hamburg and Le Havre to central warehouses whenever possible. Containers for the Austrian market are transported via railway from the harbor in Hamburg to the warehouses. For some German distribution centers, barge services will also be used for the transport from the Antwerp port to the central warehouse in Belgium. In 2009, a project was launched in order to implement a barge service for direct shipments to France in cooperation with the local logistics provider, STI France.

**RESULTS:** In 2009 the CO<sub>2</sub> emissions were reduced by an additional 51,381 kilograms by implementing a barge service from the French harbor (Le Havre) to the central warehouse in France, helping HGS Europe become a driver for sustainable economics in the Happy Meal supply chain. The next project currently under investigation to reduce emissions is an alternative transport route from Asia via the Trans-Siberian Railway, taking into consideration the logistics costs compared to sea freight costs.



## MOVING OUR PRODUCTS THE SUSTAINABLE WAY



*Jennifer Blum*

*Director Corporate Responsibility, Armada Supply Chain Solutions, USA*

**OPPORTUNITY:** With its recent implementation of the McDonald's Forward Warehouse Initiative pilot project, Armada Supply Chain Solutions had an opportunity to explore new means to maximize the energy efficiency of the outbound freight it manages from the Perryville, Md., warehouse. Marten Transport's (Armada's largest carrier partner) new Lite Fleet truck tractors allow for the transport of an additional 4,000 pounds of freight per truckload, as compared to standard tractor/trailer configurations.

**SOLUTION:** Armada made the decision to source all outbound lanes from its Perryville forward warehouse to Marten and to partner with Marten to implement the Lite Fleet tractors on these lanes as part of a dedicated fleet operation. With the extra freight capacity provided by the Lite Fleet tractors, Armada is able to pack an additional two pallets of french fries into each truckload of product. This has reduced the number of truckloads of fries shipped to Harriman each week by approximately 10 percent (2.5 truckloads per week), or 130 truckloads per year. For the mixed load shipments, the additional freight capacity has reduced the number of shipments from Perryville by an average of two per week, or 104 truckloads per year.

**RESULTS:** Total estimated annual savings generated by using Lite Fleet tractors on all shipments from the Perryville forward warehouse are as follows:

- \$175,500 in freight costs
- 7,790 gallons of diesel fuel
- 173,160 pounds of CO<sub>2</sub> emissions



## McDONALD'S APMEA LOGISTICS SUSTAINABILITY STRATEGY



*Warren Morris*

*General Manager - Quality Systems & Business Sustainability, Keystone Foods*

**OPPORTUNITY:** McDonald's APMEA (Asia/Pacific, Middle East and Africa) is expanding rapidly with the support of its supply chain partners. The McDonald's APMEA Logistics Council (ALC) is designed to share best practices and direct advances in logistics among its partners. Recognizing the growing importance of sustainability, the ALC members (Keystone, HAVI Logistics, Digistics, and HAVI Freight Management) have partnered with The Neutral Group to develop a cohesive, region-wide, 10-year logistics sustainability strategy and implementation program.

**SOLUTION:** Over the last 12 months, the ALC, with its partner, The Neutral Group, have written and developed a logistics sustainability program designed to:

- Create a solid carbon and energy baseline
- Investigate opportunities for reducing energy consumption in existing warehouses
- Determine new/existing building guidelines to lower energy consumption
- Investigate driver education and training for lowering fuel consumption in delivery vehicles
- Investigate biodiesel viability and applicability to the APMEA region
- Demonstrate early energy savings where possible (a 5 percent reduction)

**RESULTS:** Through consultation among member companies, the ALC has released recommendations and is moving ahead with their implementation. Examples of such recommendations include using biodiesel from used cooking oil in suitable markets to fuel McDonald's APMEA's own transportation and for dedicated third-party vehicles setting a 5 percent energy reduction goal for 2012 in absolute terms and deploying industrialized warehouse retrofit programs. To measure and report on energy and fuel usage, the ALC and The Neutral Group have also developed the Sustainability Footprint Assessment (SFA), which tracks and reports progress on an ongoing basis and evaluates how each site is faring compared to other sites in APMEA.



# COMMUNICATIONS

Providing information is beneficial in many ways. Most importantly, it earns our customers' trust. It also helps us to fully understand the effects of our business and take measures to improve. A meaningful communications strategy opens doors and minds.



## PLANET CHAMPIONS

 *Helen McFarlane*  
Environment Consultant, McDonald's UK

**OPPORTUNITY:** With Planet Champions, a voluntary program, McDonald's UK is leveraging the environmental enthusiasm of its restaurant crew.

**SOLUTION:** McDonald's UK is asking members of staff to be the environmental voice in the restaurant, to help business managers with existing environment initiatives and to generate new ideas. The volunteers receive a day of training on broad environmental issues, the company's activities and how they can contribute. They have a year-long calendar of activities focusing on the key issues of litter, recycling and energy. Regular emails with links to the Green Room, the Planet Champions section of ourlounge.com, keeps them up-to-date, informs them about competitions and gives them a forum to share ideas.

**RESULTS:** So far, more than 300 members of staff have volunteered to be Planet Champions. The pilot program, which ran over the summer of 2010 in 27 restaurants, yielded an increase of 20 percent of cardboard recycling and achieved incremental energy savings. The network of green enthusiasts also helped to increase awareness of environmental initiatives among nonchampion crew in pilot restaurants. Of the trial champions who were surveyed, 90 percent said they felt more motivated. Managers and franchisees noted that "it's making us more efficient," "it doesn't take any more time," and "it hasn't had any negative impact on operations." In 2011, the program was continued in the UK and extended to Ireland and Norway.

## ENVIRONMENTAL BEST-PRACTICE GUIDELINES

 *Adrian Cullen*  
National Environmental Manager, McDonald's Australia

**OPPORTUNITY:** McDonald's Australia is striving to assist restaurants in evaluating and prioritizing environmental and cost-saving initiatives.

**SOLUTION:** McDonald's Australia developed environmental best-practice guidelines for its restaurants in order to consolidate and communicate environmental best practice initiatives in the areas of:

- Energy
- Water
- Waste
- Landscaping
- Litter

The guidelines are based on a silver, gold and platinum ratings system and reflect the company's philosophy of driving efficiency by implementing practical, lower-cost measures before considering the adoption of expensive, innovative technologies.

**RESULTS:** McDonald's Australia has received positive feedback on this publication from the development team, operations and licensees. The guidelines are viewed as being a valuable tool for restaurants to prioritize their investments in cost-saving sustainable initiatives.



## POWER CURTAILMENT AND ECO COMMUNICATION

 **Hiroaki Okano**  
Director of Corporate Social Responsibility, McDonald's Japan

**OPPORTUNITY:** In response to widespread power shortages throughout the summer of 2011, McDonald's Japan communicated its voluntary power-saving plan to customers and increased awareness of the importance of saving energy by distributing 20 million traymats with a power-saving message at all restaurants.

**SOLUTION:** McDonald's Japan communicated its "Power Saving Action 10" voluntary plan on traymats designed with a power-saving message in response to the government's request for a 15 percent reduction in power usage in areas serviced by TEPCO (Tokyo Electric Power) and Tohoku Electric Power and 10 percent reduction in areas serviced by KEPCO (Kansai Electric Power).

"Power Saving Action 10" voluntary plan details:

- Upgrade store lighting to LED.
- Turn off lights for some lighting inside and outside the stores.
- Meticulously turn kitchen equipment on and off as needed.
- Change the temperature settings for the air conditioner.
- Upgrade uniforms to "Cool Biz" uniforms.
- Improve efficiency of cooling units.
- Set a target for a 25 percent power usage reduction for the office.
- Engage suppliers in energy-saving initiatives.
- Promote awareness of saving energy among the 160,000 crew members.
- Offer carbonated drinks at a special price.

**RESULTS:** McDonald's Japan achieved a 15 percent reduction in energy use in the areas serviced by TEPCO and Tohoku Electric Power, a 10 percent reduction in areas serviced by KEPCO, and a 25 percent reduction at the head office. This reduction in energy consumption is anticipated to further increase annually going forward.



## CLICK ON SUSTAINABILITY

 **Kathleen Bannan**  
Senior Manager, Sustainability, McDonald's Corporation

**OPPORTUNITY:** In 2011, a major upgrade to the AboutMcDonalds.com website provided an opportunity to rethink how McDonald's Corporation presented its sustainability efforts to the public. The new site would allow for a unified sustainability message and for the site to become a resource for sustainability. It would integrate McDonald's CSR/sustainability reports, consolidate the two previous websites and provide a showcase for McDonald's signature sustainability programs.

**SOLUTION:** A single sustainability section was created on the new website designed to be informative, easy to navigate, dynamic and eventually interactive. By integrating the sustainability report into the website, recent activities and accomplishments can now be highlighted in the "Our Focus Areas" section. At the same time, all of the supporting policies, programs and past best practices can be archived into the Sustainability Library for reference. Additional modifications:

- Simplified navigation – orienting around McDonald's five sustainability focus areas: Nutrition & Well-Being, Sustainable Supply Chain, Environmental Responsibility, Employee Experience and Community;
- Brought signature programs, like the Best of Green, to the forefront of the sustainability section;
- Updated the content and removed redundant and out-of-date material; and
- Developed a design framework that is both easy to update and adaptable to future developments in sustainability at McDonald's.

**RESULTS:** In implementing these changes, McDonald's:

- Reduced user confusion by utilizing a common navigation system and limiting graphic buttons;
- Created a resource through the development of the Sustainability Library, which serves as a repository for past reports, interesting sustainability stories and ongoing reference material; and
- Gave higher visibility to the Signature Programs.



## McDONALD'S SPAIN ADDS ENVIRONMENTAL TRAINING FOR ALL



*Natalia Mota*

*Environment Manager, McDonald's Spain*

**OPPORTUNITY:** More than anything, McDonald's employees contribute to the company's success. They are also a key factor when it comes to applying best environmental practices.

**SOLUTION:** In Spain, all McDonald's employees receive a basic environmental training module when they start working at a restaurant. In addition, there is advanced training for environment coordinators, a position found in all restaurants. Each environment coordinator takes care of all the environmental issues associated with each restaurant. They compile all environmental records and provide environmental training to new staff members.

**RESULTS:** Environment training ensures that all members of restaurant staff know about McDonald's environmental policies and are aware of the best practices the company follows. For its outstanding initiatives in all areas of business, McDonald's Spain received the 2010 Sustainability Award at XII Environment Awards, a prestigious Spanish environmental awards competition, organized by the Spanish law firm Garrigues, the Spanish economic newspaper Expansion, and Wolters Kluwers.



## ENVIRONMENT IN OUR LOUNGE



*Katie Parker*

*Head of Environment, McDonald's UK*

**OPPORTUNITY:** The employees of McDonald's UK have a well-designed and fun place to meet online: Our Lounge. Our Lounge, the restaurant-level staff website, provides employees all the information they are looking for, including best environmental practices.

**SOLUTION:** To encourage better environmental practices, McDonald's UK dedicated a section of its Our Lounge employee website to the environment. Here, the employees can play an environment-oriented game, visit the Green Shop to purchase green items such as energy-saving light bulbs at reduced prices, and "visit" an interactive restaurant or private home to see environmental best practices. Of course, they can also learn about McDonald's UK's many environmental activities.

**RESULTS:** The environment section on Our Lounge offers a fun way to learn about environmental best practices that can be applied in the restaurant, as well as at home. It is an innovative addition to the regular environmental training part of the company's apprenticeship modules. Since the concept proved to be so successful, it is now being introduced to all Northern Division markets.



"We believe that employee engagement on environment is critically important. If we can inform our employees about the differences they can make, they will export good practices to friends, family and even future employers. We see tools like our interactive house and restaurant on Our Lounge as simple but effective ways of giving them tips that can help us all to reduce our environmental impact at work and at home."

**KATIE PARKER**  
**HEAD OF ENVIRONMENT**  
**McDONALD'S UK**



## DOWN TO EARTH – COMMUNICATING McDONALD'S AUSTRALIA'S SUSTAINABILITY MISSION



Adrian Cullen

National Environmental Manager, McDonald's Australia

**OPPORTUNITY:** McDonald's Australia continues to examine innovative ways to align franchisees, crew, and internal staff on its sustainability focus and to seek opportunities that can make sustainability real in the restaurants.

**SOLUTION:** In 2010, McDonald's Australia launched a biannual sustainability publication, Down to Earth. They have now published five editions, all of which are available on the McDonald's intranet for restaurants to access. Down to Earth focuses on McDonald's Australia's sustainability strategy, trials underway, energy-saving ideas and new equipment that can be added to new or existing stores to realize cost savings and environmental benefits.

**RESULTS:** This publication has received positive reviews from employees and franchisees and has been seen as a valuable method to align McDonald's Australia on all of the environmental programs currently in place.



## UP TO INTERNATIONAL STANDARDS



Tomasz Kurpiewski

Environment & Internal Audit Manager, McDonald's Poland

**OPPORTUNITY:** McDonald's Poland wanted to take a leadership position on environmental issues and sought to certify the environmental efforts of its company-operated restaurants to a high international standard.

**SOLUTION:** In 2004, McDonald's Poland validated all company-operated restaurants to the internationally recognized standard ISO 14001. The certification has been successfully renewed since 2004. In addition, external audits in accordance with ISO 14001 are carried out every year. The certificate confirms that McDonald's Poland's company-operated restaurants comply with the highest standards of environmental management and legal requirements.

**RESULTS:** The ISO certification greatly contributed to the strengthening of McDonald's leadership position in this critical area. Certification also led to a significant increase in trust among key stakeholders, as it is the only restaurant chain in Poland to have received the ISO 14001 certificate for its entire system. The Polish National Board of Ecology recognized the company's outstanding initiatives with the prestigious Environment Friendly Company Award for 2010 and again for 2011.



## HAPPY MEAL AND HAPPY ANIMALS



*Else Krueck*

*Director Environment & Corporate Social Responsibility, McDonald's Europe*

**OPPORTUNITY:** Kids love to play. They are eager to learn and, as research shows, they are increasingly concerned about the environment. McDonald's Europe wanted to launch a Happy Meal program that would help the youngest customers learn about the environment and contribute to its protection.

**SOLUTION:** In partnership with Conservation International (CI), McDonald's Europe developed a Happy Meal focusing on environmental protection. The program featured eight selected animals designed to build awareness of endangered species and encourage kids to contribute to the protection of the environment. The program included toys, activity kits and a dedicated website ([www.fragileplanet.eu](http://www.fragileplanet.eu)). As part of the program, McDonald's Europe made a contribution of €1,000,000 toward CI's efforts to secure long-term protection of vital habitats in critically important tropical forest areas.

**RESULTS:** The Endangered Animals Happy Meal proved to be a good opportunity to underline McDonald's Europe's own environmental commitment and demonstrate what it means by going "from doing less harm to doing more good" in its efforts. With the program, McDonald's Europe continued its nearly 20-year partnership with CI, one that is extensively featured on the NGO's website ([www.conservation.org](http://www.conservation.org)).



## LIGHTS OUT IN SUPPORT OF THE ENVIRONMENT



*Laura Keith*

*Corporate Communications Manager, McDonald's Australia*

**OPPORTUNITY:** McDonald's Australia seeks creative ways to partner with both employees and consumers to engage in energy-efficient practices. McDonald's Australia has supported Earth Hour since its inception in 2007. What started as an initiative for Sydney Metropolitan restaurants in 2007 is now an annual tradition for many McDonald's markets across the world. In 2010, McDonald's Australia was named a Friend of Earth Hour for its ongoing commitment. Earth Hour 2011 was held on Saturday, March 26 from 8:30 p.m. to 9:30 p.m. in cities and towns across the world.

**SOLUTION:** In 2011, McDonald's Australia again supported Earth Hour by:

- Turning off the Golden Arches and other nonessential lighting in restaurants
- Switching off the lights and equipment in the offices
- Utilizing an Earth Hour traymat to spread the message to the customers

**RESULTS:** Employees and consumers learned about Earth Hour through a variety of channels, including in-restaurant traymats and other print communications. While largely a symbolic event, the company's continuing participation in Earth Hour is a clear and positive symbol of its commitment to the environment and to partnering with environmental organizations.



## NEW JOURNAL PROVIDES WELCOME INFORMATION

 **Sophie Boucher**  
Environment Project Leader, McDonald's France

**OPPORTUNITY:** The EcoJournal is McDonald's France's answer to questions stakeholders may ask. The EcoJournal's objective is to raise awareness among employees and provide information to the public on environmental initiatives.

**SOLUTION:** Launched in 2006, the EcoJournal is an attractive, newspaper-format, annual report covering environmental issues about the restaurants and the many activities of McDonald's France. Independent auditors substantiate all reported data.

In 2011, EcoJournal's subjects were widened to other sustainable development topics, including social impact, quality, nutrition and governance. And the name was changed from EcoJournal to McDonald's Sustainable Development Journal.

**RESULTS:** The Sustainable Development Journal was enthusiastically received by employees, as well as by external stakeholders. The general opinion expressed was, "We didn't know how active and committed the company is." The report proved to be successful in spreading good practices in sustainable development and opening doors with NGOs and authorities.

## FROM TARGET TO ROLE MODEL

 **Heinz Haenni**  
Environment Manager, McDonald's Switzerland

**OPPORTUNITY:** McDonald's Switzerland discovered early the many benefits of sharing knowledge with its stakeholders. The sophisticated reporting system they designed ensures continuous improvement and flow of information.

**SOLUTION:** In 2010, McDonald's Switzerland published its second combined Environment and CSR report. Prior to 2008, the company kept its external and internal stakeholders informed by publishing an environmental report every two years. The Swiss reports are developed using a large database and are validated by independent external auditors. The backbone of the report is data collected by McGreen, the ISO 14001-based environmental management system. It provides key figures and measurable targets. McDonald's Switzerland monitors environmental governance through multiple institutions, such as the Environment Action Team, which is responsible for setting environmental policy, defining the strategy and reviewing targets; the McGreen Team then is responsible for implementation, training and auditing.

**RESULTS:** The reporting system offers many benefits. For instance, notable cost savings in energy and waste management were achieved. The system also ensures continuous improvements and compliance with environmental laws. Reporting led to well-informed, influential stakeholders and focused specific attention on critical stakeholder issues. Moreover, the reporting system helped McDonald's Switzerland improve its image and cease being the target of negative media coverage. It also proved to be an excellent internal management tool by supporting communications with restaurant managers, franchisees and suppliers.



"Back in the 1980s and 1990s, McDonald's Switzerland was a preferred target for negative media coverage relating to the environment. Our response was to shift from a reactive to a proactive sustainability strategy, to confront the issues, and finally, to publish our achievements regularly in environmental reports. The key was to set up a strong database to communicate about real data, to set measurable targets, and to become accountable. This helped us engage with relevant national stakeholders. And it helped franchisees and restaurant managers dialogue with their local stakeholders."

**ROLF HUWYLER**  
ENVIRONMENT & CSR MANAGER  
McDONALD'S EUROPE



# GREENING THE RESTAURANTS

Why waste energy and drinking water? Why spend money that could be saved by increasing the efficiency of restaurant buildings? There are many ways to improve on both financial and environmental performance, and we are learning by doing.



“U.S. Restaurant Design is interested in understanding sustainable design practices through integrated use of energy- and water-efficient building systems and equipment, sensitive material selections and waste management. Our LEED® projects have given us the opportunity to learn about alternative building elements and practices, remain relevant to our customers and have a reduced impact on the environment. We continue to focus on sustainable building practices, the LEED rating system, how best to integrate those practices into our new and existing restaurants, and the pursuit of continued education to keep McDonald’s USA well-positioned for further sustainability successes.”

**JOHN ROCKWELL**  
U.S. GREEN BUILDINGS

## GREENING OUR RESTAURANTS WITH LEED® VOLUME



*John Rockwell*

*Sustainability Manager, U.S. Green Buildings, McDonald’s USA*

**OPPORTUNITY:** McDonald’s USA is committed to reducing impact through design and development, focusing on energy, water, waste and material efficiencies. Opportunity exists in broadening efforts within LEED®, prototype designs, and major remodel projects.

**SOLUTION:** McDonald’s USA is participating in the LEED Volume program and has created a building standard from its practice. LEED (Leadership for Energy and Environmental Design) is a rating system for green buildings developed by the U.S. Green Building Council. The Volume program streamlines the rating process in time and cost while providing McDonald’s USA with a specific approach. The LEED Volume program builds on the current four LEED-certified restaurants and will continue to progress McDonald’s USA’s focus on energy, water, waste and material efficiencies. This has helped in developing McDonald’s USA’s Restaurant Development (USRD) Environmental Sustainability Plan, which is a building standard that identifies next steps for prototype designs and major remodel projects.

**RESULTS:** The past LEED buildings and USRD Environmental Sustainability Plan enabled McDonald’s USA to make LED interior lighting in the dining rooms standard for all new, rebuild and remodel projects in 2011. This improvement is expected to generate an average 2 percent energy reduction in those restaurants. McDonald’s USA installed 38,112 LED fixtures in 2011. Each fixture saves 39.5 watts compared to the previous standard fluorescents. Annually, this represents savings of 9.8 million kilowatt hours or \$983,644. McDonald’s USA is excited to continue its efforts in reducing environmental impact while improving the restaurants. Over the next three years, McDonald’s USA plans to build 25 LEED restaurants as part of its participation in the LEED Volume program.



## REIMAGING A MCDONALD'S RESTAURANT IN MEXICO



**Felix Ramirez**  
Communications Director, Arcos Dorados North Latin America Division

**OPPORTUNITY:** The Parque Hundido restaurant in Mexico reopened its doors after weeks of remodeling, during which it was transformed into an ecological building. The building was carefully redesigned with preservation of the environment in mind.

**SOLUTION:** The new Parque Hundido McDonald's includes features to reduce waste and contamination and use of nonrenewable energy, while providing customers and employees with a comfortable, healthy and safe environment. In the remodeling of the restaurant, green technologies were used. In line with the green concept, most of the furniture from the old restaurant was reused to build new furniture.

**RESULTS:** With the new green design, electricity consumption will be reduced by up to 25 percent, and the installation of water-saving techniques in the bathrooms will provide a considerable reduction in the consumption of this vital liquid. Landscaped areas, an important part of the Parque Hundido McDonald's, feature plants native to the Valley of Mexico that do not require significant watering as they are naturally adapted to the city's climate.



## NATAL PROJECT – REUSE OF CONDENSATION WATER



**Wilson Pissardini**  
Director of Maintenance and Equipment, Arcos Dorados Brazil

**OPPORTUNITY:** Arcos Dorados' (McDonald's developmental licensee in Latin America) Brazil Natal Project seeks to reduce water consumption by collecting condensation. The idea came from a maintenance technician working at a McDonald's restaurant in Natal in the state of Rio Grande do Norte. The technician realized that the air conditioner generated a large quantity of water from condensation that could be reused.

**SOLUTION:** Arcos Dorados developed a collection and storage system for the water generated through condensation from the air conditioning equipment. They used the collected water to clean external areas and to water plants.

**RESULTS:** With the initiative, McDonald's Brazil reduced overall daily water consumption at the restaurant from 8,000 liters to 6,800 liters. The initiative earned the technician the President's Award, the highest honor for Brazilian employees. The project has been expanded to other restaurants, and, today, 47 systems have been installed nationwide. Arcos Dorados is currently planning to expand the project to other countries in the region.

## REDUCING CO2 BY STANDARDIZING LED LIGHTING



**Hiroaki Okano**  
Director of Corporate Social Responsibility, McDonald's Japan

**OPPORTUNITY:** Reduce power usage and CO<sub>2</sub> emissions by standardizing dining area lighting to LED lighting in new stores and remodeled stores.

**SOLUTION:** Japan's law concerning the rational use of energy has been revised and requires a minimum 1 percent reduction in CO<sub>2</sub> emissions. As one measure for saving energy, McDonald's Japan began introducing and expanding LED lighting as the standard for dining area lighting at new stores and remodeled stores starting in FY2010.

### RESULTS:

A reduction of approximately 45 percent in power usage caused by dining area lighting;

18-ton reduction in annual CO<sub>2</sub> emissions per store, which is equivalent to approximately 11 percent of annual CO<sub>2</sub> emissions; and

Approximately 400 stores, as of October 2011, had introduced LED lighting as the standard.



## NEW RESTAURANT EARNS FIRST LEED® GOLD CERTIFICATION IN ARGENTINA



*Federico Ovejero*

*Communications Director, Arcos Dorados South Latin America Division*

**OPPORTUNITY:** Construction is among the human activities that most impact the environment worldwide. In 2011, Arcos Dorados' (McDonald's developmental licensee in Latin America) first green McDonald's in Pilar, Argentina, obtained LEED® Gold for New Construction certification from the Green Building Council Institute (GBCI), becoming the first new building in Argentina with the certification.

**SOLUTION:** The goal of the Pilar restaurant project was to give customers a comfortable, pleasant space and to create a more energy-efficient system. Among the highlights are a bike rack, wind generator, expanded McCafé area on the exterior terrace, and contemporary decor, with soft lights and comfortable dining areas. The design promoted proper use and reuse of potable water, as well as the use of renewable, recyclable and local materials. Additional features include:

- Collection systems for rainwater and gray water from hand washing that is filtered and reused for toilets and washing the parking lot

- Installation of CO<sub>2</sub> sensors to guarantee the quality of interior air

**RESULTS:** Among the main achievements of the restaurant are a 22.6 percent decrease in energy consumption and a 45 percent decline in potable water consumption, compared to restaurants of similar size, over a period of one year.



## GREEN STAR RESTAURANT, KILSYTH



*Adrian Cullen*

*National Environmental Manager, McDonald's Australia*



*Morris Mellinger*

*National Projects Manager, McDonald's Australia*

**OPPORTUNITY:** One of the McDonald's Australia Environmental Department's key objectives in 2011 was to obtain certification with the Green Building Council of Australia (GBCA) and design and build a scalable, Green-Star-rated McDonald's restaurant.

**SOLUTION:** McDonald's Australia partnered with the GBCA with the aim of becoming an industry leader as the first quick serve restaurant (QSR) in Australia to develop and build an accredited, 4-Star Green Building. This project has enabled the company to consolidate and implement a number of worthwhile sustainability initiatives into building standards.

**RESULTS:** McDonald's Australia's first green restaurant will be in the Victoria suburb of Kilsyth in Melbourne's eastern suburbs. The design and construction of the restaurant will be a first for the QSR industry in Australia. This initiative will place the company ahead of its competitors and establish it at the forefront of this increasingly important area. This building will feature a range of green building initiatives targeting energy, water and waste. The savings generated will be trialed, tracked and measured to benchmark the success of the project.



## TOGETHER TOWARDS A SUSTAINABLE FUTURE



**Stephen Douglas**  
*Director, Pilots and Implementation ERDDS, McDonald's Europe*

**OPPORTUNITY:** To further improve the environmental footprint of restaurant remodels and new stores, McDonald's Europe encourages its key suppliers of furniture, fittings and materials to gain the external ISO 14001 accreditation.

**SOLUTION:** ISO 14001 is an international standard that specifies a process for controlling and improving a company's environmental performance. This standard introduces a set of requirements that will enable suppliers to implement an effective environmental management system within their organizations, helping them to protect the environment, prevent pollution and reduce their carbon footprint.

**RESULTS:** Of 40 pan-European suppliers to our restaurant remodeling and new store opening programs, 25 have already achieved accreditation. A further seven suppliers are expected to obtain certification by mid-2012.



## GREEN LAB



**Carla d'Andrea**  
*Environment Coordinator, McDonald's Italy*

**OPPORTUNITY:** McDonald's Italy is exploring sustainable solutions across all functions in a new restaurant.

**SOLUTION:** In Lainate, the McDonald's Italy team opened a restaurant they consider to be a green lab for construction and equipment, as well as human resources and operations. The store was constructed and equipped with the latest generation of energy-efficient technologies and alternative energy sources, ranging from photovoltaic installation of a tri-generation energy plant to an energy management system and LED lighting. The new store offers the opportunity to test sustainable solutions and select the best options for future application in other Italian stores. The Lainate team is exploring operations policies for waste separation, anti-littering and energy control, along with new ways to train and engage staff.

**RESULTS:** It is estimated that in Lainate, emissions and energy consumption will be reduced by 15 percent, and the amount of energy from renewable sources will be increased by 15 percent. The experience gained will be shared to help make future Italian stores more sustainable.



## NO MORE WATER DOWN THE DRAIN



**Heinz Haenni**  
*Environmental Manager, McDonald's Switzerland*

**OPPORTUNITY:** In most areas of Europe, we are lucky to have plenty of drinking water. But it is one of the world's most precious resources, and McDonald's Switzerland identifies this as a good reason not to waste it.

**SOLUTION:** McDonald's Switzerland installed Urimat dry urinals in all of its restaurants. With its special siphon and large-scale float, this system neutralizes all odors and helps to save significant amounts of water.

**RESULTS:** The Urimat dry urinals help McDonald's Switzerland save about 45 million liters of water each year. This corresponds to about 10 percent of the total fresh water requirement and a corresponding cost savings.



## ALL IN ONE



*Sophie Boucher*

*Environment Project Leader, McDonald's France*

**OPPORTUNITY:** The McDonald's restaurant in Plaisance-du-Touch is the embodiment of McDonald's France's vision for the environment and an indicator of its approach toward eco-efficient restaurant building.

**SOLUTION:** In 2008, McDonald's France built a restaurant that is eco-designed in every aspect, from landscaping to interior design. In Plaisance-du-Touch, all eco-technologies tested and approved by McDonald's France can be found in a single restaurant. The restaurant is equipped with geothermal technology, photovoltaic panels, energy-efficient lightning, and dry urinals, to name just a few of the many energy-efficient devices installed. The colors, materials and illustrations chosen for interior decoration carry the environmental theme to encourage customers to adopt environmental good practices. During the building process, care was taken to reduce waste and emissions, and eco-friendly construction materials were used, including certified wood and glazing with reinforced heat insulation.

**RESULTS:** In 2011, the restaurant obtained the French High Environmental Quality (HQE) operation label. It is the first restaurant in France to receive this external certification that focuses on the environmental quality of the building as much as on the environmental quality of operational practices. During the five-year period after the certificate is granted, the restaurant has to continue to improve and raise its initial quality level. Plaisance-du-Touch is the start of McDonald's France's initiative to raise the number of its HQE-certified restaurants.



## NEW POLICIES YIELD SIGNIFICANT WATER SAVINGS



*Adrian Cullen*

*National Environmental Manager, McDonald's Australia*

**OPPORTUNITY:** While McDonald's Australia has implemented a number of green building initiatives, one area of current focus is water retention and landscaping policies at the restaurants. These actions address the company's environmental concerns and impacts related to the drought that has affected most of the country.

**SOLUTION:** The revised design guidelines educate contractors and field personnel on issues such as water conservation, the use of native and drought-resistant plantings, and advanced storm water retention methods. The guidelines also seek to reduce irrigation and maintenance costs and build awareness of McDonald's Australia's commitment to addressing the drought conditions and broader environmental impacts in Australia among the public. Rainwater tanks are now a standard in all new restaurants and are used for toilet flushing and irrigation. McDonald's Australia has also branded these with its environmental logo to highlight to the public its commitment to sustainability.

**RESULTS:** Some water-conservation technologies in use at McDonald's Australia restaurants include low-flow spray nozzles, dual-flush toilets and extensive native landscaping and water conservation improvements through smart irrigation practices. These landscaping guidelines were recently updated to include:

- A stronger environmental focus reflecting current community attitude
- More detailed site planning and water-sensitive urban design
- More options for restaurant refurbishment



## McDONALD'S CANADA'S FIRST GREEN RESTAURANT



**Claude Massicotte**  
Project Manager, Restaurant Development & Construction,  
McDonald's Canada



**Sylvain Godard**  
Eastern Regional Construction Manager,  
Restaurant Development & Construction,  
McDonald's Canada

**OPPORTUNITY:** Like many other markets within the McDonald's System, McDonald's Canada is exploring the potential environmental and economic advantages of sustainable restaurant design and features.

**SOLUTION:** In December 2008, the first Canadian McDonald's restaurant built to LEED® specifications was completed in Beauport, Quebec, by owner/operator Guy Dionne in partnership with the Canadian Green Building Council. Everything about the design and construction of this restaurant is aligned with the goal of making it an example of respect for the environment.

**RESULTS:** In November 2011, the Beauport restaurant received official LEED® Silver certification. The restaurant features many innovative sustainable design elements, including:

- 89 percent of the construction waste was recycled or reused, instead of being sent to a landfill;
- A solar back wall that allows the restaurant to recover the sun's heat and reduce energy consumption;
- Almost 40 percent water consumption reduction with low-flow plumbing fixtures;
- Nearly 100 percent of the wood used during construction meets the highest environmental criteria of the Forest Stewardship Council;
- Bicycle storage and changing rooms/showers for employees and two reserved parking spots for hybrid vehicles; and
- Access to natural light and energy-efficient lighting, heating, ventilation and air conditioning systems reduces energy consumption and improves comfort inside the restaurant.



## TOP IDEAS UNDER ONE ROOF



**Stephen Douglas**  
Director, Pilots and Implementation ERDDS, McDonald's Europe

**OPPORTUNITY:** Restaurant buildings offer potential for improvement. It is McDonald's Europe's goal to achieve this and leverage the ensuing benefits.

**SOLUTION:** McDonald's Europe has developed and published green building guidelines for remodels and new stores. The guidelines feature a range of measures to increase a building's efficiency while reducing costs. All recommendations reflect the philosophy that efficiency must always be driven through the implementation of practical, lower-cost measures before considering the adoption of expensive, innovative technologies. At their core, the Green Building Guidelines comprise the standards of: Silver (minimum), Gold (recommended) and Platinum (aspirational) for remodels and Gold and Platinum for new buildings.

**RESULTS:** The guidelines for remodels were introduced in 2009, while the guidelines for new store openings were released in 2010, and are being applied across the markets. Although the guidelines represent internal standards, the principles applied in the documents for new restaurant construction reflect those contained in a range of the separately recognized sustainable development certification programs operating in Europe (e.g. BREEAM in the UK, HQE in France and DGNB in Germany).



"What we see across Europe is a strong move to improve the environmental performance of our restaurants, and our remodelings and new store openings afford us a fantastic opportunity to do so."

**STEPHEN DOUGLAS**  
DIRECTOR, PILOTS & IMPLEMENTATION, ERDDS  
McDONALD'S EUROPE



## IT'S COOL TO BE GREEN



*Pascal Bataille*  
Equipment Director, McDonald's Europe

**OPPORTUNITY:** As early as 1987, McDonald's phased out the potent greenhouse gas, chlorofluorocarbon (CFC), in its packaging. Today, McDonald's Europe's promotion of hydro-fluorocarbon-free (HFC-free) refrigeration technology and its commitment to an HFC-free future makes us once again an innovative leader in the industry.

**SOLUTION:** Over the last decade, McDonald's Europe has taken various steps to advance the development of HFC-free equipment. With the decision to open two HFC-free restaurants in Denmark, a demand for alternative refrigeration technology was created, and McDonald's Europe challenged suppliers to find acceptable solutions and provided a test site. With Greenpeace, the United Nations Environment Program and other major companies such as Coca-Cola and Unilever, McDonald's Europe further promotes the research, development and implementation of HFC-free appliances with Refrigerants, Naturally! In 2005, this joint initiative received the U.S. Environmental Protection Agency's Climate Protection Award, and in 2011 it received the Roy Family Award for Environmental Partnership from the John F. Kennedy School of Government at Harvard University.

**RESULTS:** It is McDonald's Europe's goal to introduce HFC-free options for new or replacement equipment when economically feasible and where allowed by regulation. So far, approved HFC-free alternatives are available for six of the eight pieces of refrigeration equipment: juice dispenser, ice cube machine, frozen fry dispenser, drinks system, reach-in cooler and freezer, and meat/wall freezer. To date, McDonald's Europe has already implemented 1,495 HFC-free meat freezers, 845 frozen fry dispensers and 1025 reach-ins and salad displays and is continuing to work with its suppliers to push for viable alternatives for all of its refrigerant equipment.



## SIMPLE, SAFE AND SUSTAINABLE CLEANING SUPPLIES



*Steffen Kuhnen*  
International Accounts Director, Diversey

**OPPORTUNITY:** Diversey supplies more than 5,000 tons of cleaning supplies to the McDonald's System. The idea behind the Triple S (Simple, Safe, Sustainable) project was to reduce the impact of cleaning chemicals by concentrating the product itself, using less plastic and cardboard packaging, while enhancing user safety and simplicity through a full lockout system for product containers and bottle filling.

**SOLUTION:** Diversey worked to concentrate actual product chemicals for six main products. Within these products, concentration levels vary between double and quadruple compared to the previous concentration levels. Packaging was converted into Low Density Polyethylene (LDPE) pouches, all having a physical lockout to avoid product confusion in the dispensers. Diversey also designed new dispensers, allowing the current cleaning solution packaging to be removed from the restaurant floor. A bottle lockout system was introduced for situations where cleaning solutions must be dispensed into bottles. This prevents cleaning solutions from being added to the wrong bottles.

**RESULTS:** Anticipated results in the McDonald's System after a full rollout are impressive:

1,923 tons of product not being transported and 325 tons of CO<sub>2</sub> emissions reduced from packaging and inbound transport

92 tons of plastic packaging saved

123 tons of cardboard packaging saved



# GREENING THE WORKPLACE

It's not all about what happens in our restaurants. Engaging our employees about the environment and making our offices more efficient and environmentally friendly makes us a stronger company and a stronger brand.



## REIMAGING McDONALD'S UNIVERSITY – BRAZIL



*Iris Barbosa*

*Training Director, Arcos Dorados Latin America*

**OPPORTUNITY:** McDonald's Hamburger University (HU) is an international training and leadership development institute. HU, known as McDonald's University in Brazil, officially reopened its facilities in April 2011 after an extensive remodeling, which included sustainable features to ensure proper use of natural resources.

**SOLUTION:** Sustainability was considered in all stages of the Brazil HU remodeling process. The remodeled facilities were retrofitted to allow responsible use of natural resources and a more efficient structural model.

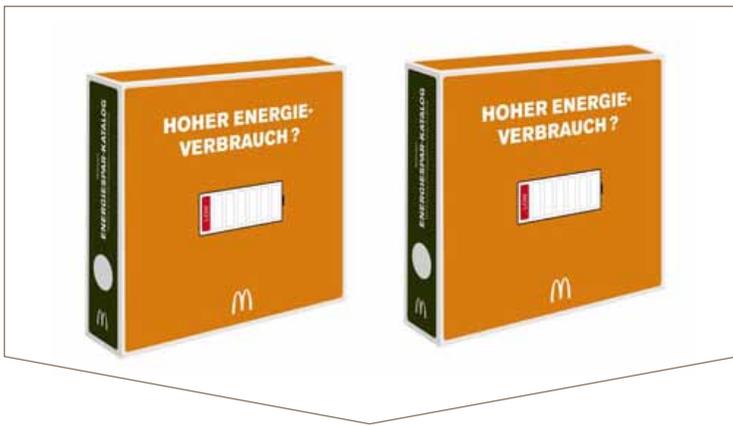
All walls, including office space, restrooms and the lobby were painted with heavy-metal-free paint produced in a low-emissions process.

All debris generated during construction was managed. Metal, cardboard and wood were separated into different dumpsters and then collected by a specialized company for recycling. Other waste was sent to properly accredited landfills. More than six tons of metal was recycled.

Dual-flush toilets were installed, for a potential reduction in water consumption of five times the volume as compared to conventional models. New taps also provide significant water savings, using up to 55 percent less than standard taps.

An energy management system operates electronic devices to increase their performance. LED lighting was installed to reduce electricity consumption while increasing wattage and useful life. Natural light was taken advantage of in lighting design. The furniture was made with certified wood and the carpet was manufactured with minimal waste of raw materials and energy.

**RESULTS:** The building is in the process of obtaining LEED® certification from the U.S. Green Building Council. The Brazil HU, in addition to being a center for training and leadership development, now plays a prominent role in sustainability as well.



## ALL YOU WANT TO KNOW ABOUT SAVING ENERGY



*Mathias Schaetzthauer*

*Department Head Construction and Energy, McDonald's Germany*

**OPPORTUNITY:** McDonald's Germany wants to enable every member of the McFamily to contribute to energy saving.

**SOLUTION:** McDonald's Germany has published an extensive energy-saving catalog featuring a wide range of measures, best practices and ideas to reduce energy consumption. The handbook addresses everybody at McDonald's who is in a position and eager to influence energy consumption: franchisees as well as restaurant and office staff. Here they find everything that is known about energy saving at McDonald's Germany today. It provides general information about energy and specific energy-saving techniques to be applied at the workplace, shows costs and benefits and contains valuable investment recommendations and names of people to contact for further information.

**RESULTS:** At McDonald's Germany, lack of information is no longer an excuse not to save energy. Up to 95 percent of staff members know about the best practice handbook, more than 90 percent find it helpful, and more than 50 percent are using it.



## SUSTAINABLE WORKPLACE EFFORTS ARE GREEN AND GROWING



*Donna Para*

*Senior Director, Workplace Solutions, McDonald's Corporation*

**OPPORTUNITY:** McDonald's strives to provide workplaces that are aligned with the company's sustainability goals and demonstrate environmental stewardship in the workplace. Greener office facilities lead to reduced resource and landfill waste, save on building operating costs and enhance employee pride and satisfaction.

**SOLUTION:** In 2009, McDonald's implemented a comprehensive sustainability program at the home office. This program consisted of 11 specific work threads and related metrics to support a workplace sustainability scorecard that is tracked on a quarterly basis.

**RESULTS:** 2011 Highlights include:

- The Corporate Office Building, Hamburger University (HU), and the McDonald's USA's Plaza building all received the U.S. Environmental Protection Agency's ENERGY STAR label;

- LEED® certification was awarded to USA's Plaza building (Gold) and HU (Silver);

- 68 percent of home office waste was diverted through operational enhancements and increased employee education. This has helped to control disposal costs, benefited the environment and supported several local community agencies; and

- 97 percent of the respondents to the annual workplace survey indicated they were satisfied with efforts to green the workplace.



## SUPPLY CHAIN PRODUCT CHANGE APPROVAL FORM



*Jeffrey Fitzpatrick-Stilwell*

*Manager of Sustainability & Government Relations, McDonald's Canada*

**OPPORTUNITY:** Many items, whether packaging or support items for the restaurants, are changed over time for various reasons. McDonald's Canada uses a change form that requires several sign-offs before a change can be approved. Business managers from several departments must sign off; however, it was recognized that another sign-off should be added – sustainability.

**SOLUTION:** By adding a sign-off requirement for the Manager of Sustainability, it provided that manager with the ability to review all proposed changes and provide input and advice to modifications that have an environmental impact.

**RESULTS:** The Manager of Sustainability is now fully aware of all changes under consideration and has an understanding of why the change is being proposed. This enables a better awareness of the changes taking place and the reason why, but also allows for the possibility of providing important feedback.



## GREENING THE COMPANY CAR FLEET



*Sue Miller*

*Workplace Solutions Manager, Fleet Program and Services,  
McDonald's Corporation*

**OPPORTUNITY:** Design a cost-effective company car program that encourages drivers to select a “green” vehicle over traditional vehicle choices for their business-related driving needs. This needed to be done without compromising program cost and the driver's perception of choice and the overall satisfaction with the fleet program.

**SOLUTION:** After an extensive assessment, vehicles were placed into three specific categories: green, premium or ultra. These categories align with a driver personal use charge that offsets the operating expense of each vehicle type. With this approach the company is able to provide a very generous selection in terms of vehicle choice, while balancing overall program costs. The green category contains high miles-per-gallon vehicles, has the lowest personal use cost of all three categories and contains very well-equipped vehicles at no upgrade cost to the driver.

**RESULTS:** From January 1, 2008 through January 1, 2011 McDonald's achieved:

- A 16 percent increase in the number of green vehicles ordered. Green vehicles represented 48 percent of all vehicles ordered during this timeframe; and

- Greenhouse gas (GHG) emissions per unit were down 10 percent (22.22 percent versus 19.93 percent annual GHG emissions per unit).



## 160,000 CREW MEMBERS PARTICIPATE IN POWER SAVING CAMPAIGN



**Hiroaki Okano**

Director of Corporate Social Responsibility, McDonald's Japan

**OPPORTUNITY:** As the government requested a curtailment in power usage, McDonald's Japan implemented a power saving campaign with the purpose of enhancing the awareness of saving power not only at the head office and stores but also at the homes of the 160,000 crew members.

**SOLUTION:** McDonald's Japan created a special website for crew members where they could find recommendations for power-saving tips at home. For three months (July-September 2011) a competition with incentives was held. More than 300 areas competed on the percentage of crew members who achieved a 15 percent reduction in power usage at home.

**RESULTS:** Nearly 5,500 crew members achieved a 15 percent reduction in power usage from July through September 2011.



## GETTING TOGETHER THE SUSTAINABLE WAY



**Julie Larson**

Project Manager, Meetings & Events, McDonald's Corporation

**OPPORTUNITY:** To create a sustainable meetings culture for all events at McDonald's and encourage the adoption of green meeting principles to factor the environmental impact into the event decisions, the Meetings & Events department encourages all individuals to plan green meetings.

**SOLUTION:** For the past two years, Meetings & Events has been teaching M.E.T. (Meetings & Events Excellence Training), a master series focused on sustainable meetings. The class provides ideas and tools that assist the employees to keep environmental impact top of mind in each phase of their planning. The class also highlights the opportunity to live McDonald's values and seek opportunities that give back to the communities where meetings are held.

One of the most significant accomplishments in 2011 was implemented at the first biennial gathering of more than 16,000 McDonald's USA owner/operators, restaurant managers, staff and suppliers at the three 2011 Combined Manager Owner/Operator Rally (CMOR) events held in Las Vegas and Atlanta.

**RESULTS:** The sustainability efforts of the CMOR events have had both an environmental and community impact.

54 percent of the waste stream was diverted with 1.35 tons of waste kept out of the landfill through hotel soap/amenity recycling. Additional recycling initiatives kept 170,794.2 pounds or more than 85.39 tons out of landfill.

4.5 pallets (1,700 cans) of Coca-Cola and Dr. Pepper products were donated to local charities, including Ronald McDonald House Charities (RMHC) and Las Vegas Rescue Mission.

A team of approximately 14 employees and freelancers partnered with JVT Enterprises, a local McDonald's Operator, to make dinner at the Atlanta RMHC House at Emory University on Easter Sunday for approximately 30 residents.



## DRIVING AN UPWARD TREND IN EMPLOYEE ENGAGEMENT



**Cindy Fitzgerald**  
Manager, Workplace Solutions, McDonald's Corporate

**OPPORTUNITY:** The McDonald's Corporate Green Team has evolved from an events-based group to influencing cultural changes in the way we work. We are environmental brand ambassadors who inspire a sustainable workplace.

**SOLUTION:** The team created a mission and vision this year, and the vision is setting the foundation for planning for 2012 and beyond: To foster a workplace environment where working sustainably is completely integrated into the McDonald's culture and to create an engaged workplace where all building occupants (employees, consultants and guests) are aware of, and individually support, McDonald's environmental sustainability efforts.

**RESULTS:** The Green Team Steering Committee, now more than four years old, consists of members from many departments throughout the home office. Highlights from 2011 include:

**We Make the Difference Challenge** - During this two-week challenge in June, 135 McDonald's employees, made up of 27 teams from six locations, sprang into action to vie for this green title. Points were earned based on energy conservation and waste-reduction habits.

**Landfill Diversion** - Through Green Team personal recycling events, approximately 15,000 pounds of electronic waste was diverted from landfill in 2011. Through an ongoing partnership with Workplace Solutions, additional items are collected, including small electronics, personal shredding, household batteries, toner/ink cartridges, pens and CFL light bulbs. Small electronics and pen recycling also benefit the Ronald McDonald House Charities. New in 2011, holiday lights were recycled in an effort to encourage the use of LEDs.

The Green Team regularly concentrates on what people can do at the home office to reduce energy. Employees make a monthly green pledge to make small changes in their daily work habits including conserving water and energy, recycling, carrying reusable grocery bags and checking tire air pressure more frequently.



## McDONALD'S AUSTRALIA'S TOP 40 SUSTAINABILITY TIPS FOR THE HOME AND OFFICE



**Adrian Cullen**  
National Environmental Manager, McDonald's Australia

**OPPORTUNITY:** As the leading quick service restaurant (QSR) in Australia, McDonald's Australia has a responsibility to always look for ways to reduce its environmental footprint and implement improved business practices. This responsibility extends to raising awareness of, and providing education on, sustainability matters.

**SOLUTION:** To celebrate McDonald's Australia's 40th Birthday, the company compiled 40 top tips to help employees to be more sustainable in the office and at home, including smart choices that will save energy and reduce waste. These simple initiatives are not only beneficial for the environment but have the potential to save employees and the business thousands of dollars each year.

**RESULTS:** This publication, which was circulated to more than 400 head office staff, has received positive reviews from employees. It is regarded as being a helpful tool for implementing sustainable practices in the workplace and at home.



# ALWAYS STAY CONNECTED WITH THE LATEST GREEN IDEAS FROM McDONALD'S:

<http://bestpractices.mcdonalds.com>

McDonald's Global Best of Green is available on the web. Updated regularly, it highlights the leading environmental innovations tested and successfully applied in McDonald's markets around the world.

While you're there, check out McDonald's Global Best of Sustainable Supply, a collection of leading best practices from across the McDonald's supply chain.

To learn more about Sustainability and McDonald's check out: <http://aboutmcdonalds.com/mcd/sustainability/>