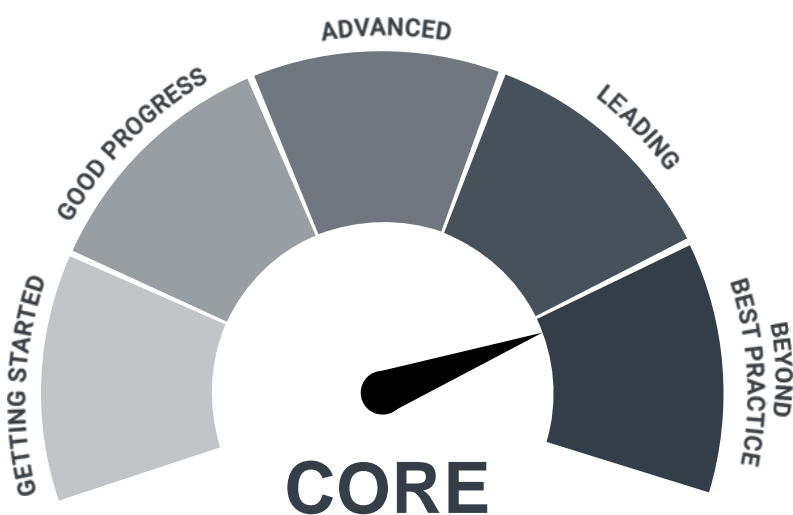
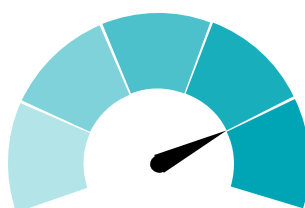


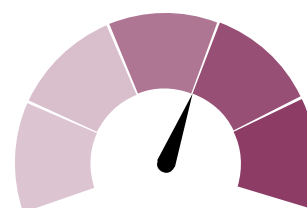
### DASHBOARD



LEADERSHIP



OUTCOMES



OPERATIONS

### SUMMARY

For the 2020 APCO Annual Report, *McDonald's Australia Limited* has achieved Level 5 (Beyond Best Practice) for the core criteria. All seven core criteria were answered and six out of six recommended criteria were answered. In addition, *McDonald's Australia Limited* has either achieved or put in place nine out of ten relevant packaging sustainability targets, and is publicly reporting progress against eight of these targets.

### INDICATORS

This Annual Report shows the organisation's performance against the APCO Packaging Sustainability Framework.

**CORE:** All core criteria.

**RECOMMENDED:** All answered recommended criteria.

**TOTAL:** Sum of all core and answered recommended criteria.

**LEADERSHIP:** All criteria that defines leadership on packaging sustainability.

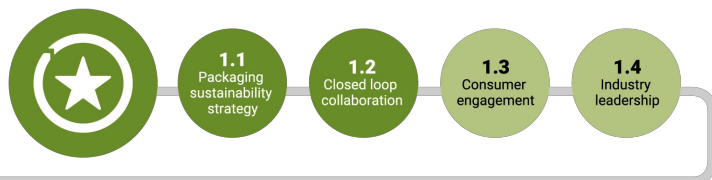
**OUTCOMES:** All criteria that lead to direct improvement in packaging sustainability.

**OPERATIONS:** All criteria related to business operations for improving packaging sustainability.

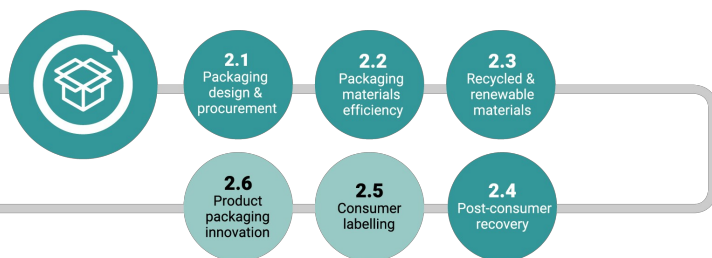
### REPORTING FRAMEWORK

#### OVERVIEW

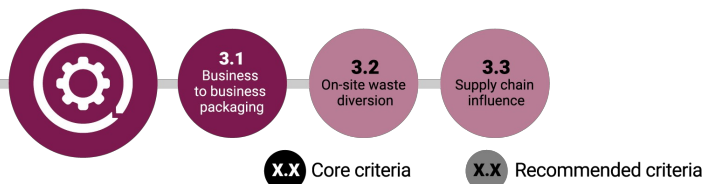
##### 1. LEADERSHIP



##### 2. OUTCOMES



##### 3. OPERATIONS



#### LEVEL DESCRIPTION

##### LEVEL 0

##### NOT YET STARTED

The organisation does not have a plan and has not started investigating options for action under the relevant criteria.

##### LEVEL 1

##### GETTING STARTED

The organisation is developing a plan or is investigating options for action under that criteria (e.g. agreeing on goals and targets).

##### LEVEL 2

##### GOOD PROGRESS

There are documented procedures in place (e.g. to implement the Sustainable Packaging Guidelines) or some progress has been achieved, data tracking shows up to 20% of products have achieved the desired outcome.

##### LEVEL 3

##### ADVANCED

The organisation has specific, measurable targets in place, or data tracking shows that >20% of products have achieved the desired outcome.

##### LEVEL 4

##### LEADING

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. >50% of products have achieved the desired outcome.

##### LEVEL 5

##### BEYOND BEST PRACTICE

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. 100% of products have achieved the desired outcome.

### ABOUT THE APCO FRAMEWORK

The APCO Packaging Sustainability Framework (the Framework) aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The Framework consists of thirteen independent criteria that belong to three separate categories. These categories are (i) Leadership, (ii) Packaging Outcomes and (iii) Operations. The diagram above shows the different criteria included within each of these three categories.

There are two types of criteria within the Framework:

- **Core criteria** are mandatory and must be answered by all Members when completing the Annual Reporting Tool.
- **Recommended criteria** are not mandatory, but Members are encouraged to complete as many recommended criteria as possible.

Each criteria is divided into five levels of performance ranging from 'getting started' to 'beyond best practice'. The diagram above illustrates the key differences between performance levels. Please see [www.packagingcovenant.org.au](http://www.packagingcovenant.org.au) for more information.

### ABOUT APCO

APCO is a co-regulatory, not for profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO promotes sustainable design and recycling initiatives, waste to landfill reduction activities and circular economy projects. APCO Annual Reports are a key Membership obligation, providing Member organisations with a transparent method to track their packaging sustainability performance. Annual reporting also supplies APCO with valuable data and information to identify industry trends and advancements.

## McDonald's Australia Limited

## FREE FORM QUESTIONS

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability.

McDonald's Australia continued to trial paper straw options and progress commitment to eliminate our iconic red and yellow stripe drinking straw by the end of 2020. Once complete this will eliminate 500million plastic straws and 262 MT plastic.

Initiatives implemented in 2019 (savings based on current annual usage)  
Family/dinner box changed to paper bag - saving 619 MT of fibre annually  
PE lined fibre salad bowl with plastic lid transitioned to folded carton - saving 32 MT of plastics and 40MT of fibre  
Portion cup and lid transitioned to 40% R-PET - replacing 24MT of virgin plastics with recycled content.

Wooden cutlery trialed in 2019 for implementation in 2020  
Plastic to wooden cutlery once complete will eliminate 584MT Plastic based on current usage.

## TARGETS

Do you have specific targets to review new products against the SPGs or equivalent?

We review all new packaging against McDonald's packaging strategy which is aligned with SPGs.

Do you have specific targets to review existing products against the SPGs or equivalent?

To review existing packaging inline with Strategic sourcing reviews by category

Do you have specific targets to reduce (optimise) the quantity of material used in packaging?

Eliminate packaging through design innovation, introducing reusable solutions, and encouraging behavior change to reduce usage

Do you have specific targets to improve recoverability of packaging (e.g. reuse, recycling, recoverability)?

By 2025, our goal is to recycle guest packaging in 100% of McDonald's restaurants. Supporting internal commitments to design all packaging compatible with recycling or composting systems also by 2025

Do you have specific targets to use sustainable (e.g. renewable and recyclable) materials in packaging?

By 2025, 100% of guest packaging will come from recycled, renewable or certified sources.

### TARGETS

Do you have specific targets to include on-pack labelling for disposal or recovery?

McDonald's Litterman maintained as a standard inclusion on branded packaging ongoing.

Do you have specific targets to reduce on-site waste sent to landfill?

We have a target to increase the number of restaurants recycling customer packaging supported by re purposing kitchen waste.

Do you have specific targets to improve packaging sustainability through procurement processes?

Commitments are integrated through procurement processes. Supplier performance is managed. All global fibre-based packaging suppliers required to report into CDP Supply chain climate and report into internal sustainability data system.

Do you have specific targets to engage in closed loop collaboration(s) with stakeholders?

Use more recycled materials in our packaging, restaurants, and facilities, and helping to drive global demand for recycled content

Do you have specific targets to reduce (optimise) business-to-business packaging?

None provided.

### COMMITMENTS

The Action Plan detailed below, is a public commitment to advancing packaging sustainability outcomes as a Member of APCO. Members are encouraged to have a comprehensive internal plan with the steps they will take to fulfill their commitments.

#### Criteria 1.1 PACKAGING SUSTAINABILITY STRATEGY (core)

##### 5. Beyond best practice

**Your organisation is committed to:** Publicly reporting progress towards packaging sustainability.

#### Criteria 1.2 CLOSED-LOOP COLLABORATION (core)

##### 5. Beyond best practice

**Your organisation is committed to:** Introducing a documented process to continually identify new opportunities for collaboration or to improve existing initiatives.

#### Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

##### 3. Advanced

**Your organisation is committed to engaging consumers about packaging sustainability by:** (1) Including packaging information on your website or other publications. (2) Applying on-pack claims or labels. (3) Running a marketing campaign.

#### Criteria 1.4 INDUSTRY LEADERSHIP (recommended)

##### 5. Beyond best practice

**Your organisation is committed to:** (1) Investigating collaborative or industry leadership actions to improve packaging sustainability. (2) Being involved in a program or initiative to improve packaging sustainability through collaboration and leadership. (3) Being involved in multiple programs or initiatives to improve packaging sustainability through collaboration and industry leadership. (4) Having at least one leadership initiative externally recognised through an award or other formal process. (5) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.

#### Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

##### 5. Beyond best practice

**Your organisation is committed to:** Evaluating all packaging using a rigorous Life Cycle Assessment (LCA) approach.

### COMMITMENTS

#### Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

##### 5. Beyond best practice

**Your organisation is committed to:** Reducing packaging weight or optimising packaging material efficiency in all products.

#### Criteria 2.3 RECYCLED & RENEWABLE MATERIALS (core)

##### 4. Leading

**Your organisation is committed to:** Incorporating or optimising recycled and/or renewable content in more than 50% of products.

#### Criteria 2.4 POST-CONSUMER RECOVERY (core)

##### 4. Leading

**Your organisation is committed to:** Having more than 50% of primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

#### Criteria 2.5 CONSUMER LABELLING (recommended)

##### 4. Leading

**Your organisation is committed to:** Labelling more than 50% of products with disposal or recovery information.

#### Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

##### 2. Good progress

**Your organisation is committed to:** Evaluating and optimising up to 20% of product-packaging systems using Life Cycle Assessment (LCA) or similar.

#### Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

##### 3. Advanced

**Your organisation is committed to:** Reducing consumption of single use business-to-business (B2B) packaging by more than 20% or optimising more than 20% of B2B packaging for efficiency and reuse.

### COMMITMENTS

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

#### 4. Leading

**Your organisation is committed to:** Investigating opportunities to divert more than 50% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill.

Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

#### 5. Beyond best practice

**Your organisation is committed to engaging its supply chain about packaging sustainability by:** (1) Communicating goals and guidelines. (2) Providing support to suppliers to improve their understanding of goals and strategies. (3) Collaborating with key suppliers to share knowledge. (4) Having processes to evaluate risks and opportunities for influence. (5) Having business processes to monitor supplier compliance.

### SIGN OFF

Kylie Freeland

Supply Chain Director

Thursday, 27 August 2020

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Suite 1102, Level 11, 55 Clarence Street, Sydney, NSW, 2000 ☎ (02) 8381 3700 ✉ [apco@packagingcovenant.org.au](mailto:apco@packagingcovenant.org.au)