

Supplier Code of Conduct



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Introduction

At McDonald's our values define who we are as a brand, they include:

- Serve, we put our customers and people first.
- Inclusion, we open our doors to everyone.
- Integrity, we do the right thing.
- Community, we are good neighbors.
- Family, we get better together.

Our values are integral to how we do business, and we expect our suppliers to respect and promote these values. We seek to develop and strengthen partnerships based on transparency, collaboration, and mutual respect. We recognize that our suppliers are independent businesses and the exclusive employers of their employees. However, the actions of our business partners can impact McDonald's brand, affecting our reputation and the level of trust we have earned from customers and others. We appreciate that suppliers operate in different legal and cultural environments throughout the world. At a minimum, we require that all suppliers and their facilities meet the standards and promote the principles outlined in this Code, which are intended to advance McDonald's commitment to all aspects of sustainability (our planet, food and sourcing, jobs, inclusion & empowerment, and community connection). Visit corporate.mcdonalds.com/corpmcd/our-purpose-and-impact for information on McDonald's commitment to sustainability.

McDonald's Supplier Code of Conduct Scope

The provisions of this Code are in addition to, and not in lieu of, the provisions of any legal agreement or contract between a supplier and McDonald's or any of its affiliates. This Code does not create any third-party beneficiary rights or benefits for suppliers, subcontractors, their respective employees, or any other party.

We expect suppliers, including any supplier owned or managed facilities, to hold their supply chain, including subcontractors and third-party labor agencies, to the same standards contained in this Code. In addition to complying with this Code, suppliers are responsible for complying with the McDonald's Supplier Workplace Standards and Guidance Document (SWSGD) and being aware of and supporting the Standards of Business Conduct for McDonald's employees. All non-compliances must be remediated in an appropriate and timely manner. McDonald's reserves the right to request an audit of any supplier's facility in the McDonald's System.

Compliance with International Standards and the Law

McDonald's is committed to respecting human rights as set out in the Universal Declaration of Human Rights and to developing and implementing its human rights approach in line with the UN Guiding Principles on Business and Human Rights (UNGPs). We respect rights and principles in the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child and are signatories to the Women's Empowerment Principles. We expect our suppliers to conduct their activities in a manner that respects human rights as set out in these international standards and in any relevant legislation ruling on human rights. This Code has been developed with respect of these international standards and we expect our suppliers to also conduct their activities in a manner that respects human rights as set out in these international standards and in any relevant legislation, including but not limited to the European Regulation 2023/1115 on deforestation free products, which requires that certain categories of products are deforestation free and produced in compliance with the legislation of the country of production and the human rights protected under international law.

Suppliers' business activities shall comply with applicable laws and regulations in the countries and jurisdictions in which they operate. This Code applies to activities in the locations where suppliers' goods are produced, where any related services are performed, and where the goods enter the supply chain.

At a minimum McDonald's expects suppliers to always comply with the law. Where local law, international standards, and requirements in this Code differ, we expect suppliers to uphold the standard that provides workers with greater protection.

Suppliers must possess all legally required business licenses and certificates. A system should be in place to receive timely updates to applicable laws and to implement changes as necessary. Copies of applicable laws should be made available in a language understood by the workforce.



Human Rights

Collective Bargaining & Freedom of Association

Suppliers shall respect the rights of workers to associate (or not to associate) with any workers' organization (including unions and councils) and collectively bargain without penalty or interference and in accordance with all applicable laws and regulations.

Worker representatives associated with suppliers, including any managed facilities, are to be freely elected without management interference.

Where freedom of association is not permitted under local law, suppliers should establish forums for direct worker engagement on issues such as health and safety, wages, and hours.

All workers, regardless of union affiliation, must have credible, secure, and confidential channels to report concerns and suggestions to management.

Forced Labor & Responsible Recruitment

Suppliers shall not use any form of slave, forced, bonded, indentured, or prison labor (including work release or out-working programs). They shall not engage in human trafficking or exploitation, or import goods tainted by slavery or human trafficking. All suppliers must have hiring and workplace practices in place that provide voluntary employment with freedom of movement to access basic liberties for all workers.

Workers should be free from pressure, coercion, or threats in any way into accepting a job or to maintain employment, such as threat of denunciation to authorities, law enforcement.

The use of prison labor is not allowed by suppliers directly or within their supply chains, including work release or out-working programs with prisoners leaving prison to work during stipulated times onsite at a factory and returning to the prison after each shift, or the arrangement of subcontracting to a prison.

Suppliers shall take appropriate action to ensure these protections are applied to all workers including to temporary, part time, and full-time workers directly employed, and indirect and contracted service provider's employees.

Legal Status and Documentation

Suppliers shall employ workers who are legally authorized to work in their location and suppliers are responsible for validating employees' eligibility to work status through appropriate documentation.

Responsible Recruitment

McDonald's expects suppliers to abide by the Employer Pays Principle and ILO's general principles and operational guidelines for fair recruitment. Workers must not pay any form of recruitment fees—whether to a private labor broker/employment agent or to the employer itself. Fees include but are not limited to direct or indirect, fines, taxes, bribes, kickbacks, deposits, or bonds for the purpose of employment including recruitment, placement, or punishment. Workers must not pay for any materials required to do their job safely including personal protective equipment and uniforms. Fees paid by workers to obtain or maintain employment must be reimbursed within 30 days of employment.

Migrant Workers and Recruitment Firms

Migrant workers receive pay that is equal with local workers for equal work.

Suppliers and their facilities shall ensure that third-party agencies, recruitment firms, labor brokers and subcontractors provide people employment under voluntary conditions, and that they comply with this Code, the SWSGD, and the law. Suppliers are required to have contractual requirements with their suppliers, employment agencies, labor brokers, subcontractors in compliance with labor laws and regulations. Suppliers must be able to demonstrate that migrant labor agencies are licensed on both the sending and receiving country sides.

Suppliers must pay for repatriation of migrant workers in all cases, including if their employment terminates prior to the end of the contract, except for in cases of documented worker gross misconduct or illegal actions.

Suppliers must have a non-retaliation policy that prohibits reprisals from the suppliers, sending country agency, or receiving country agency, against workers for reporting information on recruitment fees or other unethical practices in the labor supply chain.

Suppliers must have a documented process to check all publicly available national governmental lists or registries that document forced labor violations, such as, but not limited to, Brazil's Ministry of Labor and Employment Registration of Employers who violate Article 149 of Brazil's Criminal Code.

Suppliers cannot keep or withhold any government-issued identification, monetary deposits, or other collateral as a condition of employment. Workers must retain possession and control of their personal identity documents, except for when there is a short-term need to make original identity documents available to government agencies for the processing of visas, work permits, or other legally mandated purposes. Each migrant worker must be provided with individual secure storage, to which only the worker has access, for identity and other legal documents.

Suppliers must provide all workers with written contracts in a language fully understood by the workers at the point of recruitment; Terms of employment outlined at the time of recruitment will not differ in any way from what was being provided at the suppliers, including type or work stated. The employment relationship should be free from contract substitution. The suppliers and labor agencies involved are responsible for ensuring the contract is understood and signed by the worker before starting work. All workers must be able to terminate their contract at any time with no penalties, including financial.

Internal policies must be made available in the language(s) understood by workers including migrant workers.

Underage Labor & Young Workers

Suppliers shall ensure that no underage labor has been used in the production or distribution of their goods or services. Suppliers must never employ anyone under the age of 15 years old. If local law sets a minimum age for employment above 15 years, suppliers must comply with that higher limit. If underage labor is found, suppliers must take immediate remedial action in partnership with a service provider focused on underage labor prevention and remediation.

McDonald's prohibits young workers (considered to be between the ages of 15 to 18) from performing any work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety, morals, or interferes with their education. If underage labor is likely to cause harm or interfere with education, suppliers must offer alternative employment opportunities.

To prevent employment of underage individuals, suppliers must verify age at the time of hire. Note: Suppliers must not withhold original identity documents such as passports and / or identification cards at any time.

Anti-Discrimination, Harassment & Abuse

Suppliers shall promote and maintain a workplace free from discrimination and treat their employees with fairness, dignity, and respect. Suppliers shall ensure that all employment decisions (including hiring, compensation, training, promotion, termination, and retirement) are based on job-related criteria and not on a person's race, color, religion, sex, sexual orientation, age, disability, national/ethnic/social origin, gender identity or expression, union membership, political affiliation, marital or pregnancy status, pre-employment medical exams, or any additional protected classes by law. Workers who are pregnant should be offered alternative working accommodations as necessary and appropriate, including modified hours and break schedules.

Under no circumstances can workers be subjected to medical testing, including HIV and pregnancy testing (either pre- or during employment) unless testing is required for workers to safely perform their jobs. Medical tests may only be authorized if required by law, or as they pertain to the occupational health and safety of the worker and those they interact with. Medical testing cannot be issued until after an employment offer is made.

No form of physical, sexual, psychological, verbal, intimidation or abuse shall be tolerated or permitted.

Suppliers must take additional precautions to ensure no practices interfere with workers' freedom of movement within or exiting supplier owned and managed facilities. This includes ensuring security uses no physical force. Security practices must be gender appropriate and non-intrusive.

Disciplinary practices cannot include corporal punishment, physical or emotional violence, or withholding/deducting wages (including bonuses). Suppliers must clearly communicate disciplinary policies to workers and ensure their staff and contracted third parties uphold these expectations. Suppliers must have a written disciplinary procedure outlining the steps of progressive discipline to correct misconduct or unsatisfactory performance, and this procedure should not include monetary deductions. Suppliers shall ensure that procedures include an appeals process, and that managers and supervisors are trained on appropriate disciplinary measures.

Working Hours & Rest Days

Suppliers shall ensure that a defined workweek is communicated to and understood by all employees. Working hours, rest breaks, and meal breaks must fall within legal requirements.

Employees cannot work more than 60 hours every week, which includes a maximum of 12 hours of overtime. Any overtime worked shall be occasional, voluntary, and compensated at a higher rate.

All workers shall be allowed at least one day off in every seven days. If local law allows, employees may voluntarily work overtime on rest days provided that they are allowed at least one day off within the next seven days. Continuous working days are never to exceed 12 days without a rest day.

Wage & Benefits

Suppliers shall ensure that their workers are paid lawful minimum wage, wage rates determined via collective bargaining agreements, or if neither exist, minimum wage that reflect industry and geographic norms including overtime, premium pay, and equal pay for equal work without discrimination. Wage rates are required to ensure that workers have basic needs and the right to an adequate standard of living as defined in the Universal Declaration of Human Rights. Where there are gaps between minimum wage or wages determined via collective bargaining, and livable wage rates, suppliers must demonstrate a plan is in place to achieve livable wage for all workers.

Wages are to be paid and benefits are to be issued in a consistent, lawful, and timely manner.

Prior to employment, workers must be made aware of their salaries and terms of conditions in the form of a written document. Suppliers must provide workers with a written record of their wages for each pay period.

Workers are entitled to leave privileges/legally mandated benefits, including paid sick leave.

Workers must have sole control over their own bank accounts. Wages are not allowed to be withheld. Deductions are only allowed for the purposes of providing legally required benefits, suppliers can only deduct from wages with written consent of the worker. For supplier provided benefits such as housing and food, suppliers may not charge more than the cost of the provided services. There should be no compulsory savings programs in place for workers.



Land Rights

Suppliers are required to ensure that all land leasing, utilization, and acquisition is aligned with the International Finance Corporation (IFC) Performance Standards including free, prior, and informed consent practices. Suppliers are required to conduct due diligence aligned with local, national, and international standards of land tenure.

Harassment, intimidation, criminalization, and/or violence towards Indigenous peoples or their representatives and human rights, environmental, and land defenders is strictly prohibited.

McDonald's Commitment on Forests addresses deforestation and land rights of affected communities. Suppliers are expected to align with our forest positive approach, and we encourage them to adopt their own similar policies. We require suppliers to abide by any deforestation legislation, including but not limited to the European Regulation 2023/1115 on deforestation free products, and to cooperate with McDonald's to ensure that all required information and evidence is provided to enable products to be placed on the market in accordance with applicable deforestation legislation.

Workplace Environment

Suppliers shall ensure that all workers receive communication and training on emergency planning and safe work practices. Suppliers must comply with the Critical Health and Safety Incident Response Process detailed in the SWSGD for any health or safety related incidents that result in serious injuries or fatality to an employee working in a supplier's facility or their supply chain.

In addition, suppliers shall have systems to prevent, detect and respond to potential risks to the safety, health and security of all employees, visitors, and contractors.

Workers must have access to safety equipment, emergency first aid kits, clean drinking water and sanitary restrooms, separate for workers identifying as women and workers identifying as men, with safe and secure locations with the ability to lock restrooms from the inside for security and privacy. Workers must be able to access and use safe and secure restrooms that reflect their gender identity at all times during working hours.

Exits should be marked, unblocked, and unlocked, and evacuation routes should be well marked, sufficiently illuminated, clear of obstructions, and lead to safe and well-known assembly points.

Suppliers must use experts to regularly assess the physical and structural integrity of buildings, including dormitories, to ensure these structures are capable of housing the machinery and people within, ensuring the property is free of conditions that may cause personal injury.

Everyone should be provided with a secure locker. Where accommodation is provided by suppliers, the dormitory or other housing provided (such as single dwelling homes, or apartments) shall include the same standard of living for all residents. Living quarters must provide a comfortable and safe environment including an individual storage area. Where not intended for family living, workers must be housed in dormitories with other workers of the gender of which they identify. Workers must be free to exit and leave dormitories at any time. All facilities must remain unlocked during working hours.

Supplier provided food must be properly cooked, free from spoilage, and processed, prepared, handled, and stored in a manner that protects against contamination. Food service personnel ensure that multi-use food preparation, serving equipment, and utensils are properly cleaned before they are used.

Environmental Management

McDonald's commitment to environmental leadership is rooted in both how we and our suppliers operate. In addition to proactively managing their own operations, suppliers should influence their supply chains for increased environmental sustainability. We expect suppliers in all categories to have a robust sustainability program that is focused on the suppliers' biggest environmental impacts with commitments to drive ambitious outcomes. Suppliers are responsible for managing, measuring, and minimizing the environmental impact of their facilities and their supply chains.

McDonald's Global Sustainable Sourcing Guide (GSSG) houses all expectations for supplier self-managed excellence in sustainability across categories, including specific commodity and raw material requirements for food and packaging and includes requirements on Animal Health & Welfare, Climate Change, Forests, Human Rights, Packaging & Waste and Water. Suppliers should reference the GSSG for more information and to ensure compliance with those requirements and any relevant legislation on this topic, including but not limited to the European Regulation 2023/1115 on deforestation free products.

Business Integrity

Anti-Corruption, Bribery & Business Ethics

Suppliers shall not engage in any form of bribery, kickbacks, corruption, extortion, or embezzlement, including to or from anyone acting on behalf of McDonald's, such as third-party auditors conducting on-site assessments.

Suppliers shall not take any action that would violate, or cause McDonald's to violate, any applicable anti-bribery law or regulation, including the U.S. Foreign Corrupt Practices Act ("FCPA") which makes it unlawful to give anything of value to government officials, state-owned entities, political parties, party officials, or political candidates for the purpose of obtaining or retaining business.

Suppliers must keep business decisions fair and transparent by avoiding conflicts of interest. Situations must be avoided where suppliers or their employees could profit personally as a result of a relationship with someone connected to McDonald's business.

Suppliers are prohibited from accepting or offering gifts, favors, entertainment, or other personal benefits from those with whom they do business in connection with their work as a McDonald's supplier including McDonald's employees or representatives.

Suppliers and their employees are expected to notify McDonald's immediately through the McDonald's Business Integrity Line if they become aware of any issues involving possible bribery, corruption, extortion, embezzlement, conflicts of interest, gifts, favors or entertainment.

Audits & Assessments

McDonald's reserves the right to audit compliance with this Code. Audits are supplier inspections that include employee interviews and a review of supplier records and business practices. Such audits are conducted by McDonald's or its approved monitoring firm. Suppliers are expected to provide access that includes but is not limited to all production areas, offices, and, where provided, dormitories and canteens/ cafeterias. At McDonald's discretion, audits may be conducted outside of regular working hours / during third shifts. If an audit identifies a violation of this Code, suppliers shall act promptly to correct the situation to McDonald's satisfaction.

Suppliers are prohibited from unethically influencing the results of an audit including bribing or intimidating auditors. Suppliers must not train, coerce, or incentivize workers – also known as employee coaching – to provide information to the auditor that does not accurately represent the true situation onsite.

Record Keeping & Management Systems

Suppliers shall maintain accurate and transparent books, records, and accounts to demonstrate compliance with applicable laws and regulations and this Code. Records should be completed accurately and in a timely manner. There must not be any false or misleading entries in any records, or any separate accounts not reflected in the suppliers' books.

McDonald's expects suppliers to develop and maintain appropriate management systems to help ensure labor, environmental, and business concerns can be quickly identified, prevented, mitigated, acted upon, remediated, and reported against.

Confidentiality, Security & Privacy

Suppliers shall safeguard McDonald's information by keeping it secure, limiting access, and avoiding discussing or revealing such information in public places. These requirements extend even after the conclusion of a supplier's business relationship with McDonald's. Additionally, suppliers must respect the intellectual property rights of others and take appropriate steps to safeguard the information of third parties.

Suppliers must comply with applicable privacy legislation, including but not limited to the General Data Protection Regulation (EU Regulation 2016/679); and federal, state, or local privacy laws, rules or regulations in force in the United States, such as the California Consumer Privacy Act (Cal. Civ. Code § 1798.100 et seq.); and applicable data breach notification statutes.

Subcontractors & Supplier Engagement

McDonald's expects suppliers to clearly communicate this Code and any other relevant McDonald's policies and requirements to their own suppliers and subcontractors. Suppliers must have a record of all subcontractors and ensure they are held to McDonald's standards.

Suppliers must inform McDonald's if a subcontractor—offsite—is used for any part of the production process.

The use of home work is not allowed. For purposes of this standard, home work refers to work performed by non-management workers who are directly involved in the manufacture of a product.

Grievance Mechanism

Suppliers shall create internal programs for handling reports of workplace grievances, including anonymous reports. Grievance mechanisms, including reporting and response management procedures, are expected to be gender-sensitive, confidential, and accessible. Workers must be informed of grievance mechanisms, including McDonald's reporting hotlines. Workers must be able to report potential or actual concerns without fear of retribution or retaliation. All concerns and complaints are expected to be addressed in a timely and appropriate manner.

Whistleblower Protection and Reporting Violations

Suppliers are responsible for prompt reporting of actual or suspected violations of the law, this Code, the Standards of Business Conduct for McDonald's employees, or the SWSGD. This includes violations by any employee or agent acting on behalf of either the supplier or McDonald's. Such programs shall protect worker whistleblower confidentiality and prohibit retaliation.

You may report a violation in any of the following ways:

e-mail: business.integrity@us.mcd.com

Business Integrity Line: 1-800-261-9827

(Callers outside the US may locate access codes by [clicking here](#))