
BEST OF

SUSTAINABLE SUPPLY

ETHICAL | ENVIRONMENTAL | ECONOMIC

2010





THE ONLY WAY TO ADVANCE SUSTAINABILITY IS TO ACT, AND WE'RE COMMITTED TO USING OUR SIZE AND SCOPE TO MAKE A DIFFERENCE IN THE WORLD. THANKFULLY, OUR SUPPLIERS ARE AS WELL.

The strength of the alignment between McDonald's and its suppliers has been critical to McDonald's success. I feel privileged to work with suppliers who are committed to providing quality, safe, affordable ingredients to more than 30,000 McDonald's restaurants around the world every day. What's more, our suppliers play a leading role in helping us reach our vision for sustainable supply.

In addition to supporting and complying with McDonald's own sustainable supply standards such as those related to Social Accountability, Animal Welfare, and Environmental Scorecard, many of our suppliers proactively identify innovative solutions that advance ethical, environmental, and economic outcomes in our supply chain. The McDonald's 2010 Best of Sustainable Supply is a collection of leading best practices from across the McDonald's supply chain. We hope that highlighting these best practices will be a source of inspiration and will help drive progress even more quickly.

I want to thank every supplier that works hard to integrate sustainability into its business. Though we were not able to include all the supplier best practices across the System in this publication – there are literally hundreds – it is really all of their efforts that make McDonald's supply chain among the very best in the world.

Of course, there's always more we can do. The road to sustainability is a long journey, and our commitment to continuous improvement is core to helping us drive progress into the future. The only way to advance sustainability is to act, and we're committed to using our size and scope to make a difference in the world. Thankfully, our suppliers are as well.

DOUG GOARE
SENIOR VICE PRESIDENT, WORLDWIDE SUPPLY CHAIN

WELCOME TO THE BEST OF SUSTAINABLE SUPPLY

FIFTY CASE STUDIES HIGHLIGHTING SUSTAINABLE SUPPLY BEST PRACTICES FROM AROUND THE WORLD

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These fifty case studies were chosen by the Sustainable Supply Steering Committee from among hundreds of supplier submissions. We want to thank every supplier who took the time to tell us their story and remind us of the progress our entire supply chain is making toward sustainability.

SUSTAINABLE SUPPLY STEERING COMMITTEE

APMEA: Brian Kramer

EUROPE: Keith Kenny

LATIN AMERICA: Leonardo Lima, Lisa Yee

NORTH AMERICA: Jeff Fitzpatrick-Stilwell, Susan Forsell, Nicole Zeni

GLOBAL: Jose-Luis Bretones, Francesca DeBiase, Jessica Droste Yagan, Erik Gonring, Artemis Hiss, Gary Johnson, Bob Langert, Rona Starr

SUSTAINABLE SUPPLY VISION

McDonald's vision for sustainable supply is a supply chain that profitably yields high-quality, safe products without supply interruption while leveraging our leadership position to create a net benefit by improving ethical, environmental, and economic outcomes.



ETHICAL We envision purchasing from suppliers that follow practices that ensure the health and safety of their employees and the welfare and humane treatment of animals in our supply chain.



ENVIRONMENTAL We envision influencing the sourcing of your materials and ensuring the design of our products, their manufacture, distribution and use minimize lifecycle impacts on the environment.



ECONOMIC We envision delivering affordable food, engaging in equitable trade practices, limiting the spread of agricultural diseases, and positively impacting the communities that our suppliers operate in.

SUPPLIER LEADERSHIP

McDonald's works closely with its suppliers to continuously improve the economic, ethical and environmental impacts of our supply chain. Our suppliers take this responsibility seriously and, in many cases, are leading the way toward a more sustainable supply chain.

In recent years, some of our markets have chosen to recognize exceptional sustainability performance by their suppliers. Winners include:

CANADA: PRIDE PAK, MCCAIN

U.S.: SMITHFIELD, KEYSTONE

EUROPE: SEDA, HAVI GLOBAL LOGISTICS, MCCAIN, CARGILL





HEALTHY EMPLOYEES, IN AND OUT OF THE WORKPLACE: CAPE OIL & MARGARINE



*Pam Addison
Human Resources Manager
Cape Oil & Margarine*

OPPORTUNITY: HIV and substance abuse are common in our country and can affect our workforce. Cape Oil's priority is to ensure the health and safety of our staff.

SOLUTION: The company has employed Maureen de Jong, a qualified Occupational Health Nurse, for the past 16 years. In addition to treating and monitoring all occupational injuries and accidents, she conducts annual personal hygiene and substance-abuse training. The clinic has established and managed company policies on alcohol and drug abuse in the workplace and the management of HIV/AIDS in the workplace. In 2008 the company started offering on-site HIV rapid testing and pre- and post-test counseling, since HIV and drug abuse directly affect our staff and our community as a whole.

RESULTS: Since 2004, Cape Oil has successfully assisted four staff with the management of HIV- and AIDS-related illnesses. Since 2008, its voluntary rapid testing program has shown that 4 percent of those tested are HIV-positive, at which point assistance is provided to manage the disease. Cape Oil has also successfully assisted 37 percent of referrals for alcohol and drug abuse with rehabilitation.

EMPLOYEE WELLNESS

Employee wellness concerns the rights of women and men to obtain decent and productive work in conditions of freedom, equity, security and dignity so that economic growth provides benefits to all. It also covers specifics such as wages and the use of appropriately aged labor. Best practices go beyond the basic obligations of law and McDonald's Code of Conduct to demonstrate proactive support of employee wellbeing.



PASTORAL CARE FOR EMPLOYEES: TYSON FOODS



Devin Cole
SVP & General Manager McDonald's Business Unit
Tyson Foods, Inc.

OPPORTUNITY: Tyson Foods recognized that its team members may experience personal problems such as family concerns, illness, hospitalization, stress, and grief. The company wanted to support its team members during these difficult situations by providing confidential resources.

SOLUTION: Initiated in 2000, Tyson Foods' Chaplaincy Program provides compassionate pastoral care to our team members and their families. This employee-support program with a spiritual foundation, is currently supported by 120 full- and part-time chaplains representing 28 different faith groups. Chaplains are endorsed or approved by their religious faith group to serve as a pastoral caregiver and/or counselor, and are on call 24 hours a day, 365 days a year. They make regular work-site visits, as well as hospital and home visits, and provide a presence of ministry to any team member, regardless of religious affiliation.

Chaplains are embedded at each of our dedicated McDonald's complexes, in addition to our beef, pork and tortilla production facilities. Team members are able to talk in confidence with their chaplains about many issues, including:

- Health concerns
- Marital and family issues
- Substance abuse
- Job and financial concerns

Tyson Foods' chaplains provide premarital counseling, conduct weddings, and celebrate with team members when new babies are born. They also provide cultural support and help integrate new workers who may be struggling to adapt to new and different cultures.

RESULTS: Tyson Foods believes this program provides an extra level of care for team members. The company was honored to be one of seven organizations to receive the 2007 International Spirit at Work Award from the International Center for Spirit at Work, a worldwide nonprofit organization and resource for companies who are integrating spiritual values into the workplace.



PROMOTING EMPLOYEE CITIZENSHIP: FSBFOODS



Cristina Maria Martinez Augusto
IT & Processes Manager
FSBFoods

OPPORTUNITY: The FSBFoods Social Responsibility Program seeks to help employees become more engaged and educated citizens. Voting is the exercise of citizenship and a legal opportunity to choose who will represent us in the governments of our cities, states and country. Nonpartisan discussions stimulate and motivate employees' engagement in political activities. It shows them the importance and positive influence of a conscious vote on the direction of our country.

SOLUTION: FSBFoods launched the Citizen Vote Project in 2010 through a specialized consulting company. This project's purpose is to promote the active participation of all employees in the voting process. We do this through analysis and discussions of relevant issues such as:

- The economy
- Health
- Quality of life
- Education
- Culture
- Environment
- Infrastructure

As part of the learning process, employees are encouraged to participate in a mock election. A few employees will create their own campaign and political platform. The rest of the employees will vote for their favorite FSBFoods' candidate to become "President." The main goal for Citizen Vote is to teach the employees, in an entertaining way, what to consider in a candidate's campaign proposals in order to make the best voting decisions.

RESULTS: Employees better understand the importance of knowing what they are voting for, choosing their representatives in government, and following up with elected politicians to make sure they deliver on their campaign promises. FSBFoods believes that education and exercise of citizenship are fundamental to a sustainable future.



ENRICHING EMPLOYEE VALUES AND SELF-ESTEEM: THE MARKETING STORE



Monica Yim
Senior Director
The Marketing Store

OPPORTUNITY: In 2005, The Marketing Store (TMS) initiated an employee development program for suppliers. The program goal was to enhance production efficiency and output by providing well-rounded development opportunities to their employees and to enrich employees' values and elevate self-esteem.

SOLUTION: The program has four elements.

Widen Knowledge enhanced factory employees' competency in interpersonal skills. TMS encouraged factories to provide training, such as management skill training for supervisory staff, team building techniques, interpersonal relationship/skill training, effective communication workshops and comprehensive training.

Promote Worker's Skills encouraged expanding knowledge in areas like reading, computer skills, communications, video broadcasting, internet online service and arts and museums.

Realize Potential developed workers' potential and encouraged them to build their confidence through job rotation, promotion opportunities, incentives for self-enhancement and recognition/performance awards.

Show Talent exhibited workers' talents through numerous activities, such as basketball, drawing, dancing, paper-folding, calligraphy, choir, guitar, gardening, knitting and chess. TMS kicked off the program with a Talent Showcase for the factories' employees in China in March 2005, providing a platform for workers to show off their talent, creativity and increase their self-confidence. The participants included 8,000 workers and management teams from 13 suppliers.

RESULTS: The 30,000+ employees from our core factories who participated in the employee development program experienced:

- Enriched lifestyles and personal habits
- Increased job competency
- Knowledge and self-confidence
- Enhanced communication and presentation skills
- Increased sense of belonging
- Improved communication between management and workers
- Promoted a spirit of teamwork
- Built friendships at all levels throughout the factories.

The program also facilitated the stability of the workforce, with an average turnover rate of about 12 percent, compared with 20 percent before the program, providing a stable workforce and high productivity. The program also built strong relationships with core suppliers and moved them to adopt social accountability as a business priority.



BETTER HEALTH REDUCES TURNOVERS AND INJURIES: SIMPLOT



Michael Hedley
National Human Resources Manager
Simplot Australia

OPPORTUNITY: Simplot Australia's employee health initiative, the BeWell program, launched in September 2006. It supports employee health by providing free annual voluntary health checks to identify potential health issues. BeWell also challenges individuals to take responsibility for their own health.

SOLUTION The BeWell program is staffed by health professionals who deliver health checks on-site and explain the results to participants. Staff who participate have the following measurements taken:

- Blood pressure
- Cholesterol
- Blood glucose
- Body Mass Index
- Waist circumference

Company-financed programs provide employees with opportunities to enhance their physical and mental well-being through a series of employee-led initiatives and activities that include:

- BRW Triathlon
- Fact sheets on health
- Round the Bay in a Day cycling
- Access to gym facilities
- Oxfam 100km walk
- Smoking-cessation programs

RESULTS: The benefits of the program are two-fold, for the employee and the company. Employees have a high level of awareness and engagement in the program, which is promoted through our internal communication channels. Employees have the opportunity to learn more about their health, understand the risk of preventable diseases and implement healthy eating and exercise programs.

For the employer, the BeWell initiatives may improve productivity and staff morale, while reducing absenteeism and workplace injuries. The BeWell program, in conjunction with other company initiatives, has contributed to below-industry turnover rates and significant reductions in our Lost Time Injury Frequency Rate, Medically Treated Injury Frequency Rate and the number of recorded incidents. Indications show that these measures will continue to improve.



SUPPORTING WOMEN AT WORK: BRASIL FOODS



Gilberto Orsato
Human Resources Officer
Brasil Foods

OPPORTUNITY: About 50 percent of Brasil Foods' employees are women. The company has developed an educational program for pregnant employees, with the goal of helping them attain healthier and more trouble-free pregnancies.

SOLUTION: Different professionals from the company's multidisciplinary health team give monthly talks, attending all three work shifts. Each talk lasts for 45 minutes and covers:

- Anatomy, fertilization and sexual relations
- Pregnancy and the family budget
- Psychological aspects of pregnancy
- Pregnancy and dental care
- Maternal immunization
- Pregnancy and physical activity
- Physical changes and common complaints of pregnancy
- Pregnancy myths and beliefs
- Social aspect of pregnancy and the workplace
- Signals and symptoms of childbirth
- Delivery and pain management
- Care of newborn babies
- Phonaudiology and newborn babies
- Newborn myths and beliefs
- Breastfeeding
- Exercises for newborn babies
- Dental care and newborn babies
- Immunization of newborn babies
- Infant nourishment
- Signs and symptoms of postpartum depression

RESULTS: The program is active at the company's manufacturing plants in Rio Grande do Sul, Santa Catarina, Paraná, Goiás, and Mato Grosso. To date, more than 5,000 female employees have participated in the program.

ANIMAL WELFARE

Animal welfare includes efforts to improve nutrition, husbandry, and welfare during transport and slaughter. It also involves ensuring responsible use of medication, growth promoters and genetic selection. Best practices go beyond basic obligations in our animal welfare standards to demonstrate proactive improvement of animal welfare.



HUMANE SLAUGHTER TECHNIQUES IN CHINA: OSI CHINA



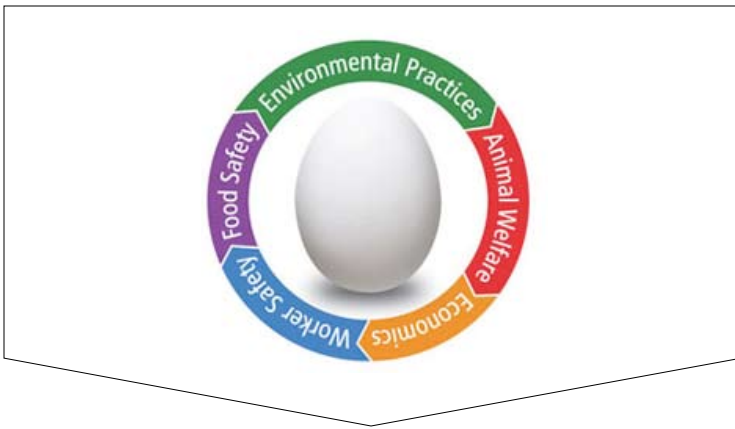
Jenny Qu
QA Manager
OSI China - Husi Food Company, Ltd.

OPPORTUNITY: OSI China wanted to implement animal welfare practices and expand these humane slaughter principles throughout the Chinese supply chain. OSI China's collaboration with the World Society for the Protection of Animals (WSPA), Chinese government agencies and leading Chinese agricultural universities is meant to share global humane slaughter best practices within China.

SOLUTION: Raw Material Quality Assurance Specialists from OSI China successfully passed the training course on humane slaughter by the WSPA and Beijing Chaoyang Anhua Animal Product Safety Research Institute (APSRI). Both WSPA and APSRI invited Husi's trained staff to become the supervisor of the Chinese Humane Slaughter Project and work in conjunction with the Chinese government to implement and enforce humane slaughter measures. These well-trained QA specialists and APSRI will implement these humane slaughter measures throughout all McDonald's suppliers in China.

RESULTS: Local Chinese meat suppliers now follow practices that ensure the welfare and humane treatment of animals in our supplier chain.





SCIENTIFIC SEARCH FOR SUSTAINABLE EGG PRODUCTION: CARGILL KITCHEN SOLUTIONS



Stephanie Quah
 McDonald's Business Manager
 Cargill Kitchen Solutions



Rickette Collins
 Quality Manager
 McDonald's USA

OPPORTUNITY: U.S. commercial-scale research on all the aspects necessary for humane, safe and environmentally and economically sustainable egg production is insufficient, so a group effort to fill the gaps in scientific knowledge is needed.

SOLUTION: The Coalition for Sustainable Egg Supply was formed to address the significant gap in scientific knowledge related to the comprehensive impacts of laying-hen housing systems. The Coalition's goal is to research three laying-hen housing systems, measuring performance across five sustainability factors:

- Environmental impact
- Food safety
- Worker safety
- Animal health and well-being
- Food affordability

The scientific-based research will enable organizations and consumers to make informed purchasing decisions that are ethically grounded, scientifically verified and economically viable.

RESULTS: Cargill Kitchen Solutions and McDonald's are on the leadership team of the Coalition, along with representatives of Michigan State University, University of California-Davis and the American Humane Association. Since the Coalition was formed in late 2009, four additional members have joined the team. Permitting and construction are underway for the research site. The Coalition is active in hen housing debates, advocating the need for additional research on the comprehensive sustainability effects of different housing systems.

FACT-FINDING ON EFFECTIVE STUNNING: OSI EUROPE - ESCA FOOD SOLUTIONS



Jutta Schmid
 QA Manager Raw Material
 OSI/ESCA Food Solutions

OPPORTUNITY: Waterbath stunning is the most common method for broilers, but systematic research about its effectiveness, a core animal welfare requirement, was lacking. OSI/ ESCA Food Solutions conducted a comprehensive study in partnership with universities in Germany and the Netherlands to discover the optimum electrical protocol in commercial slaughterhouses, based on the effects of electrical parameters on the electroencephalogram (EEG) test for brain activity and physical reflexes of broilers.

SOLUTION: A range of electrical setups were applied in commercial waterbath environments under equal experimental conditions to achieve good stunning results, methodically testing parameters such as current levels, type of current, and frequency. Stunning effectiveness was assessed using EEG analysis together with an evaluation of physical reflexes, including the development and evaluation of the EEG Clamp, a non-invasive device for recording brain waves. The aim was to maximize the stunning efficacy and validate the effectiveness by comparing the birds' unconsciousness. Two different currents were tested – AC (alternating current - rectangular) and DC (direct current – pulsed DC 50:50).

RESULTS: The study showed that stunning efficacy is mostly dependent on frequency for both AC and DC stunning. High frequency stunning was not effective, i.e. maximum acceptable frequency at 150 mA is around 400 Hz. Additionally, current plays a major role for AC stunning – low current level showed no efficient stunning results. Physical reflexes such as breathing, wing flapping, and eye reflexes were most always present – even in well-stunned birds – however, eye reflexes were most correlated with the EEG results. In order to account for different processing lines and bird types/ sexes, similar research should be conducted in other areas of the world to validate these findings.

The results of this study were broadly communicated at a number of international symposiums, and OSI/ESCA's research into the optimum integrated electrical setup for slaughterhouses was recently incorporated in EU proposals for improving animal treatment at time of slaughter. Further tests are under way to demonstrate the influence of efficient electrical set-ups on meat quality, like hemorrhages or broken wish bones.



CONTROLLING EXTREME TEMPERATURES: KEYSTONE FOODS



Ken Opengart
Vice President, Live Operations and Processing
Keystone Foods

OPPORTUNITY: Keystone Foods Poultry Division is committed to improving animal welfare and operating under strict animal care guidelines. The company wanted to improve poultry welfare during transportation and reduce the risk of injuring chickens. Poultry operations are complex and cover a very wide radius, so transportation distances between the farms and the processing plant average more than 100 miles. Weather conditions can adversely affect the operations in many ways. During the winter months, the wind chill effect on transported birds is significant and, as a result, the number of birds which die during transport (DOA) increases. In summer months, DOAs are higher because of extremely hot temperatures.

SOLUTION: During winter months, the company instituted a cage-wrapping program using polyethylene stretch film to lower DOAs and improve animal welfare during transportation. Guidelines were developed to instruct catch crews as to when individual cages should be wrapped.

In summer months, the team outfitted a flatbed trailer with fans and a water tank to combat the heat. The trailer is pulled to the farms to cool the birds with a water mist while they are being loaded. The holding sheds at the plant are also equipped with fans and water spray nozzles as well. Electronic sensors are used to turn fan shed water on and off so that an appropriate amount of water is used.

RESULTS: The plant has consistently improved DOA numbers every year since beginning operations. Each year, the company reviews the standard operating procedures and make changes that result in a continuing improvement program for animal welfare and DOAs. In 2009, Keystone's Kentucky Division achieved 54 percent fewer DOAs compared to the industry's average big bird complex.



HEALTHIER DAIRY CALVES: ARLA FOODS



Nic Parsons
Senior Agricultural Manager
Arla Foods



Joy Clachan
Agriculture Assurance Manager
McDonald's UK

OPPORTUNITY: The Dairy-Calf-Partnership (D-C-P) project, jointly funded by McDonald's and Arla Foods for the past 18 months, is intended to deliver benefits to all British dairy farmers as well as those supplying milk to McDonald's. The project, involving 4 dairy farms, is focused on animal welfare issues such as:

- Mobility
- Disease incidence and prevention measures
- Calf health

Processes to improve beef supply chain productivity and reduce losses of calves.

The goal is to create a more efficient and profitable supply chain for dairy farmers supplying calves and beef farmers producing finished animals.

SOLUTION: Monthly mobility scoring is focused on factors that contribute to raised levels of lameness, providing guidance on foot-care treatments and lameness prevention. Samples of blood from newborn calves are analyzed to measure IgG levels, a measure of passive immunity gained by the calf from the mothers' colostrum. Farmers monitor the results, make appropriate changes and track improvements in calf health and reduced mortality. Cows have quarterly samples taken that measure Johne's disease incidence to reduce the risk to the newborn calf by either direct transmission via suckling and/or muck contamination. Cow screening is the first step to eradicating the disease from McDonald's D-C-P project farms. IBR, BVD, Leptospirosis, and Liver Fluke are diseases tested for quarterly via a bulk tank milk sample.

RESULTS: Wider disease-prevalence screening of the herds within the D-C-P project is helping to develop McDonald's strategies that support dairy farmers throughout the U.K. Initiatives to reduce risk by vaccination or other treatment reduce health and welfare issues across the dairy herd. Collaboration with Food Animal Initiative, McDonald's, Arla Foods, and National Milk Records has developed systems, monitoring and improved focus on animal welfare on the project farms. These will lead to proposals for the welfare strategies to be rolled out across the U.K. dairy industry.



COMPREHENSIVE PORK WELFARE: SMITHFIELD FOODS

Smithfield *Bill Gill*
AVP Environmental Affairs
Smithfield Foods

OPPORTUNITY: As the world’s largest hog producer, Smithfield Foods has long understood the importance of the health and welfare of the animals we raise. The company developed a broad-based program that addresses animal treatment, handling and transport – key to not only the animals’ welfare, but also to product quality and business success.


SOLUTION: A number of policies/programs address animal welfare through a framework provided by our Animal Welfare Committee, which includes cross-functional input from a variety of stakeholders. Our comprehensive animal welfare program was developed based on the American Meat Institute’s Animal Handling Guidelines and input from animal behavior and handling experts. Our animal welfare professionals are trained annually and certified through the Professional Animal Auditor Certification Organization. Specific customer requirements are also included.

Third-party audits are provided by organizations like the USDA’s Agricultural Marketing Service. Smithfield Foods’ processing operations use CO₂ stunning which provides for animal welfare while maintaining a high-quality product and efficient processing operations, viewed by many animal scientists, veterinarians and experts as less stressful for hogs. We also have trained and equipped emergency response teams to address all facets of an accident that may occur during transport. These teams work with police, rescue workers, media and the animals to ensure that any impacts of an accident are minimized and addressed efficiently.

RESULTS: We teamed with the National Pork Board (NPB) to develop a unified approach to animal care for the entire industry. Known as Pork Quality Assurance Plus, this is similar to our original program, but is administered by NPB and supported by the National Pork Producers Council. All of Smithfield’s company-owned farms and contract growers have completed certification and site assessments. Jennifer Woods, a livestock handling expert, has praised our emergency response program as “the standard for the industry in live-haul emergency response.”



FREE RANGE EGGS... AND 80,000 TREES: THE LAKES FREE RANGE EGG COMPANY

 *Dave Brass*
Managing Director
The Lakes Free Range Egg Company

OPPORTUNITY: The Lakes was formed 12 years ago with a simple objective – to profitably supply free range eggs to the highest standards of welfare and environmental sustainability.

The company produces only free range eggs at more than 50 supply farms producing to levels above the already-high requirements established by the British BEIC Lion and Freedom Foods standards.

SOLUTION: Each of its farms is stocked at only 1,000 birds per hectare (about 2.5 acres), tighter standards than both U.K. and EU regulations require. The company has planted more than 80,000 native species trees in recent years, benefiting its birds as well as native wildlife, plant and tree species. Each supply farm has a minimum of 20 percent of the ranging areas planted with trees to encourage essentially timid birds to range widely in large numbers, safe in the knowledge they are protected from predators.

Birds are reared within 70 miles of laying farms to avoid welfare issues on long, stressful transport journeys. As far as the company is aware, the Lakes is the first and only egg company in the U.K. to be “Investors in People” qualified, with structured staff training actively encouraged for all. Production units have been designed with natural ventilation, producing up to 70 percent more efficient use of energy, and all farms have Biodiversity Action Plans designed to national U.K. standards and biodiversity aspirations, as well as written stewardship plans as to how they will conserve and develop their environmental farming credentials.

RESULTS: The Lakes was selected as part of the launch of the McDonald’s European Flagship Farms programme. The production system of low-stocking, single-tier, naturally ventilated units with tree enriched ranges developed at the Lakes with some of its partner customers such as McDonald’s is regarded as one of the highest welfare systems in the UK.

Science has shown that well-feathered birds experience less stress, lower disease levels and better production. Work at the Lakes in the last 2-3 years with its range enrichment has resulted in significant improvement in feather score and the associated beneficial effect that has on animal welfare.



CLIMATE / ENERGY

The primary ways that our direct suppliers can reduce their carbon footprints is through increasing energy use efficiency or use of renewable energy. They can also demonstrate best practice by identifying other reductions in greenhouse gas emissions and taking steps to reduce them.

CLIMATE CHANGE SUPPLY CHAIN ENGAGEMENT: CONAGRA FOODS



Marcella Thompson
Director Sustainable Development
Conagra Foods

OPPORTUNITY: As one of North America's most prominent food companies, ConAgra Foods understands it can influence the marketplace to act responsibly through purchasing decisions. By promoting an open dialogue with suppliers and business partners, ConAgra aims to address many important issues, including sustainability.

SOLUTION: To encourage greater awareness and transparency related to climate change issues, ConAgra Foods became a member of the Carbon Disclosure Project (CDP) Supply Chain Leadership Council (SCLC). In 2009, ConAgra requested that its top 65 suppliers and select co-manufacturers disclose information related to their own greenhouse gas management programs to the CDP. Approximately half of these suppliers voluntarily participated, and more will be encouraged to do so in subsequent years. Engaging the supply chain in this effort is important for two reasons:

It allows better identification and assessment of risks associated with climate change by providing insight to carbon intensity across the supply chain and the measurement and transparency encourages suppliers to take action to reduce their greenhouse gas emissions.

Participation in the SCLC provides ConAgra with insights to participating supplier's carbon emissions and management programs through annual performance tracking using standardized metrics across companies. Performance scoring is focused on emissions awareness, reporting, reduction efforts and implementation practices.

RESULTS: Through the SCLC, ConAgra Foods receives a customized dashboard report highlighting performance results, including best practices by other SCLC member companies. By requesting suppliers to participate, ConAgra sends a clear message that climate change ranks as a high priority.



COMPREHENSIVE WASTE-TO-ENERGY SOLUTION: GILLS ONIONS



Nikki Rodoni
Director of Sustainability
Gills Onions

OPPORTUNITY: Gills Onions wanted to improve energy efficiency and reduce costs and greenhouse gas emissions at its Oxnard facility, the largest fresh-cut onion processing plant in the world. According to the University of California-Davis, food processing is California's third largest industrial energy user. Electricity prices are a significant cost factor as onion processing facilities require extensive chilled water and space refrigeration.

SOLUTION: Gills developed a comprehensive solution to convert its waste into energy through an Advanced Energy Recovery System (AERS). The AERS extracts onion juice from the onion waste – up to 30,000 gallons/day – and transforms it into energy using an advanced, high-rate anaerobic digestion system to produce methane-rich biogas powering two 300-kilowatt fuel cells. The remaining waste becomes high-value cattle feed, supporting another agriculture market. The solution includes a heat transfer loop to collect waste heat around the facility and deliver it where needed.

RESULTS: This sustainable waste-to-energy solution converts 100 percent of our onion waste into ultra-clean, renewable energy and high-value cattle feed – eliminating up to 14,000 tons of CO₂ equivalent greenhouse gases and providing about 60 percent of our annual power. The combined heat and power efficiency of the AERS now approaches 90 percent, compared with 30 percent for conventional power generation, resulting in a positive environmental impact factor of 3:1.

Ted Barnes of the Gas Technology Institute says the AERS "...combines energy and waste reduction goals into a successful model for sustainable agriculture and food production facilities worldwide." Gills achieved annual savings of \$700,000 in electricity costs and \$400,000 for avoided diesel fuel, which was previously used in equipment to transport, compost and land-apply onion waste. Gills is also a founding member of The Climate Registry.



HARNESSING THE ENERGY OF POTATOES: FRISCH & FROST



Gerfried Pichler
Managing Director
Frisch & Frost

OPPORTUNITY: Measures to improve energy efficiency and conserve resources are a central theme for Frisch & Frost. The company looks to increase energy independence and optimizes all plants to reduce long-term energy consumption. Furthermore, "from soil to soil" reflects the goal of returning to the soil what has been taken from it.

SOLUTION: Frisch & Frost processes all its biogenic waste at its own biogas plant onsite at Hollabrunn, Austria. In the organic gas facility, both the liquid waste (production effluent from washing and rinsing the raw material) and the solid material (waste potatoes and production waste) are treated to use the potato by-product's energy content. The solid waste matter is sieved, finely grated into a porridge-like consistency and pumped into the organic gas reactor for conversion to gas. The fermentation residue is delivered to farmers, who use it as high-quality, natural fertilizer on their potato fields. The gas is linked to a generator via block heating to produce green electricity. The electricity produced now feeds the public grid. Heat produced by the block heating process is used to heat water in the plant. Excess heat is used to preheat the dryer on the french fries production line.

RESULTS: The organic gas facility produces about 6 GWh energy per year, which supplies 2,000 houses with electricity and saves 30 percent of on-site electricity. This helps reduce CO₂ emissions by 1,050 tons per year and cuts nonrecyclable waste by 12,060 tons, or 60 percent, in 2009. Heat recovery from the block heating process produces 4.2 GWh per year, which results in gas savings of 4.6 GWh and reduces CO₂ emissions by 890 tons. In total, Frisch & Frost reduces about 1,940 tons CO₂ emissions per year and saves about 40 percent of total electricity and gas consumption.



RECOVERING BIOMASS FOR ENERGY: INALCA JBS



Giovanni Sorlini
 Head Dept Quality Assurance, Safety and Sustainability
 Inalca JBS

OPPORTUNITY: Inalca JBS's goal is to achieve self-sufficient renewable energy production by exploiting the energy content of organic waste and byproducts from cattle slaughter and processing.

SOLUTION: Inalca JBS developed a Green Energy Self-Sufficiency Program – from waste to energy system – that will ultimately convert tallow, other animal byproducts and liquid and solid organic biomasses to energy through an innovative network of processes. Today, the Inalca JBS slaughtering plants recover up to 50 percent of these biomasses and transform it into green energy through new biogas and composting plants. The anaerobic digestion and composting processes comprise the first step in a rapid plan towards a complete system of using biomass for energy production. Through 2012, Inalca JBS is staging the implementation of a combination of combustion, cogeneration and thermal technologies that will create energy from all the different types of biomasses.

RESULTS: By 2010 Inalca JBS will produce around 2,500 MWh of energy from 104 daily tons of biomass. This will provide up to 3 percent of its energy needs and save up to 1,000 tons of CO₂ emissions. By 2012 Inalca JBS will produce 76,000 MWh from 499 tons, which is around 82 percent of predicted energy needs. The CO₂ savings of up to 30,000 tons will represent a more than 60 percent reduction of energy-related emissions. A secondary environmental benefit is avoiding the nitrogen pollution that would otherwise occur if the organic waste were directly spread on land, in full compliance with regulations protecting water from nitrogen pollution on vulnerable lands (Dir 91/676/CE - D.lgs 152/2006).



ENERGY EFFICIENCY IN TOY FACTORIES: THE MARKETING STORE



Monica Yim
 Senior Director
 The Marketing Store

OPPORTUNITY: In 2008, The Marketing Store (TMS) took proactive measures to enhance energy efficiency by minimizing energy consumption and using renewable energy in core factories. The objective was to reduce the environmental impact of factory operations and upgrade the client's corporate and product image.

SOLUTION: TMS initiated an energy reduction program with our suppliers by setting annual measurable reduction targets. Our suppliers have taken various measures using advanced equipment to achieve efficient energy usage. Using the example of New Area Toys Limited in Zhuhai, China, the equipment includes:

- Energy-saving injection machines
- Environmentally friendly air-conditioning
- An energy-saving hot water system
- T₅ fluorescent tubes with electronic ballasts

Alternative energy sources for equipment, like a solar hot water supply system installed in New Area's dormitory to reduce the need for diesel oil.

In addition, TMS has helped its suppliers modify operation and administration procedures and provide awareness education and promotion to employees in order to reduce energy consumption. TMS also conducts regular audits at the factories to monitor energy reduction and evaluates plan effectiveness by monitoring energy consumption every quarter.

RESULTS: The energy savings from using advanced equipment in New Area, compared with ordinary equipment, have been significant:

- Energy-saving injection machines, 30 percent
- Environmentally friendly air-conditioners, 40 percent
- Energy-saving hot water system, 40 percent
- T₅ tubes with electronic ballasts, 35 percent

Dormitory solar hot water system, the equivalent of 20,000 liters of diesel oil per year, which reduces 53,600 kg of CO₂ emissions.

Broader environmental results also result from the education of more than 60,000 employees on the importance of saving energy and environmental awareness.



HARNESSING THE WIND: MCCAIN FOODS



Richard Marcroft
McDonald's Business Unit
McCain GB

OPPORTUNITY: McCain aimed to move away from energy generated by fossil fuels toward energy from renewable sources, helping to meet the U.K.'s international obligations and capturing significant financial savings.

SOLUTION: The company invested £10 million to construct three of the U.K.'s most powerful on-shore wind turbines at our Whittlesey site, the largest fry factory in the U.K. During the 18-month planning and installation process, McCain consulted extensively with local stakeholders and conducted an assessment of the potential noise that the turbines would create. Due to the large distance of the turbines from the nearest property, they concluded that noise contribution from the turbines would be at, or below, current background levels, and would not be an issue. The company also engaged with other stakeholders – including Fenland District Council, Network Rail and Environment Agency – to make sure concerns over turbine plan approval were addressed. All stakeholders were supportive and, through mutual cooperation, McCain and various local groups managed to secure the support of the local community. A survey was also commissioned to ensure the turbines would not interfere with bird migration patterns.

RESULTS: The turbines now provide up to 60 percent of the annual electrical power required to operate the plant annually, reducing CO₂ emissions by 10,000 tons in 2009. When the plant is not operating, surplus electricity is sold back to the National Grid.



FREEZE WITH THE SUN: HAVI LOGISTICS



Christoph Thünemann
General Manager Corporate Communications & Environment
HAVI Logistics

OPPORTUNITY: According to the HAVI Logistics environmental principles, and in line with our corporate culture, we want to affect the environment as little as possible by our activities. One objective, wherever possible, is to ensure that we do not leave the sun unused as a gigantic, inexhaustible power plant.

SOLUTION: HAVI Logistics became fascinated with the obvious contradiction that we could use the enormous heat of the sun to produce cold air to store McDonald's products "deep frozen and chilled" in our warehouses. We were driven not only by the smart use of existing energy from the sun, but also awareness of effective energy use generally. We found the perfect opportunity to install the most efficient photovoltaic solar energy plants at our Distribution Centers in the southern countries of Europe (pictured here, Pedro de Bernardo, Managing Director HAVI Logistics Spain and Patricia Abril, President and Managing Director McDonald's Spain). The annual exposure to the sun's rays is between 1,350 and 1,750 kWh/m². The first two solar plants are now successfully producing energy for our freezers and chillers, and we have installed our first solar hot water system.

RESULTS: In Osuna, Spain, more than 60 percent of the total energy needed for cooling will be delivered by the sun. In Monterotondo, Italy, the solar energy plant already covers 65 percent of the energy needed for the freezer and 52 percent of the energy used for the chiller and cool dock. In Portugal, we are almost independent from natural resources to provide warm water for the personal hygiene needs of our employees. Tapping the sun has reduced CO₂ emissions by 422 tons per year.

WASTE

Best practices in the category of waste include those they promote reductions of waste in production, reductions of hazardous waste, and reductions of waste to landfill.



HAPPY AFTER-LIFE FOR TOYS: CITADEL INFORMATION MANAGEMENT & HAVI GLOBAL SOLUTIONS



Steve Mortensen
Product Manager
Havi Global Solutions



Paul F. Swenson
President/CEO
Citadel Information Management

OPPORTUNITY: In managing the process of securely disposing of excess Happy Meal® premiums, HAVI Global Solutions has engaged our suppliers to explore and implement recycling initiatives. The premiums are securely shredded and sent to recyclers who sort the materials and distribute them to various other suppliers for use in their products. Additionally, 100 percent of the corrugated boxes are baled and recycled.

SOLUTION: With a significant number of Happy Meal® premiums to be disposed of in 2009 due to regulatory compliance, coupled with the secured disposal requirements for expired inventory, HGS partnered with Citadel Information Management to explore and implement secure recycling of both Happy Meal® premiums and corrugated boxes. Initial time studies were conducted to determine the throughput and value of manual sorting. This led to the validation of Citadel's capital investment in automated machinery. In addition, extensive networking was conducted by Citadel to locate suppliers capable of processing the resulting materials.

RESULTS: In 2009, this initiative enabled Citadel to recycle nearly 90 percent of residual premium materials – reducing our landfill waste to merely 10 percent of prior levels. The total recycled materials of both premiums and corrugate in 2009 resulted in the following estimated environmental impact: 1,357 tons of recycled plastics (representing 5,223 barrels of fuel oil saved and 6,785 cubic yards of landfill saved) and 635 tons of recycled corrugated boxes/paper resulting in an estimated savings of \$3.3 million in extrapolated cost avoidance from paper mills using recycled vs. virgin paper (representing 10,795 trees, nearly 4.5 million gallons of water and 2.6 million kilowatts of energy).



DECANTER TECHNOLOGY SAVES OIL: OSI EUROPE - ESCA FOOD SOLUTIONS



Claudia Holzem
Environmental Officer
OSI/Esca Food Solutions

OPPORTUNITY: A key objective of any robust sustainability plan is the prevention of waste. With its “Decanter” technology, OSI/Esca Food Solutions sought to reduce the amount of waste frying oil used in the production process. In 2002, the yearly amount of waste or ‘old’ oil (oil that fell outside set internal specifications and quality standards) accounted for about 220 tons.

SOLUTION: OSI/Esca Food Solutions, in cooperation with a mechanical engineering company, developed a special technology, formerly used in the milk processing industry and modified to filter hot and greasy frying oil.

RESULTS: By using the Decanter and adjusting the production process, the yearly amount of waste frying oil has been continuously reduced since 2002 and now stands at 10 tons – a savings of 95 percent.



ZERO WASTE TOLERANCE: GILLS ONIONS



Nikki Rodoni
Director Of Sustainability
Gills Onions

OPPORTUNITY: At Gills Onions, sustainability means taking full responsibility for identifying reduction and diversion opportunities for all materials produced or consumed in our operational processes. To this end, we set a goal of achieving zero waste by 2010. As a reference point for this initiative, we measured all waste streams to determine how close we were to this zero waste goal. At Gills Onions, onion waste represents 99 percent of the solid waste generated (100-150 tons daily), while material waste comprises the remaining 1 percent.

SOLUTION: In 2009, we began diverting onion waste to produce electricity and cattle feed. Moreover, we set a target to double landfill diversion of material waste to 50 percent by 2010 and to reduce the overall amount of waste generated by at least 10 percent. To accomplish these objectives, we improved our internal processes to recycle all film plastic, cardboard and other paper products. Additionally, we deployed waste minimization strategies aimed at curbing the use and unnecessary waste of materials such as paper towels, tissues and gloves. We also made improvements to dispensers and practices in our facility.

RESULTS: We estimate that by implementing a comprehensive recycling program, expanding our waste reduction initiatives and quantifying material use, waste diversion will amount to 99.5 percent by the end of 2010. According to the results from a waste characterization conducted in January 2010, we are on target to achieve our goal: material waste has declined by 12 percent, diversion from landfill has increased from 25 percent to 53 percent, and 100 percent of our onion waste (1.5 million pounds per week) is being diverted from disposal to create renewable energy and nutritive cattle feed.



BANKING ON POTATO WASTE: AGRARFROST



Thomas Modigell
Plant Manager
Agrarfrost

OPPORTUNITY: Agrarfrost saw the potential benefits in recycling potato waste materials. The goal was to improve and protect the habitat for local plants and animals.

SOLUTION: During the processing of the raw potato material, stones, soil residues, plant parts, and potato stems were mechanically rejected, separated, and disposed of by conventional means. Today, our recycling equipment separates all materials into their respective individual parts so they can be used further. For example, larger quantities of stones are used in cooperation with fishing organizations for re-naturation of spawning grounds in local waters. In addition, we are providing rejected stones to nature protection associations who use them to build stone banks as habitat space for protected species such as lizards.

RESULTS: Species are now being protected by providing sorted stones from the potato washing process to aid in establishing stone banks to help native lizard species and to provide attractive spawning grounds for the local fish.



MAKING LESS PACKAGING GO FARTHER: BRASIL FOODS



Joaquim Goulart Nunes
Technology and Quality Director
Brasil Foods

OPPORTUNITY: The objectives of Brasil Foods' Packaging Research and Development Team are to reduce the volume of raw materials used in packaging, then optimize packaging and palletization to transport more products using the same space.

SOLUTION: Brasil Foods reduces packaging consumption by testing new materials, specifications and dimensions that permit a reduction in the weight of the packaging without altering the volume it contains. A basic premise is that the quality of the new packaging must be at least equal to that of existing packaging. The company optimizes palletization by altering the shipping case depending on the way the products are packed, since the dimensions of the cases determine the quantity of product that can be placed on a pallet. Using software that permits a three-dimensional view of the entire process (product -> case -> pallet), altering the way a series of products are stacked increases the number of cases transported per pallet. This engineering solution makes it possible to increase the cubic efficiency of packing, moving the same number of items on a smaller number of pallets.

RESULTS: As a result of research performed in 2009, the following reductions were achieved in the volume of packaging materials:

- Corrugated cardboard, 384,067 kg
- Flexible packaging, 148,396 kg
- Labels, 52,770.181 kg
- Rigid packaging, 21,761 kg
- Sterilized cartons, 6,088 kg
- Metal, 1,578 kg

These improvements lower our environmental impact, either by reducing the consumption of natural resources used in the production of packaging material and/or by reducing the amount of solid waste generated after use. In 2009, improvements to the palletization process enabled us to reduce the number of pallets used by 50,775 pallets per year, the equivalent of 1,953 truckloads, thus contributing to a reduction in greenhouse gas emissions.



NEW LIFE FOR PACKAGING: THE COCA-COLA COMPANY



Laura Vasant
Sustainability Manager
The Coca-Cola Company

OPPORTUNITY: The value of packaging is often seen as a paradox. Packaging plays an essential role in meeting consumer needs and preventing waste by effectively protecting products during delivery. However, once emptied, packaging is considered by many to be a wasteful and burdensome problem. The Coca-Cola Company is actively working throughout its system to create solutions that prevent waste over the life of its packaging.

SOLUTION: The Coca-Cola Company envisions a world where its packaging is no longer seen as waste, but as a valuable resource for future use. Coca-Cola works toward achieving this vision in many ways. One is to invest in sustainable technologies that enable greater use of recycled content in its packaging. Using these technology advances, the company has been able to achieve up to 50 percent recycled content in its PET bottles and 60 percent recycled content in the corrugated box of its bag-in-box fountain package. Another way the company is working toward its vision is to give packages an “afterlife” by transforming them into products consumers use every day. In 2007, Coca-Cola invested in designing and producing sustainable fashion apparel and accessories made from recycled PET (rPET) bottles. In 2010 the Coca-Cola Company, along with Emeco, will introduce the iconic Navy Chair made with rPET. The original Navy chair can be found in some McDonald’s restaurants around the world.

RESULTS: Coca-Cola collects or recovers more than 35 percent of the equivalent bottles and cans it sells. The goal is to increase recovery to 50 percent by 2015. In February 2008, Coca-Cola received the National Recycling Coalition’s prestigious “Recycling Works” award recognizing the Company’s recycling goals, commitment to sustainable packaging and investment in recycling infrastructure.



TURNING WASTE INTO VALUABLE COMPOST: CARGILL MEATS



Mike Richtig
Environmental Manager
Cargill

OPPORTUNITY: Cargill wanted to reduce landfill waste at its meat plants and extract value from waste.

SOLUTION: Cargill’s Beardstown facility received state approval and constructed a site to compost all agricultural waste from its plant, combining it with other cellulose material to create a valuable compost material. Cargill’s Wapello facility followed suit, working with a third-party contractor to provide the same service.

RESULTS: Cargill Pork Beardstown was able to eliminate 95 percent of land applied and landfill waste materials. The Wapello facility also found efficiencies, eliminating as much as \$63 per ton of landfill costs. Other Cargill Meat plants have adopted this practice, reducing Cargill Animal Protein’s direct land application and landfill volumes by more than 75 percent over the past five years. This has created a winning situation for Cargill, local partners and these local communities.



WATER

Suppliers may demonstrate best practices in the category of water by improving water use efficiency or reducing water pollution.

SAVING WATER IN CHINA: MCCAIN FOODS

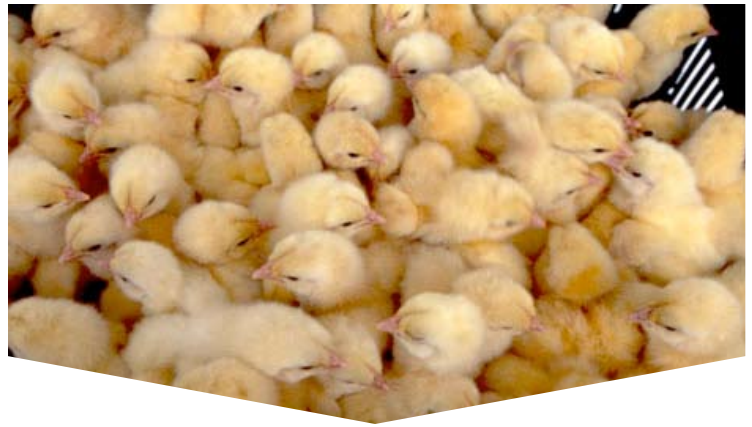


Steve Ash
Plant Manager
McCain

OPPORTUNITY: China supports 20 percent of the world's population with only about 7 percent of the global water supply. In northern China where McCain Harbin is located, the shortage of water is particularly acute. To preserve our future, Harbin launched a water-saving campaign in 2009.

SOLUTION: McCain Harbin installed a blancher energy recovery system to reclaim water and energy. Recovered water is used to flush drains, preserving an estimated 56,000 tons of fresh water each year. We installed water meters to monitor water use for different applications and purchased high-pressure cleaning units to replace high-flow rate cleaning hoses. Employees have been trained on simple steps they can take in their daily work to save water and educated on the importance of conserving this precious resource. Employees are now using squeezes to clean floors instead of hosing the floor waste with large amounts of water. Treated waste water is used for watering lawns, which is low cost and provides nutrients to the lawn.

RESULTS: Water use has dropped from 14 liters per kg of finished product to under 10 liters per kg of finished product. This represents a 30 percent improvement in the first year.



TEAMING UP FOR WATER CONSERVATION: KEYSTONE FOODS



Ken Opengart
Vice President, Live Operations and Processing
Keystone Foods

OPPORTUNITY: Keystone Foods' USA Proteins division is committed to reducing water consumption in all its facilities. In fact, the Georgia division pledged to decrease water use by 10 percent, while the Kentucky division made upgrades and maintenance a top priority. These plants decided to apply new, innovative techniques to wastewater treatment in order to conserve water.

SOLUTION: Water conservation teams were formed in both Equity Group Georgia and Kentucky to focus on best management practices. Various projects, including low-capital investments, were created in an effort to reduce water use. In the Kentucky Division, inefficient water screens were replaced, equipment costs were controlled by adding wastewater trenches to divert flow during peak hours and the number of outdated nozzles decreased as more effective ones were installed. In the Georgia Division, similar projects were introduced:

Manual handwashing stations were replaced with demand sensors.

Flow-restricting orifices were installed where continuous running water was necessary.

Water conveying systems were replaced with belt ones.

Reuse systems were used where practical.

Demand cutoff sensors and control valves were installed to eliminate continuous flow of specific equipment.

Total plant pressure was reduced and controlled with the installation of a new regulator.

RESULTS: These innovative improvements produced excellent results. In 2009, the Georgia Division reduced water consumption by 21 percent from 2007 while the Kentucky Division achieved a 10 percent reduction in one year. In 2009, the Georgia Division saved more than 126 million gallons, and the Kentucky Division conserved 49 million gallons. These investments proved to be essential in the reduction of water use.

TRACKING WATER'S FOOTPRINT: CARGILL MEATS EUROPE



Hugo Jansen
Business Development Manager
Cargill Meats Europe

OPPORTUNITY: Because water is a scarce resource, Cargill Meats Europe wanted to understand how much water is used across the chicken supply chain dedicated to McDonald's in Europe.

SOLUTION: Cargill Meats Europe researched available software and selected the water footprint tool developed by the World Business Council for Sustainable Development to assess water use by source for all the key steps in its supply chain, from hatcheries to farms to slaughterhouses and to further processing locations. Water use was measured by source (municipal/borehole/surface water). The analysis even included the water used to grow crops for broiler feed.

RESULTS: Water use was mapped by supplier and geographic location and plotted against FAO/United Nations maps that indicate future water scarcity areas. The study allowed Cargill Meats Europe to confirm that the majority of water consumed in its broiler supply chain is sourced in areas where water is abundant, but it also illustrated some locations where water will become restricted - valuable information for future raw material sourcing decisions. Based on experience from the first study, the tool has been refined and is currently being used to produce a comprehensive water footprint based on 2009 data.



WETLANDS SOLUTION AND VALUE: KEYSTONE FOODS



Ken Opengart
Vice President, Live Operations and Processing
Keystone Foods

OPPORTUNITY: Keystone's objective with this project was to create a discharge water treatment system that would increase its hydraulic capacity and improve the quality of water being discharged into the receiving stream. It also had to provide significant wildlife benefits while remaining cost effective.

SOLUTION: After conducting extensive research, Keystone determined that the most economically and environmentally sound solution for our specific situation would be to construct a wetland treatment system. Equity Group Eufaula Division consulted with environmental engineers and constructed a 50-acre wetlands habitat with rapid infiltration beds.

RESULTS: By creating this wetland treatment system, Keystone has been able to treat the discharge water produced by its facility effectively while keeping in compliance with state and federal discharge treatment requirements. This wetlands system allows increased production by its facility due to the increased hydraulic capacity of our wastewater treatment system. The resulting habitat sustains a wide variety of wildlife species--including fish, birds, invertebrates and plants--by providing food and cover for them. This system also provides a high level of wastewater treatment for low operational costs and very low energy use.



MAKING THE MOST OF WATER: CARGILL MEATS CANADA



Mike Vanderhorst
Director Environment, Health and Safety
Cargill Meats Canada

OPPORTUNITY: The objective at the Cargill Meats Canada London facility was to reduce freshwater use and improve working conditions for employees in the poultry processing business. The Primary Department uses fresh water to prepare birds for further processing. The system to chill these birds to their proper temperature uses approximately 268,000 litres (71,000 gallons) of water per day. The facility also evaluated using recycled water a second time from the HVAC system to pre-rinse the empty chicken crates.

SOLUTION: Two rotary screens were installed. The Chiller Rotary Screen filters out the solids from the chillers' overflow water system, which reduced the amount of solids going to the Waste Water Treatment Plant. The chilled water is now pumped to a make-up air unit in the Primary area, cooling the room for the employees. The water is then sent to a booster pump at the crate washer to create high pressure water, helping to remove large pieces of material off the crates before they go through a fresh water and sanitizer spray. The Bird Washer Rotary Screen filters out the solids from the bird washer overflow water system. The water is recycled now to cool the vacuum pumps and recycled again to be pumped to the crate washer, helping to remove large pieces of material off the crates before they go through a fresh water rinse and sanitizer spray.

RESULTS: Freshwater consumption has been reduced at this facility by 28 percent over the past 24 months. Literally 100 percent of all the chilled overflow water is being recycled twice. Employees are now working in a cooler environment during the summer months. The use of fresh water at the crate washer entrance has also been eliminated. Finally, the facility is now able to provide cleaner crates, thus reducing the possibility of cross contamination back to the growers.



MORE EFFECTIVE WATER USE: OSI GROUP



Greg Rich
Site Operations Manager
OSI Blacktown

OPPORTUNITY: Reduce water consumption through recycling and rain water capture processes.

SOLUTION: OSI's approach was to capture and recycle defrost water from the spiral freezers on its processing lines at a rate of approximately 20 kiloliters per day. They achieved this simple, inexpensive and effective solution by increasing defrost water storage capacity by 11 kiloliters, giving a total storage capacity of 34 kiloliters. Rainwater harvesting was incorporated when the additional water storage tanks were installed. Defrost water collected from the spiral freezers and rainwater capture is now used for replenishing evaporative losses on five cooling towers. This water also services amenities like toilets, truck wash and facility landscaping. In addition, the defrost mechanism on one freezer evaporator coil was converted from water to hot gas, further reducing water usage on the site.

RESULTS: The hot gas defrost initiative has reduced water usage by 3,600 kiloliters per year. Fresh water make-up to cooling towers has been reduced by 1,500 kiloliters yearly due to increased defrost collection storage capacity and rainwater harvesting. Total annual water cost savings are \$13,000 at a capital cost of \$19,000, resulting in a payback period of 1.5 years.



WATER STEWARDSHIP COMMITMENT: THE COCA-COLA COMPANY



Laura Vansant
Sustainability Manager
The Coca-Cola Company

OPPORTUNITY: Water is fundamental to the Coca-Cola Company. Its business is beverages, and water is the main ingredient in all of its products. Water is also vital to the health of the communities it serves and the ecosystems that the world relies on. For these reasons, the Coca-Cola system (the company and its bottling partners) has committed to safely return to communities and nature an amount of water equivalent to what it uses in its beverages and their production.

SOLUTION: The Coca-Cola system is intensely focused on water stewardship in three areas: reduce its water ratio – the amount of water needed to produce a unit of product (efficiency); recycle water used within its operations (wastewater treatment); and replenish the water used through community water access, watershed restoration and protection. To ensure progress in each of these areas, the Coca-Cola system has established partnerships with governments, nongovernmental organizations and communities.

RESULTS: Through its partnership with World Wildlife Fund, the Coca-Cola system is working to improve its manufacturing water use efficiency by 20 percent by 2012. At the end of 2008, the company had already seen a 9 percent water efficiency improvement versus its 2004 baseline. Through comprehensive water recycling efforts, Coca-Cola has committed to return all water used in its manufacturing processes to the environment, at a level that supports aquatic life, by the end of 2010. To meet its replenishment goals, the company has been involved in more than 250 community water partnerships in 70 countries since 2005. These efforts include the support of local initiatives including the protection of watersheds, expansion of community drinking water and sanitation access, and agricultural water-use efficiency.



RAW MATERIALS

One common way that our suppliers demonstrate best practices across many issues is to extend our sustainable supply vision upstream in their supply chains to raw materials production. This can include making positive impacts on issues like agricultural working conditions, soil fertility, soil erosion and contamination, water conservation, GHG reductions, responsible use of agrochemicals, protecting biodiversity, and promoting long-term economic viability of producer communities.

RESEARCHING METHANE REDUCTIONS: KEYSTONE FOODS



Jean-Francois Legrand
Director of Quality, Health, Safety, Environment
Keystone Foods, Europe Division

OPPORTUNITY: To support its ISO 14001 certification, Keystone Foods' McKey France division decided to calculate its carbon footprint according to the French Environment and Energy Management Agency's (ADEME) guidelines. McKey sought to understand the role of cattle-related greenhouse gas emissions better in order to support reductions in the future.

SOLUTION: McKey partnered with the French National Institute of Agronomic Research (INRA) to study the impact of changing cattle feed on young bulls to reduce methane emissions. By varying the feed levels and composition, methane levels are currently tracked during the beginning, middle and end of animal growth with the help of a tracer gas.

RESULTS: Intermediate results have given Keystone promising information, and the study will help define the right feeding to limit cattle impact on future greenhouse gas emissions.





SUSTAINABLE TOMATO FARMING: H.J. HEINZ COMPANY



Joan Patterson
Corporate Affairs Leader
H.J. Heinz Company

OPPORTUNITY: Tomatoes are one of the world’s largest crops, and the H.J. Heinz Company uses 2.5 million tons of processing tomatoes, more than any company in the world. Therefore, we have both the unique opportunity and responsibility to demonstrate leadership in sustainable tomato farming.

SOLUTION: By implementing a holistic sustainable agriculture program focused on tomato seed development and farming practices, we enhance the quality of the tomatoes in Heinz products while protecting the earth and ensuring a region’s livelihood for future generations. Since 1970, HeinzSeed has developed non-genetically modified hybrid tomato seeds that result in tomato varieties that taste superior, produce a higher yield, remain ripe longer, require less water and resist disease. As part of Heinz’s agricultural training program, launched in 2000, a global team of tomato experts teaches farmers about sustainable practices such as water conservation and management, soil analysis and restoration, nutrient conservation and management, pesticide management, hybrid seed and plug transplant guidelines, and energy conservation and management.

RESULTS: Heinz’s seed development and sustainable farming initiatives have resulted in significant advances in tomato agriculture. In Canada, for example, tomato yields have increased by 110 percent, increasing from 20 tons per acre to 42 tons over the past 20 years. Approximately 50 percent of Heinz tomato growers have adopted irrigation efficiency through drip application methods over the past five years, resulting in a 35 percent reduction in water use. Now, 98 percent of tomatoes used to make Heinz Ketchup sold in Canada are grown within 100km of Heinz Canada’s Leamington plant. Heinz will continue to deliver superior-quality tomatoes and tomato products to consumers while working with growers to institute ever-more productive, efficient, safe and sustainable agricultural practices that benefit the environment, the local economy and the lives of Heinz growers.



INFLUENCING A FISHERY TO IMPROVE SUSTAINABILITY MANAGEMENT CONTROLS: ESPERSEN



Per Hansen
VP - Head of Breeding Division
Espersen



Keith Kenny
Senior Director Sustainability
McDonald’s Europe

OPPORTUNITY: One of the main objectives of McDonald’s Sustainable Fishery Standards is to actively influence positive change when possible, not just abandon fisheries where improvements are needed. Timelines are set for improvements. Espersen shares our goal and therefore actively committed to work with others to promote more sustainable practices in the Barents Sea cod fishery. The particular focus was on improving fishery controls to prevent illegal fishing, even though internal traceability systems ensured that no illegal fish entered Espersen’s system.

SOLUTION: Espersen, together with six other European seafood enterprises, McDonald’s and the association of European fish industry, developed a set of rules directing that Russian cod from the Barents Sea would be allowed to be imported at only a few ports in the European Union. In addition, all transportation aboard a ship flying a flag of convenience would be banned. These proposals were incorporated by the EU Commission and the Norwegian fishery authorities, who also blacklisted the Russian fishery vessels that had participated in the illegal catches. The industry committed to not buy from any vessels that had been blacklisted.

RESULTS: The rules to combat illegal fishing were partially launched in the spring of 2007. Today, the authorities in a few selected EU ports maintain a tight control with the import of cod from the Barents Sea. These ports guarantee to Espersen and other purchasers that demands of correct documentation have been met. Also, reports on the quantity of catches are submitted to both the Norwegian and the Russian authorities to enable a later crosscheck. As a result, landings of illegally caught cod from the Barents Sea are now history. In addition, the fishery has shown significant improvement in other areas and recently completed pre-assessment for Marine Stewardship Council (MSC) certification.



SUSTAINING CATTLE PRODUCTION IN BRAZIL: MARFRIG



Roberto Ruban
Global Accounts Director
Seara / Marfrig

OPPORTUNITY: In addition to complying with McDonald's strict policy against sourcing any beef from rainforests for its restaurants since 1989, Marfrig has also implemented broader initiatives in other parts of its supply chain to support sustainability in cattle production, ensuring ethical practices and supply chain sustainable productivity.

SOLUTION: Marfrig's Beef Division in Brazil created a partnership with state governments in devising a program for guaranteeing the legal origin of animals. Marfrig's share of the animals slaughtered in the Legal Amazon in 2009 was approximately 7%.

Since June 22, 2009, Marfrig has made very clear its commitment not to acquire cattle from: a) areas embargoed by the Brazilian environment agency IBAMA, b) newly deforested areas in the Amazon Biome (as of that date), c) suppliers involved with forced labor which are blacklisted by the Brazilian Labor Ministry, or d) cattle ranchers involved with indigenous land and protected area disputes. Marfrig affirms its commitment to remove all non-compliant farmers from its supplier list, even if only a single farm has been found noncompliant, until they are all in compliance. An independent auditor has been enlisted to audit cattle acquisitions in order to verify this commitment.

In addition, Marfrig has developed a socio-environmental registry of suppliers in partnership with local NGO Aliança da Terra. By registering farms, Marfrig will assess suppliers' commitment to sustainable cattle ranching practices in addition to monitoring any new deforestation around the company sites in the Amazon Biome. As part of these initiatives, Marfrig has been giving lectures to cattle ranchers about social and environmental laws, new global market demands and benefits from being responsible. The company is a member of The Sustainable Cattle Ranching Working Group's executive management committee and chairs the governing board.

RESULTS: As of April 6, 2010, 80% of farms supplying Marfrig from the Amazon were identified, registered and are being monitored. The other 20% will be completed by August 2010.



BIODIGESTERS ON SWINE FARMS: SADIA



Tim Hrach
Global Accounts Manager
Sadia

OPPORTUNITY: Sadia's Sustainable Swine Production Program (3S) is focused on reducing the environmental impact and promoting the sustainable development of its integrated Swine Production. It also aims to reduce greenhouse gas emissions and make carbon offsets available for negotiation.

SOLUTION: Sadia implemented 3S with the installation of 1,104 biodigesters in integrated swine farms that voluntarily joined the program in the states of Rio Grande do Sul, Santa Catarina, Parana, Minas Gerais and Mato Grosso. The biodegradable waste is fermented in covered tanks, avoiding the emission of methane, a greenhouse gas 21 times more aggressive than CO₂. The program has enabled the farms to comply with environmental rules and objectives. In addition, Sadia is eligible for carbon offsets provided by the Kyoto Protocol.

RESULTS: Reducing greenhouse gas emissions has lowered the environmental impact of swine production. To date, Sadia has negotiated 2,460,000 tons of CO₂ with the European Carbon Fund (ECF). Farmers are also benefiting from additional income, since the biodigester generates byproducts such as biofertilizers for agriculture use and biogas that can be transformed into energy. There is also a reduction of swine odor and other factors that can be harmful to health. The initiative adheres to global standards and was recognized in the UN report "Creating Value for All: Strategies for Doing Business with the Poor" as one of 50 relevant private initiatives on the planet.



PALM OIL SUSTAINABILITY MODEL: CARGILL TROPICAL OILS



Bruce Blakeman
VP Corporate Affairs
Cargill

OPPORTUNITY: Cargill sought to receive Roundtable on Sustainable Palm Oil (RSPO) certification for Cargill Tropical Oils Asia's Hindoli Oil Palm plantation.

SOLUTION: Cargill has owned and operated its Hindoli plantation since 1995. The plantation has been such a strong model for sustainability that the Indonesian Government has used Hindoli as their prime example of sustainable palm oil production. To certify the palm oil produced by the plantation as sustainable, Cargill joined the Roundtable on Sustainable Palm Oil (RSPO) in 2004. RSPO's sustainability criteria address land conversion, land rights, biodiversity, high-value conservation forest protection, fertilizer and pesticide use, labor rights, effluent management, community development and transparency. Cargill exceeds RSPO criteria by also committing to conserve peat land and pledging not to use burning to clear land. The RSPO criteria were finalized for Indonesia plantations in May 2008, and Cargill's Hindoli plantation received RSPO certification in February 2009.

RESULTS: Hindoli has fully integrated the RSPO criteria into its daily operations, ensuring that sustainability is central to all aspects of its operations. Sustainability has become part of the entire workforce's job. In addition, Cargill is now working with environmental NGOs to share its experiences with other plantation operators. A significant development is that the Cargill Hindoli team has worked very closely with our more than 8500 smallholder farmer families to become RSPO-certified. The Hindoli smallholder certification audit was completed in February 2010. The certification process now requires public consultation and then final RSPO board approval. This will be the first group of smallholder farmers to be fully RSPO-certified on their own accord. The relationship between company and farmers is deeply rooted in mutual success.



BREEDING A BETTER POTATO: MCCAIN FOODS



Gary Hawkins
Director Global Variety Innovation
McCain Foods

OPPORTUNITY: To produce a safe, healthy, high quality process potato crop with emphasis on new variety selections that improve economic and environmental sustainability. We must also meet the quality needs of our customers, growers and the company in diverse growing environments.

SOLUTION: At McCain, we have an extensive new variety development program. We have expanded the use of new varieties with higher yields, improved quality and consistency, greater disease and pest resistance, tolerance to growing season stress and the ability to be harvested earlier than traditional varieties. Production programs are in place with a target of 40 percent growth in the proportion of the global crop derived from new varieties from 2009 to 2011. Even varieties that do not go directly into MacFry production have the benefit of reducing overall pressure on the growing region. In this way, McCain's diverse mix of retail and FS business in partnership with McDonald's is symbiotic, allowing for variety diversification and ongoing supply of gold standard Mac Fries. Through this activity, we have been able to lessen water consumption, reduce application of crop protection

RESULTS: Examples of variety development activities enabled:

- United States: An approximate irrigation water reduction of 140 million gallons and nitrogen reduction of 141,000 lbs 2009 vs.2008
- Europe: Major new varieties are used requiring, on average, 18 percent less pesticides vs. standard varieties.
- Argentina: A new variety has replaced 90 percent of standard variety production. It requires 18 percent fewer pesticides.
- Australia: A new high-yielding early variety accounted for 17 percent of production with 40 percent less pesticides and 28 percent less water use in 2009. This percentage of production will rise to 33 percent in 2011.



BUILDING A SUSTAINABLE SUPPLY CHAIN IN INDIA: MCCAIN FOODS



Devendra Kumar
General Manager Agriculture
McCain Foods

OPPORTUNITY: Employ leading agronomy practices and technologies to conserve resources and increase the viability of local agriculture leading to sustainable, high quality potato sourcing.

SOLUTION: McCain India's Agronomy team built long term relationships with growers based on a willingness to offer contracts for supply that assured a price to the grower. They then convinced growers to adopt modern irrigation practices, highlighting the benefits through demonstrations on the McCain pilot field and through extensive training programs. The end result is lower water use, greater sustainability of the land, superior crop yield and potatoes that meet McDonald's strict quality expectations.

McCain agronomists would first visit farmers every other day. Now they check in once a week. They insisted that farmers give up flooding in favor of drip irrigation, which flows through a pipe punctuated with small nozzles laid along the crop-bed. Drip irrigation produces "more crop per drop". It moistens the soil at each root, but leaves the ground otherwise dry. This in turn reduces the humidity that attracts pests and blight disease. Additionally, McCain:

- Advocated use of flat bed planting instead of furrows to utilize more land for growing crops

- Supported use of mechanized planters enabling planting at the right depth to optimize yield

- Provided a standardized list of fertilizers with monitoring to ensure optimum dosage

- Worked with local governments to provide additional support in the form of farmer subsidies

RESULTS: New agricultural practices have produced better yields for the farmers, which has led to a significant rise in their earnings. With the procedures recommended by McCain, the farmers have been able to improve their yield by over 3 tons per hectare (a 40 percent improvement). The yield improvement has been achieved by using substantially less water. It is estimated that there has been a reduction of about 50 percent in water use versus traditional methods of cultivation. Having seen the benefits of these agronomy practices, farmers have started adopting these practices to other crops and through word of mouth more and more farmers are eager to join this silent farming revolution.



COMMUNITY IMPACT

Giving back to the community is a longstanding priority of McDonald's, and one of our core values. Innovative and outstanding examples of charitable giving, volunteering, and investing in local infrastructure are just some of the ways that our suppliers could demonstrate best practice in this category.

FIGHTING HUNGER: TYSON FOODS



*Devin Cole
SVP & General Manager McDonald's Business Unit
Tyson Foods, Inc.*

OPPORTUNITY: Tyson Foods seeks to augment and leverage the 8-10 million pounds of in-kind contributions it makes to hunger relief each year, creating hunger awareness and taking action toward ending hunger. The objective was to create innovative ways to engage stakeholders including employees, customers, consumers and communities in the fight against hunger.

SOLUTION: Tyson has launched a number of major initiatives including:

- Powering the Spirit, an employee-led program to raise funds for child hunger programs in our local communities

- Student Food Drive, piloted with Feeding America Food Banks in 18 communities to develop the next generation of hunger fighters

- Comprehensive social media program that focuses on the issue of hunger and hunger fighters and collaborative efforts with retail and food service customers to donate food and generate awareness in the customers' own communities.

RESULTS: Powering the Spirit has raised more than \$400,000 in the past four years, solely on the efforts of employees. The Student Food Drive engaged thousands of high school students and raised more than 3 million pounds of food in 2009. Tyson has been recognized by authoritative sources including Fast Company magazine for the innovative use of social media for social good, including the Hunger Relief Blog and a widely-followed Twitter account focusing on the issue of hunger. The company expanded customer collaboration, including a McDonald's of the Ozarks Cans for Coffee promotion in Springfield, Missouri, to which Tyson contributed more than 36,000 pounds of food to the local operator's food drive. Tyson also worked alongside McDonald's during the 2009 LPGA Championship to kick off the Fill a Truck food drive for the Maryland Food Bank, in which 2.3 million people were exposed to media messages around the partners' hunger relief efforts.





GREEN ORCHARDS BEAR FRUIT: CREATA



Jim Tout
Sr. VP Global Operations
Creata

OPPORTUNITY: Creata sought to implement a long-term ongoing strategy targeting carbon neutrality for Creata's Shenzhen office and Creata Happy Meal plastic and plush toy manufacturers while simultaneously assisting local village communities in China escape poverty.

SOLUTION: Creata partnered with local communities in China to implement a "green orchard" pilot program in March 2009 aimed at compensating for the energy consumption of Creata and Creata's toy manufacturers in China. The program targets carbon neutrality in 10 years to offset electricity consumption by planting more than 200,000 fruit trees (walnut and plum) including 25,000 trees for each plastic factory (10 years to carbon neutral, according to International Energy Agency Data Services), 10,000 trees for each plush factory (four years to carbon neutral), and 3,000 trees for the Creata Shenzhen office (six years to carbon neutral). Participating factories will make contributions based on their total electricity consumption. The trees will be planted in the impoverished rural communities of China coping to rebuild after the devastation of the Sichuan earthquake, allowing grassroots villagers to achieve sustainable independence through community development. The land is provided by local communities, while the trees will be nurtured by local villagers who can eat and/or sell produce once they become fruit bearing. Partner villages and nurseries will be monitored throughout the year through local contacts. Tree saplings will be given conditionally, with recipient families agreeing to "pay it forward" to other communities when family annual revenue from the fruit is five times or more of the sapling cost.

RESULTS: Creata implemented the pilot program, planting 15,000 walnut trees in 2009, achieving a high survival rate of saplings based on diligent care from rural villagers. A further 20,000 saplings were planted in March 2010.



MAKING THE MOST OF YIELD LOSS: NUT INDUSTRIA



Cecilia Games Campacci
President
Nut Industria

OPPORTUNITY: Nut Industria's semi-automated process creates a yield loss of approximately 250kg (4.1 percent) of food per month, a significant amount for a small business whose average production is 6 tons/month. The objective of this project is to achieve a better use of this production yield loss, since this food is in excellent condition to be consumed in almost 90 percent of cases, even though it does not meet required commercialization standards.

SOLUTION: Nut Industria entered into a partnership with the Prato Cheio NGO that distributes food with these characteristics to more than 10,000 needy people in the greater São Paulo area.

RESULTS: Nut Industria currently donates an average of 225kg of food per month to Prato Cheio, thus contributing to the assured nutrition of needy children and adolescents who are mainly cared for by about five organizations. Nut Industria's employees are on board with this project, helping the NGO to consider recipes that optimize the use of the foods it receives. They are happy to know they're reducing the amount of food being discarded as garbage, especially in Brazil, a country where so many people go hungry.



MOBILE PANTRY FEEDS THE HUNGRY: KRAFT FOODS

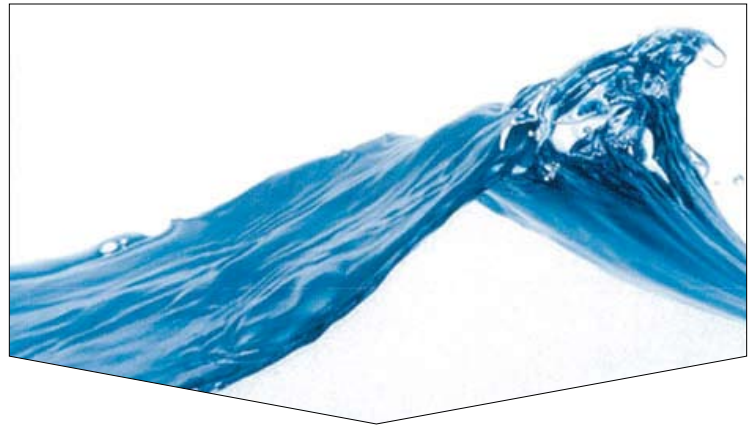


Barbara Pritikin
Sr. Integrated Marketing Communications Manager
Kraft Foodservice

OPPORTUNITY: Today, more Americans than ever are reaching out to their community food banks for assistance. In some cases, the nearest food bank is more than 100 miles away or located in distant, rural, and underserved areas. The U.S. Department of Agriculture estimates that 49 million Americans are unable to provide food for themselves and/or their families. There is a growing need around the country for food assistance, especially for fresh fruit and vegetables.

SOLUTION: In 2009, Kraft Foods, in collaboration with Feeding America, rolled out the Kraft Foods Mobile Pantry Program. This new, first-of-its-kind national program will distribute the equivalent of more than 50 million nutritious meals to Americans who might otherwise have gone hungry. The Kraft Foods Mobile Pantry initiative brings delicious, fresh and nutritious food directly to the hungry, neighborhood pantries and communities that cannot access food programs. These refrigerated trucks deliver dairy, meat and fresh produce, as well as shelf-stable foods, to provide families and individuals with balanced nutritious meals. Clients maintain an atmosphere of dignity, choosing their food the way they would at a farmers' market.

RESULTS: To support the mobile pantry program, Kraft Foods and its foundation have donated \$4.5 million over three years to Feeding America to put as many as 25 refrigerated trucks on the road. And recently, the truck delivered to City Harvest in New York City, will do so with less environmental impact. This bumper-to-bumper hybrid will help City Harvest improve fuel economy by 25-50 percent vs. a similar standard truck as it makes deliveries of produce and other food. The mobile pantry program is part of Kraft's new, three-year \$180 million commitment to fighting hunger and supporting healthy lifestyles globally.



PRESERVING WATER AT WORK AND HOME: MCCAIN FOODS



David Sidebottom
Regional Environment Manager
McCain

OPPORTUNITY: Since 2006, severe drought conditions in Australia have dried up Ballarat's water supply. The severity of the situation peaked in April 2008 when Ballarat's White Swan Reservoir hit a record low of just 7 percent capacity. In response, the local government funded the development of the 87-kilometre Goldfields Superpipe, guaranteeing a sustainable water supply to Ballarat when it was turned on in May 2008. As one of Ballarat's largest employers and industrial consumers of water, McCain recognized the impact our operations have on the region and our associated responsibility.

SOLUTION: McCain Foods and the community initiated a strategic water-reduction effort, with McCain investing more than \$1 million in 2006-2007 to improve the water efficiency of its equipment. In 2008-2009, McCain invested a further \$635,000, with the state government contributing the balance of a total of \$1.2 million, for initiatives that have delivered further significant water savings. In addition to capital investment, McCain trained its employees on smart water use in the plant and at home. McCain provided a subsidy to employees who installed water saving devices in their homes to promote employee awareness of water use.

RESULTS: Since 2006, McCain Foods Ballarat site has reduced its overall water use by more than 40 percent. The litres of water used per kilogram of finished product have been reduced by more than 30 percent. That, in turn, reduced the volume of water required to be heated, resulting in significant energy savings and a reduced carbon footprint. In 2009, McCain Foods received the Smart Water Management Award as part of the Ballarat Business Excellence Awards.



BUILDING A PARK: GOLDEN STATE FOODS



John E. Page
Vice President and General Counsel
Golden State Foods

OPPORTUNITY: To make the communities it serves better and safer, Golden State Foods transformed a former drug house and its surrounding area in Lexington, South Carolina into a community park.

SOLUTION: As a stakeholder in our communities, Golden State Foods feels a duty to give back. In addition to employees' volunteerism, the Golden State Foods Foundation (GSFF) enriches the lives of its neighborhoods through grants, sponsorships and special collaborative projects – investments that serve as a catalyst for bigger and better things to come. Partnering with the town of Lexington, GSFF helped build a park for families who live in a low-income neighborhood and didn't have a place to play and gather. This project started off small and expanded as Golden State Foods and the town of Lexington collaborated in raising funds, garnering community interest and purchasing an adjoining piece of land. GSF Associates were there every step of the way from demolition to planting. We added playground equipment and a water-spray pool for hot summer days. Volunteers also lent a hand with the final phase of landscaping by laying sod and planting bushes and flowers to beautify the park.

RESULTS: After five years of dedication, commitment and enthusiasm, the project has finally been completed. "It was a monumental day," said Tim Heskett, Vice President Distribution – East, an active volunteer in the Lexington GSFF Chapter. "When all the festivities were coming to an end at the Grand Opening," said Gregg Tarlton, Assistant General Manager, "everyone's hard work and commitment to this project was validated by seeing the children and families from the community laughing and playing in the park."

Randy Halfacre, Mayor of Lexington, added, "The partnership we have formed with GSF to address a community need within our town goes to the very core of my belief in building partnerships with community stakeholders. By leveraging resources, we enhance the quality of life for all our citizens."



TEACHING THE VALUE OF SAFETY: KEYSTONE DISTRIBUTION



Jean-Francois Legrand
Director of Quality, Health, Safety, Environment
Keystone Foods, Europe Division

OPPORTUNITY: England's Buncefield oil storage depot explosion and fire in 2005 uprooted Keystone's staff. They had to first move to a temporary workplace before eventually settling into their brand-new Hemel Hempstead Distribution Center. Many on staff wanted to give back to the community in which Keystone operated by starting an initiative that would use Keystone's expertise to benefit the local community.

SOLUTION: In 2006, the Hemel Transport Department contacted the local Police Community Support Officer (PCSO) to arrange visits to a number of junior schools (ages 5-11) in the Hemel Hempstead area. The event was created to educate members of the community about the importance of vehicle safety. Two drivers and a PCSO informed students the dangers of articulated vehicles. The presentation demonstrated the 100-foot stopping distance of a fully laden vehicle at 30 miles per hour and the danger of crossing the road in front of one. Groups were shown around the vehicle and taught the "dos and don'ts" as well as the dangers of the tail lift. Children (and teachers) sat in the driver's seat to understand the limits of the driver's view. All children were given their own high visibility vest, stating "Be Safe, Be Seen, Road Safety promoted by Keystone Distribution."

RESULTS: The PCSOs have helped spread the word to involve more schools and other services, like the Fire Brigade and St. Johns Ambulance. Some schools have created a full-day project covering Road Safety, Home Fire Safety, First Aid, and Cyberbullying. The drivers are more than willing to contribute their time to this cause and Keystone is considering starting a similar program in another community.



COMMUNITY FOOD SECURITY: GREEN MOUNTAIN COFFEE ROASTERS



Gordie Garvey

*Director National Foodservice Sales
Green Mountain Coffee Roasters*

OPPORTUNITY: Since 1988, Green Mountain Coffee Roasters, Inc. (GMCR) has engaged coffee farmers, their families and their communities to enhance the sustainability of our supply chain. This engagement has taken various forms, including support of micro-credit programs, scholarships, various environmental initiatives including a “Changing Climate Change” program and, most recently, food security.

SOLUTION: GMCR enlisted the support of the International Center for Tropical Agriculture (CIAT) of Cali, Colombia to conduct individual one-on-one surveys in communities that are part of GMCR’s supply chain in Mexico, Guatemala and Nicaragua. More than 175 interviews were conducted using a questionnaire that sought information on everything from basic family data to sources of income, production costs and challenges to health and food security. When the survey results were compiled and reviewed, GMCR learned that more than 67 percent of those interviewed could not maintain their normal diet from three to eight months of the year, due to families’ economic over-reliance on coffee, which is often their only source of income.

RESULTS: GMCR has initiated support of projects that are improving food security by helping families develop alternative economic activities. Reducing this food insecurity is also improving health, children’s ability to learn and is providing families with new opportunities to begin to lift themselves out of poverty. Since 2007, GMCR has started funding 14 projects in 10 countries including Peru, Bolivia, Mexico, Nicaragua, Guatemala, Honduras, Ethiopia, Rwanda, Tanzania and Sumatra that are now helping more than 18,000 families (more than 96,000 people) develop the capacity to overcome months of food insecurity in a sustainable manner.



ALWAYS STAY CONNECTED WITH THE LATEST IN SUSTAINABLE SUPPLY CHAIN AT MCDONALD'S

<http://bestpractices.mcdonalds.com>

McDonald's Global Best of Sustainable Supply is available on the web. Updated regularly, it highlights leading best practices from across the McDonald's supply chain

While you're there, check out McDonald's Global Best of Green, a collection of leading environmental best practices from McDonald's markets around the world.

