



McDonald's Commitment on Forests and Natural Ecosystems

McDonald's¹ is committed to eliminating deforestation and addressing conversion in our global supply chain by 2030, for commodities and regions where we can deliver the greatest impact. This Commitment is applicable across our supply chains and is consistent with our long-term sustainable sourcing goals.

McDonald's has been taking action to protect forests since 1989 and, in 2014, we endorsed [the New York Declaration on Forests](#), a shared commitment from some of the world's most influential countries, companies, and nongovernmental organizations (NGOs) to help end natural forest loss by 2030. We set out our initial Commitment on Forests in 2015. Since that time, we have continued to make progress on eliminating deforestation² and conversion³ from our supply chain. We have updated this Commitment in 2024 to reflect evolving guidance and best practices.

As a leading global brand, we believe we have a responsibility to leverage our size and position to work towards becoming a forest positive business. We believe being a forest positive business involves making systemic efforts to remove deforestation and ecosystem conversion from key commodity supply chains, reducing our carbon footprint, respecting human rights, and focusing on the programmatic areas and regions where we can deliver the greatest benefits, all while collaborating with others through supplier, landscape, and jurisdictional approaches.

We are guided by the Accountability Framework initiative (AFi) guidance and trusted advisors in determining the regions and natural ecosystems that are prioritized in this Commitment.

We will continue to work throughout our supply chain to achieve:

- No deforestation of natural forests⁴
- Protection of natural ecosystems⁵ and areas of High Conservation Value⁶ by addressing conversion, as relevant to our sourcing, adapting our approach to the local context

¹ In this document, "McDonald's" refers to McDonald's Corporation and its majority-owned subsidiaries worldwide.

² As aligned with Accountability Framework initiative (AFi), deforestation is considered: loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

³ As aligned with AFi, conversion refers to: loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function.

⁴ As aligned with AFi, a natural forest refers to: a forest that is a natural ecosystem (an ecosystem that substantially resembles — in terms of species composition, structure, and ecological function — one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present.)

⁵ As aligned with AFi, a natural ecosystem is an ecosystem that substantially resembles — in terms of species composition, structure, and ecological function — one that is or would be found in a given area in the absence of major human impacts.

⁶ Areas of High Conservation Value (HCV) contain items of biological, social or cultural value that are important to conserve, including rare, threatened and endangered species and their habitats.



- No development of High Carbon Stock Forest areas⁷ for palm oil production
- No new development on peatlands⁸, regardless of depth, and the utilization of best management practices⁹ for existing pre-2015 production on peatlands (e.g., palm oil)
- Respect for human rights as set out in the McDonald's Human Rights Policy and informed by the [Universal Declaration of Human Rights](#)
- Respect for Indigenous peoples and local communities, including the right to Free, Prior and Informed Consent, for such things as plantation developments on land they own legally, communally or by custom
- Resolution of land rights disputes through a mutually-agreed dispute resolution process consistent with applicable law
- Identification of the origin of raw materials
- Support for smallholders and other producers in understanding and complying with our Commitment on Forests and Natural Ecosystems through engagement with suppliers and NGO partners, helping facilitate their active participation in conservation and/or restoration efforts

Scope & Prioritization

To meet our Commitment and transparently report progress, we have embedded specific sourcing, measurement, and compliance requirements for suppliers of priority commodities: beef, soy (initially prioritizing chicken feed), palm oil, coffee, and fiber-based packaging (initially prioritizing primary guest packaging).

We implement cut-off dates for deforestation or conversion for different commodities and geographies, as aligned with the AFi. Cut-off dates can be found on our [website](#). We will continue to review these dates in the future and publish updated time-bound action plans for each priority commodity accordingly.

Governance

Responsibility for implementation of this Commitment and specific sourcing requirements lies with McDonald's Global Supply Chain and market-based teams and suppliers with support from the McDonald's Global Impact team.

As detailed in our Supplier Code of Conduct, we expect all of our suppliers to operate their businesses ethically and abide by all applicable laws and regulations. In addition, we engage with and support our suppliers to help them implement this Forest Commitment across their businesses.

⁷ High Carbon Stock (HCS) Forest areas refer to forests that contain a substantial amount of carbon that would be released if converted to alternative uses and have significant biodiversity value.

⁸ As advised by WWF, the presence of soils containing greater than 65% organic matter is a defining characteristic of peatlands.

⁹ In this context, we refer to the Roundtable for Sustainable Palm Oil (RSPO) Manuals as initial starting points (RSPO Manual on BMPs for Management and Rehabilitation of Peatlands and RSPO Manual on BMPs for Existing Oil Palm Cultivation on Peat).



Any non-compliance or grievances raised regarding this Commitment will be addressed through our internal measures and compliance procedures, in alignment with the [McDonald's Human Rights Policy](#). We will work with our suppliers to investigate and remediate the situation as quickly as possible, as aligned with our Supplier Code of Conduct.

Our Actions

McDonald's will continue to:

- Outline our strategy and time-bound action plan for each priority commodity and report transparently on our sourcing at least annually
- Update our measurement and verification of the implementation of our Commitment on Forests & Natural Ecosystems in alignment with evolving internationally accepted standards and regulations
- Regularly evaluate the risk to forests, High Conservation Value areas, or other natural ecosystems of raw materials to help us remain focused on the materials and regions most urgently requiring action, refining our focus as needed
- Partner with industry, governments, NGOs, and academia and engage with other stakeholders and initiatives, including working with the [Consumer Goods Forum Forest Positive Coalition](#), on industry-wide efforts to help conserve forests and natural ecosystems and help ensure mutual benefits for the workers and communities that rely on them for their livelihoods
- Support our suppliers in helping them implement this Commitment across their businesses while moving to suspend or eliminate purchases from a supplier or producer if an audit or equivalent credible information confirms that they are not adhering to McDonald's requirements, and if they do not acknowledge and immediately move to acceptably remediate the concern
- In line with McDonald's Human Rights Policy, not tolerate retaliation of any kind against anyone who reports an issue nor tolerate unlawful threats, intimidation, or physical or legal attacks against human rights defenders



Timeline of action

This Commitment represents a continuation of our commitment to the environment and society. Below are some of McDonald's key historic milestones and activities which address forests and natural ecosystems:

- 1989 - Beef Amazon Policy (evolved to inform the current Deforestation Free Beef Procurement Policy).
- 1991 - McDonald's Supplier Code of Conduct published.
- 2004 - Global Fiber Sourcing Policy for paper-based packaging which evolved to inform the current policy published in 2014.
- 2007 - Commitment to the Amazon Soya Moratorium.
- 2011 - Sustainable Land Management Commitment which has evolved to inform the Sourcing pillar strategies of McDonald's Global Sustainability Framework.
- 2011 - Sustainable palm oil commitment and [Roundtable on Sustainable Palm Oil \(RSPO\)](#) member.
- 2012 - Founding member of the [Global Roundtable for Sustainable Beef](#).
- 2013 - First disclosure to [CDP](#) on Forests.
- 2014 - McDonald's Global Sustainability Framework sustainable sourcing goals released.
- 2014 - McDonald's endorsement of the [New York Declaration on Forests](#).
- 2015 - Commitment on Forests launched.
- 2018 - Development of the Deforestation-Free Beef Procurement Policy.
- 2018 - Development of the [McDonald's Human Rights Policy](#).
- 2018 - First global restaurant company to announce greenhouse gas emissions reduction [targets](#) validated by the Science Based Targets initiative (SBTi).
- 2020 - We made [substantial progress](#) on our initial Commitment to protect forests, with 99.6% of our beef, soy sourced for the feed of chicken used in McDonald's products, palm oil, coffee and primary fiber used in guest packaging volumes supporting deforestation-free supply chains.¹⁰
- 2021 - Supported development of the [Global Roundtable for Sustainable Beef \(GRSB\) Nature Positive and Climate 2030 goals](#).
- 2021 - Joined Taskforce on Nature-related Financial Disclosures (TNFD) Forum.
- 2022 - Joined the [Consumer Goods Forum Forest Positive Coalition](#), to collaborate with others on a Forest Positive approach relating to our priority commodities.
- 2024 - Commitment on Forests updated to Commitment on Forests and Natural Ecosystems to reflect evolving guidance and best practices.

¹⁰ Calculated as the aggregated volumes of beef, soy sourced for chicken feed, palm oil, coffee and primary fiber-based guest packaging that are supporting deforestation-free supply chains, as a percentage of the aggregated total volumes sourced of these commodities.