

Summary of the McDonald's Deforestation-Free Beef Procurement Policy

The McDonald's Deforestation-Free Beef Procurement Policy ('Policy') was developed to implement the [McDonald's Commitment on Forests](#) in the McDonald's beef supply chain.

This Policy establishes the overall requirements and process to be followed by all McDonald's Finished Product Suppliers and their Raw Material Suppliers (slaughterhouses and meat packers) sourcing cattle for McDonald's beef supply from countries with identified priority regions.

The *deforestation-free beef procurement criteria* are made up from the deforestation and social-environmental aspects of the McDonald's Commitment on Forests, as listed below.

- No deforestation of primary forests or areas of High Conservation Value*
- No development of High Carbon Stock forest areas
- No development on peatlands, regardless of depth, and the utilization of best management practices for existing commodity production on peatlands
- Respect human rights
- Respect the right of all affected communities to give or withhold their free, prior and informed consent for plantation developments on land they own legally, communally or by custom
- Resolve land rights disputes through a balanced and transparent dispute resolution process,
- Verify origin of raw material production and
- Support smallholders, farmers, plantation owners and suppliers to comply with this commitment.

The Policy framework is designed to be implemented globally but can be adapted locally at either country- or biome-level. The Policy was first adapted for implementation in the local context of Brazil and its Amazon and Cerrado biome, in view of the comparatively high deforestation risk in these biomes.

Subsequently, the Policy was adapted for implementation in Argentina, Paraguay, and Australia. Between countries and regions there are differences in definitions on cut-off dates for deforestation, however, locally adopted cut-off dates cannot be later than 2020 and are designed to respect legal requirements, as well as previously existing sectoral or regional agreements.

The Policy is aligned with the Monitoring Protocol for Cattle Suppliers in the Amazon and is also committed to the development of the Voluntary Monitoring Protocol for Cattle Suppliers in the Cerrado.

We engage Finished Product Suppliers to ensure they implement the Policy within their supply chain, and they must ensure that all of their Raw Material Suppliers are compliant with the Policy.

Finished Product Supplier and Raw Material Suppliers are accountable for making sure that any farm within McDonald's supply chain complies with the legal requirements at the country-level, including the Brazilian Forest Code.

McDonald's approved Raw Material Suppliers provide data to Agrottools on the origin of their cattle. An extra requirement for suppliers sourcing from the Amazon is to have a full traceability system with remote assessment in place, including indirect cattle suppliers, from farm of birth through finishing.

Policy Requirements in Brazil

Amazon	Cerrado
No deforestation after October, 2009 for direct and indirect cattle suppliers.	No conversion of natural vegetation after 1 st January, 2018 for direct cattle suppliers.
No presence on the list of embargoed areas of IBAMA ¹ .	No presence on the list of embargoed areas of IBAMA ¹ .
No presence on the Ministry of Labor's slave labor list ² .	No presence on the Ministry of Labor's slave labor list ² .
No potential damage to High Conservation Value land associated to deforestation	No potential damage to High Conservation Value land associated to deforestation.
No overlapping production areas with conservation units or indigenous lands	No overlapping production areas with conservation units or indigenous lands.
Alignment with the Monitoring Protocol for Cattle Suppliers in the Amazon.	

A farm's location may make it a priority, but that does not mean deforestation is happening. For this reason, the locations of direct cattle suppliers in high priority areas are remotely assessed through geospatial tools at to check for compliance with the Policy. When impacts on forests are identified, our suppliers are expected to address the findings through corrective action plans where required.

Monitoring and public reporting on Key Performance Indicators (KPIs) are integrated into the policy, as well as a commitment on supplier engagement. The Policy is reviewed on a regular basis and considers inputs from stakeholders.

¹ Public list of farms that have breached environmental legislation in some way and that are prohibited from producing until they regularize their situation.

² Slave Labour List of the Ministry of Labour and Employment, MTE: a public list of farms assessed on the basis of practices characterized as slave labor or labor analogous to slavery.