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McDonald's® Europe launches Flagship Farms initiative to raise standards in sustainability across the continent

June 18, 2009: McDonald's Europe today launched the new Flagship Farms programme, designed to promote and share the benefits of sustainable agricultural practices via real case studies from real farms in our supply chain. The intention is that demonstrating the benefits of these practices will encourage broader adoption across the European farming community. We believe this is essential for assuring future availability and affordability in Europe of the major farm products used in our menu.

Developed in conjunction with the Food Animal Initiative (FAI), the scheme will showcase the innovative farming practices used, initially at seven progressive farms across Europe via a brand new website. The primary aim is to encourage more dialogue between the farmers who supply McDonald's and to encourage broader adoption across the farming community

Flagship Farms builds on McDonald's Europe's already well established commitment to agriculture, namely the McDonald's Agricultural Assurance Programme (MAAP). Established in 2001, MAAP drives continuous improvements throughout the McDonald's Europe supply chain by using existing farm assurance schemes to assess the standards of farms providing raw materials to McDonald's direct suppliers.

Each of McDonald's' Flagship Farms demonstrates a high level of compliance with MAAP, with impressive innovations in ethical, environmental or economic farming practices which in many cases exceed the criteria of MAAP.

One such farm is Farm Frites in Poland, which has demonstrated good environmental practices in a fast-developing rural economy through a number of innovative processes in a way that is locally relevant. It focuses on best practice in the areas of soil use, water use, energy use reduction and employee welfare. A wide array of technology has enabled Farm Frites to maximise yield and quality while ensuring that agrochemicals and fertilisers are only applied where needed.

Steve McIvor, Director of Food Business, Compassion in World Farming said: "The McDonald's Flagship Farm programme is an excellent new initiative highlighting outstanding examples of successful and sustainable producers. We were particularly impressed by the example of The Lakes Free Range Eggs Company. Their combination of high standards of hen welfare with positive impacts on their local environment and community, provide an inspiring and practical model for other businesses that seek to achieve profits with principles."

Karl Fitz, Chief Supply Chain Officer at McDonald's Europe said, "Across our European business, we are always mindful of the environmental impact of the demand for food and we always look for ways to improve the quality of the raw materials that we use. The ultimate goal of initiatives like Flagship Farms and MAAP is to assure supply, maintain price stability and respond to consumer demand for responsibly sourced, traceable produce - so that everyone benefits - our farmers and suppliers, our business, and our consumers."

The Flagship Farms website is live at www.flagshipfarms.eu.

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About McDonald's Europe

McDonald's Europe is the region's leading foodservice retailer with more than 6,600 restaurants in 40 countries serving over 12 million customers a day. Almost 70% of McDonald's restaurants in Europe are owned and operated by independent local business men and women. Please visit our website at www.mcdonalds.com to learn more about the Company.

Additional case studies:

...**Dempsey Farm, a beef farm in Ireland**, which has demonstrated economically viable beef production with high standards of animal welfare and good environmental management. For example, the owner of the farm helps to preserve the natural habitat by planting one hectare of 'Linnet' (Land Invested in Nature, Natural Eco-Tillage), with oats and kale and leaving it in a completely natural state without chemicals or fertilisers. As a consequence, the area is used as an important food source by a great number and variety of birds throughout the season.

...**Benefica do Ribatejo, a tomato farm in Portugal**, which has demonstrated how close collaboration between producer and grower enables sustainable, safe production and the sharing and implementing of good practice. The farm is part of a joint collaboration of 46 farms in which the Producer/Grower organisation deals directly with the tomato processor. This means that farms can improve return for their tomatoes by ensuring that the supply criteria of the contract is met and can also access professional plant technologists for help and advice on fertiliser, plant protection product applications and water use.

...**the Lakes Free Range Egg Company in the UK**, which has demonstrated how free-range egg production can be undertaken with maximum benefit to the well-being of the flock, while providing a diverse and sustainable business in a rural environment. The eggs produced by the company's 48,000 free range birds comprise 10% of the requirements of the business' packing station, with the remainder contracted out to local farmers. This helps local businesses to find additional ventures to the traditional beef and sheep production from the area and by providing bespoke advice on topics from building construction and breeds of birds, the farm ensure these new suppliers operate effectively from day one. In addition, working with suppliers to plant 6,000 acres of trees contributes towards offsetting CO2 emissions in the area.

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...**Primaflor lettuce farm in Spain**, which has demonstrated how lettuce production in an area of low rainfall can be undertaken through efficient water usage and targeted fertiliser application, improving effectiveness and protecting the natural environment. The farm uses computer software to monitor soil moisture levels, data from the weather station and the amount of water applied via the irrigation system. This allows the farm's technician to assess all these figures and adjust irrigation amounts accordingly, reducing the wastage and environmental damage caused by over-irrigation.

...**Stockland dairy farm in the Netherlands**, which has demonstrated good practice in animal welfare through a range of measures. These include the introduction of dual chamber water beds and grooved anti-slip flooring to improve cow comfort, and weekly foot-bathing and tri-annual foot trimming, which has reduced the incidence of lameness to extremely low levels.

...**Autruy-Sur-Juine, cereal farm in France**, which has demonstrated how soil testing can maximise yields and returns, whilst avoiding over-application, which wastes time and money and substantially increases the risk of environmental pollution. The farm carries out soil testing for Phosphate, Potash, Magnesium and pH, on all the fields every five years. The soil test reports provide information influencing annual fertiliser recommendations and application rules, which optimise fertiliser input. This is especially important for the farm, as it operates within the strict environmental criteria laid down by the number of farm assurance schemes it partakes in.

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