

# McDONALD'S TURKEY SUSTAINABILITY REPORT

2011

2012

McDonald's



i'm lovin' it®



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# About Our Report

As McDonald's in Turkey, we have been investing in both social and environmental sustainability of our business since our establishment. By 2013, we began to work on communicating our triple performance with all our stakeholders. We aim to communicate **our 2011-2012 economic, environmental and social performance** to our employees, customers, business partners and other stakeholders with this first sustainability report. During the report preparation process, we began to investigate and analyze our key stakeholders' expectations from us about the sustainability impacts of our business. We regard this and the following sustainability reports that we plan to prepare regularly, as a profound communication tool to share our steps in managing our sustainability impacts in the future.

### BOUNDARY AND LIMITATIONS

We took into consideration all the product preparation and servicing activities in our restaurants in Turkey with no limitations. We reviewed these activities to determine the strategic issues with our executives. The information in this report represents our performance between January 1, 2011 and December 31, 2012 unless otherwise stated.

### PRINCIPLES OF OUR REPORT

We based our report on the standard disclosures and related performance indicators of **GRI Global Reporting Initiative G3.1** Sustainability Reporting Guidelines. The report is coherent with GRI's materiality, stakeholder inclusiveness, sustainability context, completeness principles and C application level. [www.globalreporting.org](http://www.globalreporting.org)

### OUR NEXT REPORT

We plan to issue our 2013 sustainability report in 2014.

# Our Sustainability Profile

## ECONOMIC

**98%**

The proportion of local supply in our restaurants

USD **95 Million**

Annual business volume with our suppliers

USD **100 Million +**

Total investment amount of our suppliers in Turkey up to date

## SOCIAL

**15 Thousand +**

Total employment we generate together with our suppliers

USD **1.5 Million +**

Social investments of McDonald's Children Charity

**150 Thousand +**

at **21** cities

The number of children we reached through McDonald's Children Charity

## ENVIRONMENTAL

**40%**

Recovery amount of the frying oil we used

In 2011 **38%**

In 2012 **40%**

The amount of recycling the licensed institution achieved with regards to our packaging waste

**30%**

The rate of decrease in waste food after **MFY Made For You** system is implemented





# Message to Our Stakeholders

Dear Stakeholders,

As the successful local representative of McDonald's, which is listed among the 10 most valuable brands and the 10 most desirable workplaces in the world, we are proud and happy to share McDonald's' **first sustainability report** with you in Turkey.

During our presence in Turkey for the last quarter of a century, we maintained our consciousness towards our stakeholders including our employees and the local population around our restaurants and environment as well as making significant economic contributions in all of our activities. We are determined to continue this approach in the years to come.

This report, which is prepared in accordance with the global McDonald's Standards and Anadolu Group's business principles, is the summary of our value creating activities for our stakeholders throughout 2011 and 2012.

Our report explains our economic, social and environmental performance in integrity where we determined our most essential impacts on our key stakeholders as well as taking into consideration our whole value chain.

### OUR ECONOMIC PERFORMANCE

McDonald's in Turkey plays an important role in the Turkish economy through its interactions with various sectors as well as its sales volumes. We supply **98% of our product and packaging materials locally in Turkey**. McDonald's business volume generated with its suppliers amounts to **USD 95 million** in 2012. Total employment created together with suppliers exceeded **15 thousand** in 2012. In this report, you will find some of the business innovations that McDonald's introduced to the Turkish business life.

At McDonald's we pay utmost attention to **supply chain management**. We share our global approaches created to conduct operations seamlessly with our suppliers. We contribute our business partners to grow in volumes and help them improve in various aspects such as workplace conditions and employee welfare.

For McDonald's, value is serving customers with fresh, warm and delicious food at a great value and offer them an experience in an enjoyable atmosphere. We start each day to serve our customers high **quality food with value for money**.



### OUR ENVIRONMENTAL PERFORMANCE

We manage our environmental impacts through energy and water efficiency and appropriate waste disposal. Thanks to the preventive actions we took at our restaurants, the **increase in electricity and water consumption** was 5% less than the increase in the number of restaurants.

We collect the oil used for frying after its usage life and legal legislation limits are over. We **recycled 40% in packaging** via the authorized recycling institution. By implementing the new production system **Made For You** at our restaurants in 2012, we achieved a **30% reduction rate in wasted food**.

Dear Stakeholders,

McDonald's Values and Anadolu Group business principles lie on the basis of our efforts. These values and principles shape the way we work and the relations we develop with our stakeholders. We will continue our efforts to create a better world for all of our stakeholders in the coming periods.

We expect you to regard this booklet not as a report but a communication tool, and share your questions, concerns or expectations on sustainability with us. The feedback we will receive from you will help us increase our sustainability performance and will be invaluable in creating the content of our next report.

Respectfully,  
DİLEK DÖLEK BAŞARIR  
Managing Director

### OUR SOCIAL PERFORMANCE

We regard the well being, safety and happiness of our employees and customers as the most important aspect of our social performance. We believe that customer satisfaction and happiness could only be achieved through the satisfaction and happiness of our internal customers. Therefore, we monitor employee satisfaction constantly and invest them to develop personally. In 2012, our **restaurant staff satisfaction rate was 88%**. The number of trained employees increased by 23% and the amount of **training hours we provided increased by 33%** during the reporting period.

The well-being and security of our customers is the basis for our operating approach. At McDonald's we prepare all our products with fresh and high quality ingredients. **We monitor each ingredient of products from field or farm it was produced to the moment it's served to our customers**. We offer them variety of options that deliver the great taste, quality and balance our customers seek.

Another part of our social performance is the **contribution to the communities** in which we live and work. As McDonald's in Turkey, we seek to become a **responsible corporate citizen in the community** by taking part in social projects. Also, as McDonald's restaurants around Turkey, we take part in social projects to become a **good neighbor**. USD 1.5 million worth of supports have been allocated to help **more than 150 thousand children** in 21 different cities through McDonald's Children Charity. We aim to continue **Eye Health and Success in Education Project** as well as family room, hospital playroom, hospital classroom and childcare room projects.





# Corporate Profile

## FACTS AND FIGURES ABOUT McDONALD'S

McDonald's, one of the most valuable brands in the world, has been operating as Anadolu Restoran İşletmeleri Limited Company under the roof of Anadolu Group since 2005. McDonald's has been operational in Turkey for the last 26 years. We serve a wide range of products such as grilled sandwiches (11 different), various salads (4), fried products and snacks (5) prepared under ideal conditions to minimize oil absorption, as well as breakfast menus (8), various drinks (32) and desserts (15). We serve these products in different time periods during the day and we constantly develop new products. We also make home delivery via MDS called AloServis by receiving orders from 444 62 62 Call Center and [www.mcdonalds.com.tr](http://www.mcdonalds.com.tr) website.

	GLOBAL	TURKEY
Establishment	1940	1986
First restaurant	California, San Bernardino	İstanbul Taksim
Number of restaurants	More than 33 thousand in 119 countries	206 in 34 cities
Ratio of owner/operators	75%	16% (Franchisees of Anadolu Restoran İşletmeleri Ltd. Co.)
Number of employees	More than 1.6 million	Approximately 5 thousand
Daily number of customers	67.8 million	300 thousand
Sponsorship	Official sponsor of the the Olympic Games since 1976	Sponsor of Turkish Volleyball Federation Women's National Team since 2012

## CHANGES IN THE REPORTING PERIOD

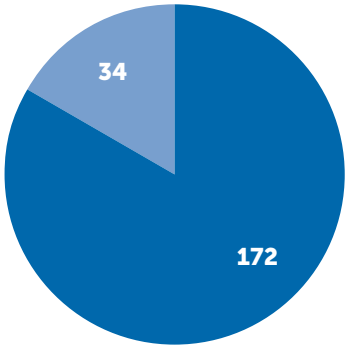
### OUR RESTAURANTS

McDonald's is operating in Adana, Afyon, Ankara, Antalya, Aydın, Balıkesir, Batman, Bilecik, Bursa, Denizli, Diyarbakır, Erzurum, Eskişehir, Gaziantep, Hatay, Isparta, İstanbul, İzmir, Karabük, Kayseri, Kocaeli, Konya, Kütahya, Malatya, Manisa, Mardin, Mersin, Muğla, Sakarya, Samsun, Sivas, Tekirdağ, Trabzon and Yalova towns and several provinces of these towns. 23 new restaurants in 2011 and 34 in 2012 are opened and the total number of restaurants has reached 206.

### RESTAURANT MANAGEMENT

Anadolu Restoran İşletmeleri Ltd. Co. ■

Franchisees ■



### FEEDLOT

The feedlot we established in 1986 to breed livestock coherent with McDonald's' standards, has stopped operating in 2012 as the Turkish stock farming standards have improved to meet our needs.

### McD CAFÉ®

McCafé® that has been present in 1,300 restaurants and 32 countries has started its operations in Turkey in 2012 with the name McD Café®.

We offer numerous hot and cold beverages at McD Café® ranging from Espresso to Cappuccino, Flat White to Americano, Latte to Turkish coffee, Frappe to Smoothie as well as various delicious desserts and snacks. Our experienced staff use perfect 100% Arabica coffee beans selected for a great coffee experience and coffee is served here with perfect consistency, aroma and temperature.

McD Cafés® are located inside McDonald's restaurants as corners for customers to extend their enjoyable time at the restaurants and to introduce them with high quality coffee. These corners are present in our restaurants located in Sabiha Gökçen Airport, 1. Levent, Torium Shopping Mall, Sultanahmet, Merter, Süreyyapaşa and Beşiktaş.

## Ranked #4

(2012)

BRANDZ™  
Top Most Valuable  
Hundred Brands

## Ranked #7

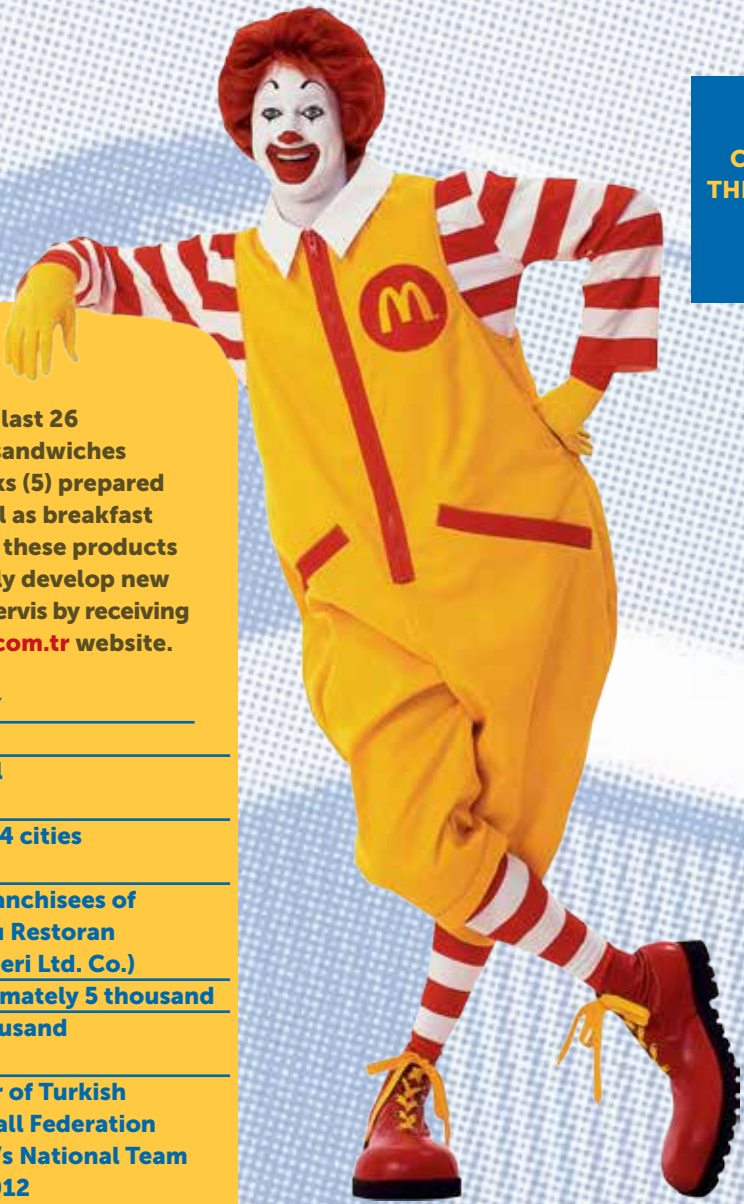
(2012)

INTERBRAND  
Best Global Brands

## Ranked #8

(2011)

GREAT PLACE TO WORK®  
World's Best Multinational  
Workplaces





## McDONALD'S STANDARDS

The reason McDonald's is preferred by millions around the world is the McDonald's Standards that are set by Ray Kroc when he established the company in 1954. Up to date, each step to improve McDonald's system is shaped around these standards. The distinction of McDonald's is created by these standards, which are implemented the same way at all restaurants around the world.

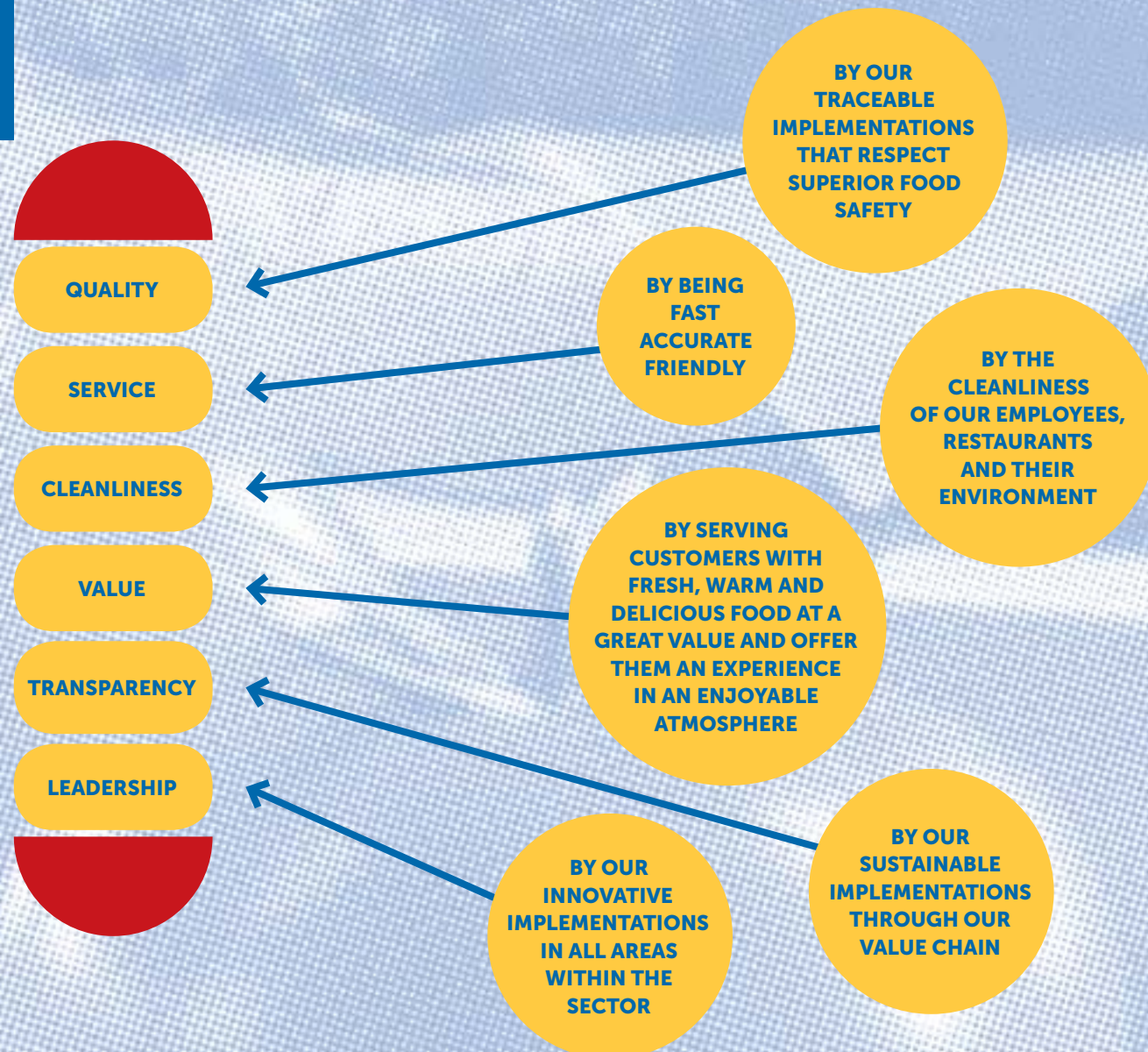
### CUSTOMER SATISFACTION

Besides all our practices supporting McDonald's Standards, we act according to environmental and animal health and welfare standards; make continuous and detailed controls, serve our customers in person and monitor our performance on satisfaction index to keep customer satisfaction high.

### CUSTOMER SATISFACTION OPPORTUNITY INDEX

This index is determined by **Mystery Shopper** visits. People, who act like customers twice in a month on unknown dates and time, inspect each of our restaurants. The evaluation is done on **Quality, Accurate, Friendly, Fast Service** and **Cleanliness** categories. All restaurants work hard to earn an ideal zero index value, which is the best value. In 2012 our average index was 13%.

## HOW WE ENSURE?



## MILESTONES OF OUR SUSTAINABILITY JOURNEY

Our actions on strategic sustainability issues in the last 10 years are listed.

### 2002

- + Furnished the Emergency Treatment Units of Children's Hospital at Istanbul University and put the Family Room into service at Childcare Service of Marmara University Hospital, as McDonald's Children Charity's primary projects.

### 2003

- + Initiated McDonald's **Delivery Service**.
- + Implemented the 'McDonald's Worldwide Achievement Plan' Started **Eye Health and Success in Education Project** at Şanlıurfa with the cooperation of GAP Regional Development Administration.

### 2004

- + Developed and introduced McTurco that appeal the taste of Turkish customers.
- + Our Turkish Management Team was rewarded by Global McDonald's Organization with **Circle of Excellence**.

### 2005

- + Our company is acquired by Anadolu Group and began to operate under 100% Turkish capital.
- + Initiated our **Light&Active** Program
- + Initiated extended hours or 24 hours practice at McDonald's restaurants.

### 2006

- + Began to provide nutrition facts to our customers.

### 2007

- + Included grilled chicken products in the menu.

### 2008

- + Began serving breakfast at McDonald's restaurants.

### 2009

- + Turkey became the first country, to provide training programs of Hamburger University outside its training centers around the world besides Chicago, USA, where it was established.
- + The Assembly of European Regions honored the employment opportunity implementation for mentally disabled people at the McDonald's Restaurants in Turkey, as **Best Practice**.

### 2010

- + Began offering **finger carrots** as an alternative to MacFries in the Happy Meal®.
- + Supply Chain organization of McDonald's in Turkey was promoted as the only country in its region to be eligible for **Quality Perfection Award**.
- + Opened McDonald's Facebook account in Turkey.

### 2011

- + Celebrated 25th anniversary in Turkey. **The book** named **25th Year** was issued documenting the 25 years of McDonald's in Turkey.
- + Began to offer **apples** alternative to MacFries in the Happy Meal®.

### 2012

- + Decided to support Turkish Women's National Volleyball Team for their achievement in being the first ever-Turkish team to qualify for the Olympic games.
- + Added **whole grain sandwiches** in the menu.
- + Established McD Cafés® in Turkey.
- + Began to offer **cherry tomatoes** alternative to MacFries in the Happy Meal®.
- + Began to use daily milk instead of UHT milk in all of our coffees and as an alternative drink in the Happy Meal®.





OUR AWARDS	CORPORATE AWARDS	McDONALD'S MEA (MIDDLE EAST AND AFRICA) REGION AWARDS	McDONALD'S APMEA (ASIA PACIFIC, MIDDLE EAST AND AFRICA) REGION AWARDS
	<p><b>2009</b> Most Liked Retailer, The Retail Sun Award, Soysal Education and Consultancy</p> <p>Retail Category, Turkish Advertisement Agencies Association, Advertisers Association and Effie Worldwide Inc.</p> <p>Program Sponsorship, Radio Category MediaCat Felis Media Awards</p>	<p><b>2012</b> Best Human Resource Applications</p> <p><b>2011</b> Customer Satisfaction Opportunity</p> <p><b>2010</b> Customer Satisfaction Opportunity</p> <p>Outstanding Product Quality</p> <p><b>2009</b> Customer Satisfaction Opportunity</p> <p><b>2008</b> Excellence in Restaurant Cleanliness</p> <p>Food Quality &amp; Safety</p>	<p><b>2012</b> The Best Training Team</p>
OUR MEMBERSHIPS			

ASSOCIATIONS AND FOUNDATIONS	NAME OF McDONALD'S REPRESENTATIVE	TITLE
AMPD Trade Council of Shopping Centers and Retailers	Ms. Dilek Dölek Başarır	Member
GGD Turkish Food Safety Association	Mr. Galip Albayrak	Board Member
TÜKÇEV Consumer and Environment Training Foundation	Mr. Galip Albayrak	Member
ÇEVKO Environmental Protection and Packaging Waste Recovery and Recycling Trust	Mr. Galip Albayrak	Member
KİD Corporate Communicators Association	Ms. Nedret Aydemir	Member

# Our Management Approach

Our values form the basis of how we do business and the relationships we establish with our stakeholders.

## OUR VALUES

**We place the customer satisfaction at the core of all we do.**  
Our customers are the reason for our existence. Our goal is to offer quality, service, cleanliness and value (QSC&V) for each and every customer, each and every time.

**We are committed to our people.**  
We provide opportunity and nurture talent. We develop leaders and reward achievement.

**We believe in the McDonald's System.**  
McDonald's business model, depicted by our 'three-legged stool' of owner/operators, suppliers, and company employees, is our foundation, and balancing the interests of all three groups is the key.

**We operate our business ethically.**  
At McDonald's, we hold ourselves and conduct our business to high standards of fairness, honesty, and integrity. We are individually accountable and collectively responsible.

**We give back to our communities.**  
We act as a responsible corporate citizen and a good neighbor where our restaurants are located. We help our customers build better communities, support McDonald's Children Charity, and leverage our scope and resources to help make the world a better place.

**We grow our business profitably.**  
McDonald's is growing steadily in all the regions in Turkey. This requires a continuous focus on our customers and the healthy structure of our system.

**We strive continually to improve.**  
We are a learning organization that aims to anticipate and respond to changing customer, employee and system needs through constant evolution and innovation.

83% of our employees who participated in sustainability survey say that...

"McDONALD'S IN TURKEY MANAGES ALL ITS BUSINESS PROCESSES ACCORDING TO TRANSPARENCY, FAIRNESS, ACCOUNTABILITY AND RESPONSIBILITY (CORPORATE GOVERNANCE) PRINCIPLES"

## CORPORATE GOVERNANCE

### BOARD OF SHAREHOLDERS

The shareholders of Anadolu Restoran İşletmeleri Ltd. Co. are Çelik Motor Ticaret Inc. and Anadolu Endüstri Holding Inc. Appointed managers represent the Company.

### ETHICAL BUSINESS PRACTICES

McDonald's and Anadolu Group's **Employee Hand Books** (work principles) that set the responsibilities and rules of behavior are available for all employees. In these handbooks, there are rules to organize employee relations with all stakeholders such as shareholders/employer, other employees and suppliers. The Human Resources Department delivers these handbooks to every new employee and these are disclosed in detail during the company orientation stage. Besides, all procedures, company and employee rules can be reached by everyone in digital format.

Anadolu Group Employee Handbook includes ethical rules and information on complaint declaration mechanism. All employees are welcome to declare any improper practice they experience across the company or at other companies of Anadolu Group according to the process disclosed in **Incompliance Declaration Procedure**. They can e-mail, use private phone or mail Head of Company Ethics Committee. The procedure includes also the suppliers under the description of 'stakeholder'.



## COMMUNICATION WITH OUR STAKEHOLDERS

Our stakeholders are those people, groups or institutions that may have impact on our business by their decisions and behaviors and they may be affected by our operations now and in the future. As McDonald's we put our efforts to inform and listen to our key stakeholders in various platforms.

In the **sustainability strategy workshop**, we reviewed all of our stakeholders and prioritized them according to our strategic issues with the involvement of our managers. We collected the views of our employees on sustainability of our business via **sustainability awareness survey**. We received the answer 'I have no idea' from 25% of our employees to the questions related with the issues, except the customer satisfaction frame. These results supported our decision to prepare this report as a communication tool. The results of the survey can be found under the relative topics.

We published the information file named **McDonald's in 50 Questions** to answer the topics our customers inquire about our company and products. The topics shown below also cover the main impact areas that we specified in the strategy workshop.

- + McDonald's' balanced nutrition understanding
- + McDonald's' product ingredients
- + Hygiene and food safety at McDonald's
- + McDonald's as a brand and as an employer
- + Corporate social responsibility at McDonald's
- + Supply chain at McDonald's



59% of our employees who participated in sustainability survey say that...

"McDONALD'S IN TURKEY HAS ADEQUATE REGULAR COMMUNICATION PLATFORMS TO FIND OUT THE IDEAS/ RECOMMENDATIONS OR EXPECTATIONS OF ITS PRIMARY STAKEHOLDERS."

## OUR KEY STAKEHOLDERS

CUSTOMERS

EMPLOYEES

SUPPLIERS

SHAREHOLDERS

FRANCHISEES

GOVERNMENT, REGULATORY BODIES, LOCAL ADMINISTRATES

MEMBERS OF THE MEDIA

SOCIAL MEDIA USERS

STUDENTS, POTENTIAL EMPLOYEES, INTERNS

OUR STAKEHOLDERS AND COMMUNICATION PLATFORMS	STAKEHOLDERS	COMMUNICATION PLATFORM	COMMUNICATION FREQUENCY
	CUSTOMERS	Campaigns Website, Facebook, brochures and promotion materials at the restaurants	2-3 per month Continuously
EMPLOYEES	Intranet	Employee satisfaction survey	Continuously
		Annually at the restaurants	Bi-annually at head office
	McDonald's operation seminar	Sustainability survey	Bi-annually
		Annually	
SUPPLIERS	OWNER/OPERATORS	One to one meetings	Continuously
		One to one reviews	Continuously
		Operators' meeting	Once in 3 months
SHAREHOLDERS	Board of Shareholders meeting	Monthly	
STUDENTS/POTENTIAL EMPLOYEES/ INTERNS	University visits	2-3 per year	
GOVERNMENT, REGULATORY BODIES, LOCAL ADMINISTRATES	MEMBERS OF THE MEDIA	One to one meetings	2-3 per year
		Press releases	2-3 per month
	Media meetings	Once in 3 months	
		One to one meetings	2-3 per year
SOCIAL MEDIA USERS	Internet	Continuously	



SUSTAINABILITY  
IMPACTS ON OUR  
VALUE CHAIN



SUPPLY OF  
INGREDIENTS

Supply Chain  
Management



PREPERATION  
OF PRODUCTS

Employee  
Health and Safety  
Saving Water  
Energy Efficiency



PRODUCTION  
OF  
INGREDIENTS

Serving  
Quality Food  
Food Safety

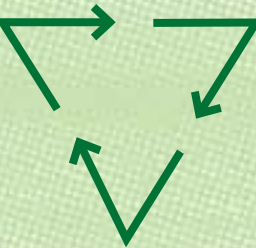


MANAGEMENT

Corporate Governance  
Contribution To Economy  
Employer Of Choice  
Giving Back To Society

SERVING THE  
PRODUCTS

Food With Value  
For Money  
Food Safety



AFTER  
CONSUMPTION

Waste  
Management



CONSUMPTION  
OF PRODUCTS

Balanced  
Nutrition

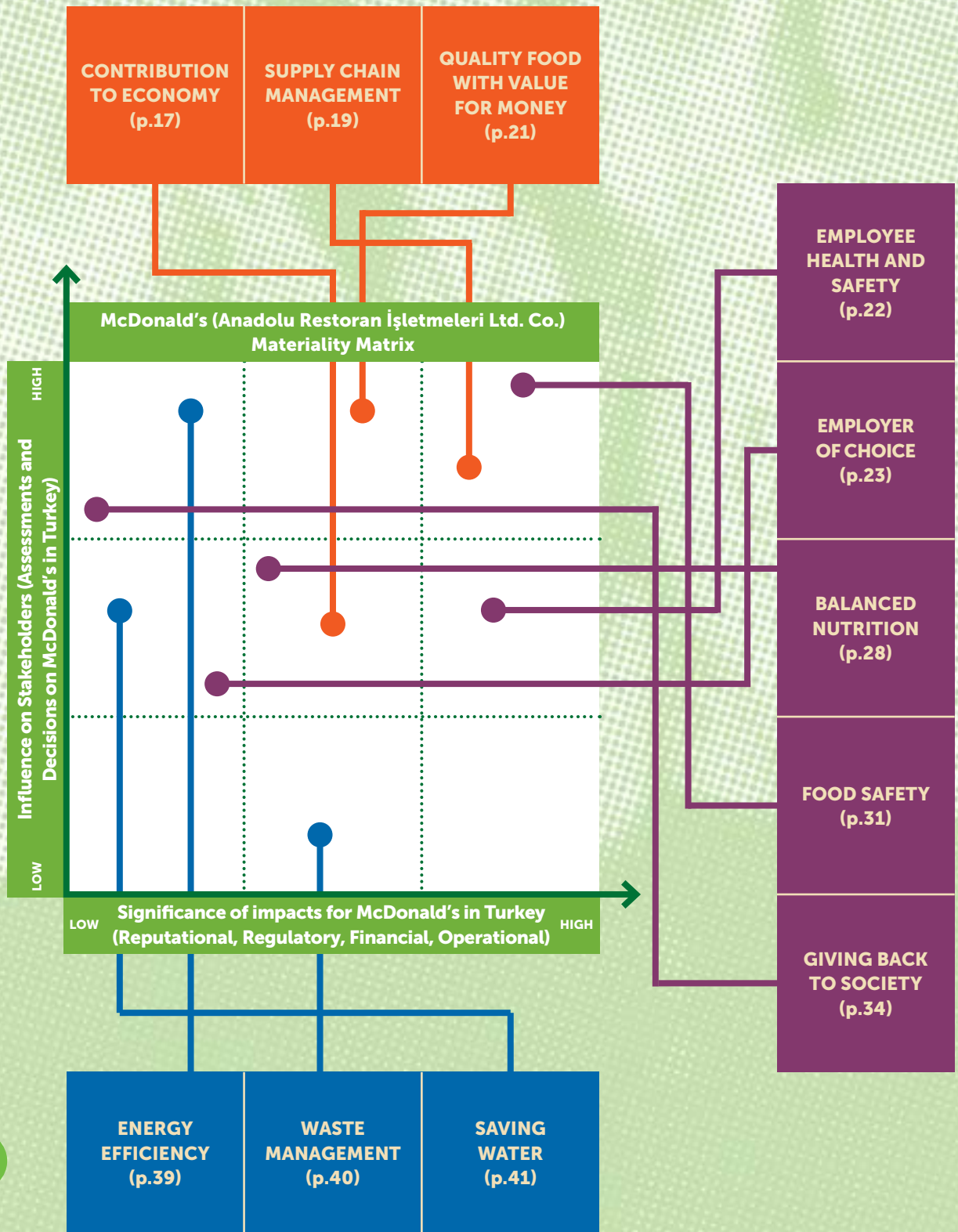




OUR STRATEGIC  
SUSTAINABILITY TOPICS

Both the strategy workshop we have done with our managers and employees, and the survey results helped us better assess and understand our sustainability impacts on our key stakeholders. We analyzed and prioritized each strategic topic in economic, environmental and social context at the strategy workshop with our managers. We created the **McDonald's sustainability matrix** using the feedback we received from our employees. Our goal is to include our external stakeholders as well as the internal ones to the stakeholder participation process in the next reporting period.

The topics that are more essential for our stakeholders and us and have direct and high impact on our company's reputational, legal, financial and operational performance is at the top right vertices of the table. These topics constitute the titles of the related parts where we explain our company performance in detail with various data.



Our Economic  
Performance

We listen to our customers. We redesign our restaurants to meet the expectations of different segments such as families, children, working people, etc. We grew by 30% in 2012.

McDONALD'S  
SYSTEM AND  
CONTRIBUTION  
TO ECONOMY

McDonald's makes significant contributions to the economies of the countries it operates. This contribution is created not just from sales volumes but also from the fact that McDonald's has many business partners from various different industries. McDonald's, in each country it operates, is a customer of many businesses such as producers, architects, farmers, finance experts, advertisement and public relations agencies and construction companies.

Many foreign suppliers invested in Turkey when McDonald's started its operations here. This step generated foreign capital entry, new export opportunities and developments in various industries via meeting with new technologies. Sauce supplier McCormick, bun producer East Balt and logistics supplier HAVI are the companies that invested in Turkey thanks to McDonald's.

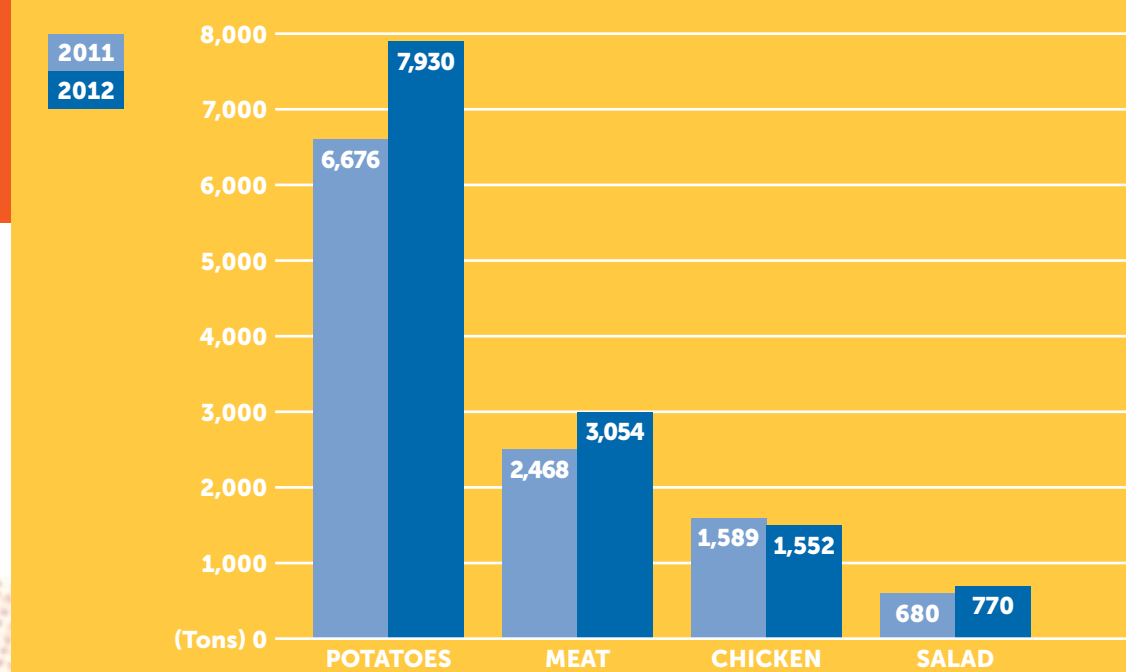
We supply 98% of our products and packaging material locally in Turkey. We played an important role in developing the local producers to create a competitive edge in production standards globally. We also created opportunities for companies such as Fersan and Ekol to supply their products to McDonald's restaurants in other countries. The export amount in this manner is more than **USD 100 million**. On the other hand, the import amount of the products served at the restaurants is only **USD 39 million**.

Another positive impact of McDonald's on the economy is through employment opportunities it created. McDonald's is also a good employer. We employ more than 5 thousand people at our restaurants in Turkey.





## INGREDIENTS



## SUPPLY CHAIN MANAGEMENT

Supply chain management is very important for McDonald's because it provides a long-term competitive edge and price advantage to the system. Ideas, locations and concepts can be copied but the culture and behavior that constitutes the basis for McDonald's supply chain management is hard to copy.

We apply certain standards to all of our suppliers whether they work directly or indirectly with us. We have different standards for food and non-food suppliers. **Supplier Code of Conduct** is applied as it is, all around the McDonald's restaurants globally.

McDonald's, shares with its suppliers the methods developed to perfect its system. While it boosts their business volumes it gives them the opportunity to take advantage of one of the world's largest companies' experience. It provides the information on recent developments to those businesses dealing with farming and livestock breeding in order for them to increase their productivity. It shares knowledge and methods with the producers on topics such as food technologies, production, packaging, cold storage and delivery.

McDonald's regularly audits its suppliers through its certified auditors on quality control for each product category, as well as suppliers' practices on working conditions, employee welfare, etc.

We inform and lead our suppliers about their improvement opportunities on waste management, renewable energy and water consumption that we identify through our assessments and performance monitoring practices. Therefore we help them manage their environmental impacts.



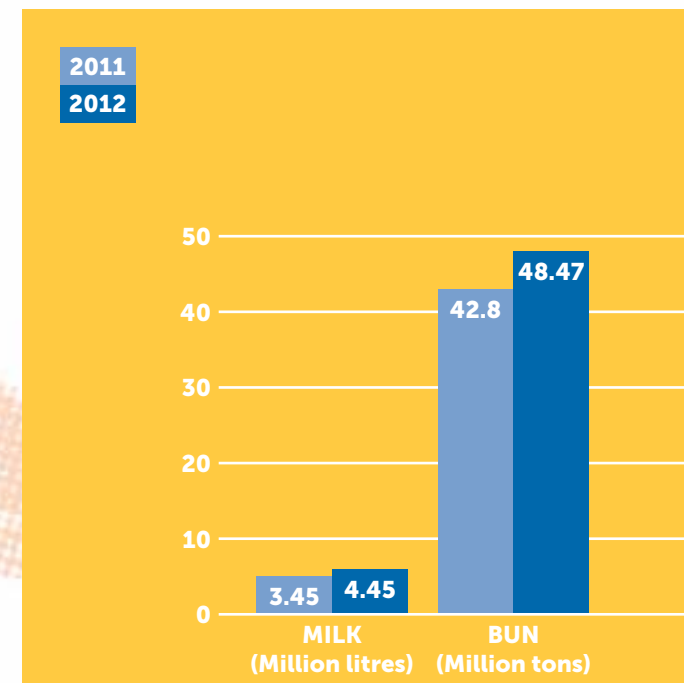
## EXAMPLES OF BEST BUSINESS PRACTICES OF McDONALD'S IN TURKEY

### ECONOMIC

- + Fully registered financial documentation systems
- + Digital cash registry systems
- + Goods inventory and delivery systems
- + Waste product /food management
- + Franchisee relations
- + Supplier relations
- + Employment practices

### SOCIAL AND OTHER

- + Part-time employment
- + Flexible working hours
- + Employment of the disabled
- + Training programs for everyone working within the system
- + Unlimited career opportunities
- + Farm to tray product traceability
- + Food safety systems
- + Hygiene principals
- + Open door practice



68% of our employees who participated in sustainability survey say that...

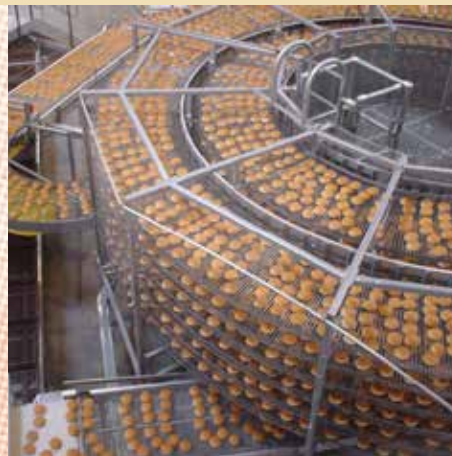
"McDONALD'S' EFFORTS IN TURKEY TOWARDS ITS SUPPLIERS, IN INCREASING AWARENESS ON HUMAN RIGHTS, JOB SAFETY AND SECURITY AND ETHICAL BUSINESS PRACTICES ARE SUFFICIENT."



# MAIN SUPPLIERS OF McDONALD'S IN TURKEY



FOOD INGREDIENTS	BRAND NAME	PRODUCTION CENTRE	COOPERATION (Years)
Beef	Pınar Meat	İzmir	26
Chicken	Pınar Meat	İzmir	26
Carbonated drinks	Coca-Cola	İstanbul	26
Potatoes	Konya Şeker	Konya	2
Bun	East Balt	Kocaeli	15
Ketchup	Tat	Bursa	26
Pickles and salad	Fersan	İzmir	21
Dairy products	Danone Tikveşli	Lüleburgaz	26
Frying oil	Marsan	Adana	26
Paper cup	Ekol Ofset	İstanbul	26
Plastic packaging materials	SEM	İstanbul	26
Logistics services	HAVI Logistics	İstanbul	26



# QUALITY FOOD WITH VALUE FOR MONEY

For McDonald's, value is serving customers with fresh, warm and delicious food at a great value and offer them a unique experience in an enjoyable atmosphere. In order to achieve this quality, McDonald's global organization determines the specifications of the ingredients and of the standard products. Randomly selected products are sent to McDonald's international quality departments regularly to be sensually analyzed on conformity to standards.

In each country it operates, McDonald's selects its suppliers among the best companies of that country. Some of the supplier selection criteria are; to have a corporate structure, to be loyal to values and principles, to be socially responsible, to have HACCP (Hazard Analysis and Critical Control Points) product safety systems, to conform to the financial expectations and to meet 85% quality rate through independent audits.

Independent auditors and McDonald's Quality Control Department audit suppliers regularly. Also, producers analyze their own products, equipment and practices to improve restaurant operations. McDonald's restaurants are inspected regularly by the Quality Control Department and encouraged to take action on improvement areas.

McDonald's quality and supply standards also enable the high quality food and packaging supplies to be obtained at a feasible cost. This way we can ensure long term pricing of the products and supply the standard products constantly at a best feasible price possible. The price increase we applied to our products in 2012 was 1.81 points lower than CPI (Consumer Price Index) increase rate.

70% of our employees who participated in sustainability survey say that...

"McDONALD'S' EFFORTS TO INFORM AND INCREASE AWARENESS ON FOOD SAFETY TOWARDS ITS SUPPLIERS IS SUFFICIENT."



# Our Social Performance

The most important aspects of our social performance are to preserve **well-being, safety and satisfaction** of our employees and customers, and to improve our **social contributions** constantly where our restaurants are located.

75% of our employees who participated in sustainability survey say that...

"THE IMPORTANCE THAT McDONALD'S IN TURKEY PUTS ON ENSURING THE HEALTH AND SAFETY CONDITIONS FOR ITS EMPLOYEES AND THE PREVENTIVE ACTIONS IT TAKES IN THIS SENSE ARE SUFFICIENT."

## EMPLOYEE HEALTH AND SAFETY



We conduct risk analyses at our restaurants and offices to provide health and safety of our employees. We determine the risks associated with each restaurant's location, architectural conditions and its layout; we take precautions and prepare action plans accordingly. Internal trainers in line with McDonald's standard practices give systematic and detailed technical trainings. For example, everyone, regardless of his/her position and department gets the two of the four trainings, which are **Restaurant Safety and Security** and **Cleaning, Sanitation and Safe Food**. We measure the results of these trainings with **Safety and Security Station Investigation Control Report** after the trainings. Approximately 5 thousand employees get 25 thousand hours of training on these topics. Additionally, we contribute to the developments of the restaurant management team by various programs under the roof of the Leadership Academy. For example, at the **Basic Equipment Course**, we train all restaurant staff on equipment usage for 2.5 days.

## EMPLOYER OF CHOICE

Human resources is the most valuable asset in McDonald's. The driving force that triggers other resources and motivates us in reaching the global goals is our human resources. The quality of service provided at our restaurants is the key to our guests' happiness and satisfaction. The foremost factor of this service to be provided with high quality standards is our employees.

### EMPLOYEE SATISFACTION

We believe that keeping external customers happy depends on the happiness of internal customers.

Our Human Resources Department regularly holds confidential internal customer satisfaction surveys and designs action plans according to these results. Hewitt conducts one of these surveys bi-annually for the staff at the head office and for the restaurant managers. IRI Consulting conducts the other survey for the restaurant staff every year.

2012 (Hewitt) Head Office and Restaurant Managers Satisfaction Score: 75%  
2012 (IRI) Restaurant Staff Satisfaction Score: 88%  
2012 (IRI) Restaurant Management Team Satisfaction Score: 90%

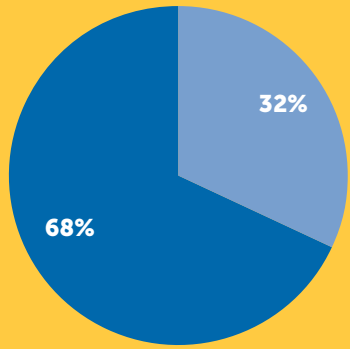
The ratio of **women employees is more than 30%** for the total of the restaurant staff and management categories including the directors. The same benefits are offered to male and female employees of the similar posts. All through their careers, McDonald's employees are promoted and rewarded solely by their personal performances.

64% of our employees who participated in sustainability survey say that...

"THERE ARE SUFFICIENT PLATFORMS FOR McDONALD'S' EMPLOYEES IN TURKEY TO SHARE THEIR IDEAS AND PROPOSALS WITH THEIR MANAGERS AND EXECUTIVES."

## EMPLOYEES

Female ■  
Male ■



**THE ADVANTAGES OF WORKING AT McDONALD'S**  
+ Flexible working hours  
+ Fun, dynamic, friendly work place  
+ Effective communication environment among the employees  
+ Career opportunities  
+ Equal opportunities  
+ Personal and occupational development opportunities  
+ Opportunity to become a part of a large team  
+ Employment opportunities for all ages





## DESIGNED OUTFITS FOR OUR STAFF

We reviewed the outfits of McDonald's staff as another step of our change and modernization attempts such as renewing the architecture and concept of our restaurants, playing contemporary music lists, developing different menu alternatives, and introducing new initiatives such as McD Café®.

As we wanted the outfits to be aesthetic as well as comfortable, we cooperated with fashion designer Ms. Özlem Süer in creating the new outfits. Ms. Süer spent long hours at our restaurants and interviewed our staff before creating our new and dynamic outfits. After a six months work, the new outfits were ready with a more modern look.

## CONTRIBUTION TO PRIVATE PENSION PLANS

We support our employees who have private pension plans by making additional contribution into their plans.

Our company makes an additional contribution of 2% of employee's salary for his/her pension plan. In 2012, we allocated **TL 160 thousand** budget for the pension plans of **67 of our employees**, thus encouraging them in making savings.



## CAREER OPPORTUNITIES

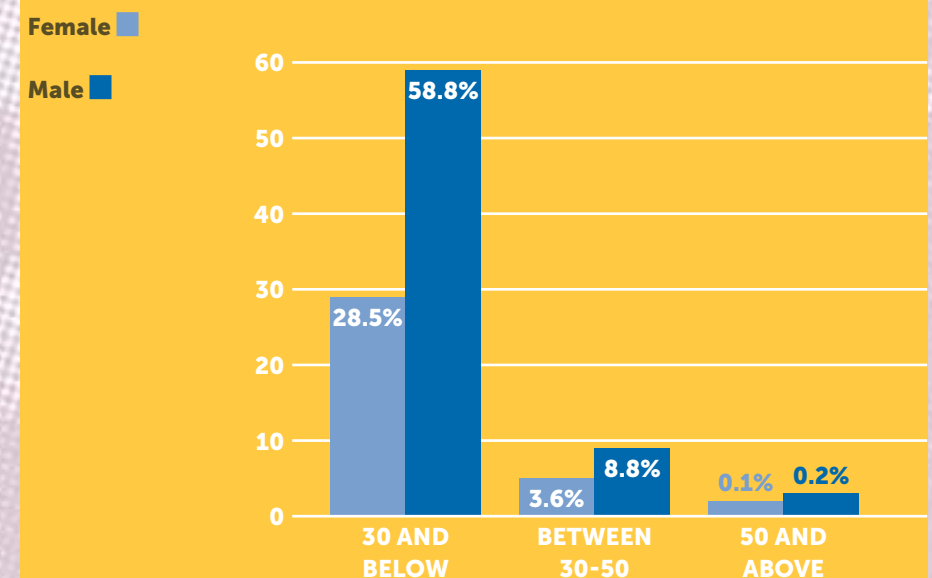
McDonald's employees are selected all around the world as well as in Turkey, according to some criteria such as having a hardworking personality, resourcefulness and willingness to work in a team. But beyond these criteria every employee is expected to understand and believe in the McDonald's system.

Today, **nearly 5 thousand people work** at McDonald's restaurants in Turkey and majority of it consists of young people, including university students. For a youngster, to work at McDonald's means having a safe work environment and future career opportunities.

McDonald's system offers job opportunities for both men and women of all ages. McDonald's **employee age ranges from 16 to 57** at the restaurants and head office. With the 'mentally disabled' program initiated in 2006, we created employment opportunities for disabled people with minor mental problems at our restaurants.

Career paths at McDonald's are open and specified. Currently, there are a significant number of managers who work at the head office who have started their careers as crew members at McDonald's restaurants.

## AGE DISTRIBUTION OF OUR EMPLOYEES





## TRAINING

At McDonald's we perceive **training as the first step for internal customer satisfaction and as a warranty of high quality service**. Training is the foremost component of McDonald's system. Each McDonald's employee participates in various training programs before starting to work and throughout her/his career at McDonald's. Crew members start their journey at McDonald's with the **restaurant orientation**. This program is followed by **star system** where improvement in performance and knowledge is rewarded by career promotion.

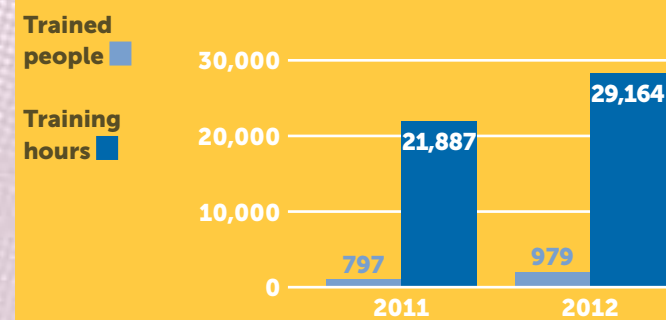
Candidates for restaurant management participate trainings at the Hamburger University. Currently there are many McDonald's Turkey employees who have attended courses at the Hamburger University.

All employees who work at the head office participate in the restaurant trainings as well. They spend time in restaurants observing and experiencing the restaurant environment, understanding service concept, as well as **quality-service-cleanliness** and **value** principles. We value this experience at McDonald's for adopting the McDonald's spirit. All employees work in every work station in the restaurant to fully understand the McDonald's system.

The system is based on promoting the successful employees and helping them move up the career steps. Additionally, McDonald's training system help employees develop in many aspects and be successful in their career paths.

The number of employees in the reporting period increased by 23% and overall trainings we provided increased by 33%.

### TRAINING PERFORMANCE



### HAMBURGER UNIVERSITY

Hamburger University is a training center of McDonald's where all restaurant managers, franchisees, various function managers and employees participate in trainings on McDonald's operations, on their expertise and management skills. From all around the world, **more than 3 thousand people are trained each year** at the Hamburger University, which was established in Illinois in 1961. Hamburger University has seven campuses around the world: Chicago, Sao Paulo, London, Munich, Shanghai, Tokyo and Sydney. There are also training centers that operate as branches of the main campuses in different countries. One of these centers is in Turkey. In this center, Turkish trainers certified by the Hamburger University give training on **Management Development** in line with the international training contents. McDonald's franchisees complete their training programs that lasts six months in this center, before taking over the management of their restaurants.





## BALANCED NUTRITION



As a company that operates in 119 countries and serves 68 million people every day McDonald's carries the responsibility to offer the best quality products with the highest food safety features to its customers. Similar to other McDonald's restaurants around the world, we offer new menu alternatives to our customers **to meet their personal dietary needs** by increasing our menu options **with high quality and high food safety features** in Turkey. We also improve our products regularly in terms of quality, taste and value.

**We reduced salt usage by 20%** in Turkey in line with McDonald's global decision to reduce salt for supporting balanced nutrition.

We believe that a healthy lifestyle is achieved by a balanced, regular nutrition and physical activity. Therefore we collaborate with related experts to explain and establish a nutritionally balanced diet habit.

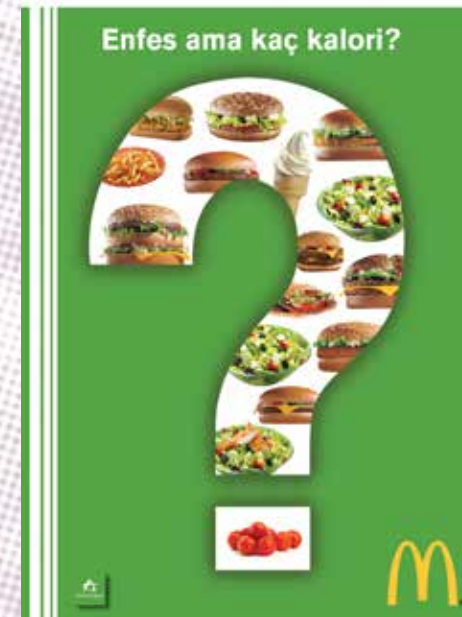
In order to help our customers make the right choices for themselves, we announce the nutrition values of all our product range through many different channels such as our website, tray mats and the information leaflets in our restaurants. We communicate to our stakeholders the fact that McDonald's can be a permanent part of a balanced diet when the nutritional values of products we offer are considered.

As the leading brand of the quick service restaurant chain market, we have prepared a dedicated section called **Balanced Diet** on our website to share our products and activities on balanced nutrition with our stakeholders, where we also offered seven different menus, one for each day of the week.

We take every opportunity to recommend everyone to spare more time for physical activities in their lives. To serve this cause, we support McDonald's sponsorship of the Olympics and the FIFA World Cup in the international arena. And back at home; we sponsored the Turkish Women's National Volleyball Team for their achievement in being the first ever team to qualify for the Olympics.

63% of our employees who participated in sustainability survey say that...

"McDONALD'S IN TURKEY REFLECTS AN IMAGE OF A RESTAURANT TO SOCIETY THAT OFFER BALANCED FOOD CHOICES FOR EVERYONE FOR ALL AGES."



## LIGHT&ACTIVE

Within the balanced diet frame, we brought Light&Active program to life in Turkey. Every year, we add new products to this list of products, or review and replace some of them. In the Light&Active program we have Mediterranean Salad, Grilled Chicken Salad, Crispy Chicken Salad, and Grilled Chicken Sandwich. **In 2012, we also added menus prepared with whole grain sandwiches with chicken and beef among our Light&Active menus for McDonald's customers in around 200 restaurants.** A side salad and a soft drink accompany these two sandwiches with whole grain buns. Along with these applications, our customers are able to reach to our products' calorie values via the Calorimeter Chart on our website, and calculate the total nutritional value of the McDonald's menus they consume.

## NUTRITION VALUES TABLE

The golden rule of a balanced nutrition is to have sufficient amounts of five food categories namely meat, bread, fruits & vegetables, milk and fat. We also announce the nutritional values of our food on the back of the tray mats through nutrition values table. Therefore we help our customers track the values of food they consume.



NUTRITION  
VALUES  
TABLE



CALORIMETER



NUTRITIONALLY  
BALANCED  
MENUS



NUTRITION  
EQUIVALENCE  
CHART



**FIRST STEP OF A BALANCED NUTRITION;  
BREAKFAST WITH EGGS AT McDONALD'S**  
McDonald's has always been sensitive on a suitable, balanced, regular diet for nutrition throughout the years. In order to help this cause, we have also been adding new products into our breakfast menus in Turkey since 2008. We offer several delicious and nutritious breakfast menus prepared with eggs which is one of the richest protein sources. In 2012, we added Egg McMuffin® with Turkish Sausage and Turkish Breakfast Plate that consists of cheese, olives, cucumber, tomatoes and scrambled eggs in addition to Egg McMuffin®, Sausage McMuffin®, Sausage McMuffin® with Egg, Hotcakes®, Big Breakfast®, and Hash Browns®.

Nutritionist Ms. Ayşegül Bahar says "Whether you're a man or a woman in any age from 7 to 70, breakfast with right ingredients is the key to start a day energetically. For those who have their breakfast out, I can recommend McDonald's breakfast menus that offer several choices. For example, Egg McMuffin® is a great choice since it balances carbohydrates with protein."

In 2012 we continued our communication efforts to explain the benefits of breakfast for a healthy and balanced diet. Thus, we helped increase the awareness in public. Breakfast at McDonald's starts at 4:00 AM and ends at 11:00 AM at the breakfast serving restaurants.



## FOOD SAFETY

At McDonald's we give utmost importance to prepare all our foods with fresh and high quality ingredients. In order to keep the food safety at our restaurants under control, we systematically check all the products in several control stages.

We aim to ensure our quality through these controls, from raw material to servicing stages. For each of **nearly 450 products**, we carefully control all stages of the production processes to ensure food safety, cleanliness and hygiene standards.



96% of our employees who participated in sustainability survey say that...

"McDONALD'S' SYSTEMS IN TURKEY ARE SUFFICIENT TO PROVIDE RELIABLE FOOD."





#### TRACEABILITY FROM FARM TO TRAY

Conforming the legislations of the country it operates is a must for McDonald's' global operations when food safety is concerned. All producers in Turkey have to meet the legislation and food regulations of the Ministry of Food, Agriculture and Livestock while ensuring health and hygiene rules of McDonald's.

We build long-term business relations with our suppliers based on mutual trust. Nonetheless, we examine every product in all process steps with scheduled as well as non-scheduled audits. Independent international food quality control companies also audit our suppliers, making sure that we do not let anything go by luck when food safety is concerned.

We can trace the sources of all products offered in our restaurants from meat to the sauce in terms of their origins, history and conditions of production until they are served on the tray. Within this frame, we make sure the product safety by applying HACCP (Hazard Analysis and Critical Control Points) procedures in our suppliers' premises, and McHACCP, a proprietary procedure of McDonald's, in our restaurants.

There are checklists on food safety in our restaurants, and the authorized personnel vigorously with no failure fill these checklists. The details such as the internal temperature of all meat products during cooking, the temperatures on all critically positioned equipment, maximum-handling times of the products from cooking to delivery, etc., are kept under constant control. Our understanding of traceability means that our products could be tracked from farms they were grown or raised right to their serving to our guests.



#### HALAL MEAT CERTIFICATES

#### HALAL FOOD

We obtain all of our meat and poultry products from animals bred in Pinar Meat's fully controlled and approved farms, and slaughtered according to Islamic methods in Turkey's most modern slaughterhouses.

#### RESPONSIBLE MARKETING

We adopt responsible marketing and communication principles dictated in **The Golden Arches Code**, as it is applicable in all McDonald's offices and restaurants worldwide, along with the ethic codes of Anadolu Group, and monitor ourselves with the standards they have set.

On our above-the-line communication works, in informative communication material in our restaurants and on digital media, and in other below-the-line communication works, we pay utmost attention to avoid promoting excessive consumption of any particular product by adopting responsible advertisement principles.

In all of our activities directed at children, we abide by the message and visual usage standards and principles set by the legal rules and regulations as well as McDonald's global organization. (**Global Children's Marketing Guidelines**)

#### MCDONALD'S AND OXI-GEN MUSIC NETWORK COLLABORATION

As we re-image and re-model our restaurants into environments where our guests enjoy their stay comfortably in a different and modern architectural design, we support this experience through internal music broadcast prepared in collaboration with Oxi-Gen Music Network.

The selection of the music played in our restaurants, the preparation of the 'best of' list and the technical infrastructure service is run by a professional team. The royalties for all of the music played in our restaurants are paid.





## GIVING BACK TO SOCIETY

Success in McDonald's is not limited by reaching business targets such as profitability or growth. Besides these factors, the real success lies in providing socially responsible projects for the society that we are part of. One of McDonald's fundamental principles is contributing and giving back a part of its earnings to the society it operates in.

McDonald's is proud to be a **responsible member of the society**, and similarly each McDonald's restaurant is dedicated to be a **good neighbor**. Therefore, we do our best to take part in projects for our society's benefit, and provide support in many fields from health to sports, on national and international level.

65% of our workers who participated in sustainability survey say that...

"THE CHARITY WORK/ INVESTMENTS McDONALD'S CHILDREN CHARITY REALIZES NATIONWIDE IN TURKEY IS SUFFICIENT TO MEET OUR COMPANY'S FULFILLMENT OF ITS SOCIAL RESPONSIBILITY."



### RONALD McDONALD HOUSE CHARITIES (RMHC)

Ronald McDonald House Charities (RMHC) was founded in Philadelphia, PA in 1974. RMHC reflects McDonald's philosophy of **giving back to the society** at its best by globally championing its continuity.

## McDONALD'S CHILDREN CHARITY

McDonald's is the major supporter of McDonald's Children Charity, which operates in Turkey as a local chapter of RMHC's global organization that operates in 53 other countries all over the world. In line with the mission of the global organization, we provide support for the projects in hospitals across many provinces in Turkey to help sick children and their families to have a more comfortable experience throughout their inpatient care.

Since McDonald's Children Charity's foundation in 1999, we have completed **42 projects in 28 different hospitals' childcare units in 21 cities**, reaching out more than 150 thousand children with a support worth in the excess of USD 1,5 million in cash or in kind.

The Charity also reaches around 20 thousand students in every educational calendar year within the **Eye Health and Success in Education Project**.

### FAMILY ROOMS

One of the most important projects McDonald's Children Charity has realized within its scope is the 'Family Rooms'.

Family Rooms are located in the close vicinity of the hospitals' childcare units. Their purpose is to provide sick children and their families a home-like environment to spend quality time and fulfill their basic needs when they have no other alternatives other than hospital rooms and corridors.

Family Rooms aim to contribute to the treatment in a positive way by providing moral support to sick children and their families.

The hospitals where these Family Rooms are realized:

- + Marmara University Hospital
- + Ankara University Hospital
- + Vakıf Gureba Hospital
- + İstanbul University Oncology Institute







#### **INHOSPITAL PRIMARY EDUCATION CLASSROOMS**

The absence of sick children at school when they are in for a long-term treatment in a hospital create other problems including emotional turmoil for them and for their families. These Hospital Classrooms reporting to the Ministry of Education addresses to this problem, and enable sick children continue their education while undergoing treatment.

**The hospitals where Hospital Primary Education Classrooms are realized:**

- + İstanbul University Oncology Institute
- + Ege University Children's Hospital
- + Ondokuz Mayıs University Children's Hospital



#### **FURNISHING CHILDREN SERVICES IN HOSPITALS**

McDonald's Children's Charity believes that the physical conditions of the environment during the care are very important in a speedy recovery besides the medical expertise. With this in mind, it helps their treatment process by refurbishing sick children units with furniture, equipment and accessories carefully selected to meet sick children's and their families' needs and expectations.

**The hospitals where the furnishing of the Sick Children Units are realized:**

- + İstanbul University Children Health and Diseases Hospital Emergency Treatment Unit
- + Kayseri State Hospital Children's Emergency Treatment Unit
- + Şişli Etfal Hospital Pediatric Oncology Unit
- + Aydın Adnan Menderes University Children's Polyclinic Building
- + Konya Selçuk University Children's Hospital General Pediatrics Unit
- + Afyon University Hospital Children's Patient Rooms
- + Eskişehir Orhangazi University Hospital Children's Eye Care Unit
- + Şişli Etfal Hospital Newborn Intensive Care Unit
- + Trabzon Numune Hospital Children's Emergency Examination and Treatment Rooms
- + Ankara Dışkapı Children's Hospital Patient Rooms
- + Mersin University Hospital Newborn and Child Infection Units
- + Cerrahpaşa Faculty of Medicine Child Surgery Department
- + Heybeliada Infirmary Children's Polyclinic
- + İzmir Buca State Hospital Mother Baby Care Rooms
- + Van State Hospital – medical supply support after the earthquake disaster
- + Malatya İnönü University Turgut Özal Medical Centre Children Hematology and Oncology Unit
- + Erzurum University Hospital Children's Emergency Unit
- + Şişli Etfal Hospital Pediatric Development Unit
- + Adana Çukurova University Balcalı Hospital Children's Polyclinic



#### **EYE HEALTH AND SUCCESS IN EDUCATION PROJECT**

McDonald's Children's Charity believes that healthy children are more successful in their educational life. Therefore, in the regions with inadequate eye health services, we cooperate with local administrations and health institutions to conduct eye scanings. Eye scanning project also increases awareness and inform families about their children's eye health conditions.

The Charity completed eye scanings of tens of thousands of primary school children at Şanlıurfa, Diyarbakır, Mardin, Gaziantep and Adıyaman with the cooperation of GAP Regional Development Administration and ophthalmologists from local universities or state hospitals.

When the Project is over, the scanning devices provided by the Charity are donated to the hospital in the region. Thus, we ensure that the remaining children would have the opportunity of eye scanning.

**In the scope of Eye Health and Success in Education Project:**

- + 20 thousand children at 12 primary schools in Şanlıurfa
- + 20 thousand children at 9 primary schools in Diyarbakır
- + 15 thousand children at 21 primary schools in Mardin (2010-2011 educational calendar year)
- + 18 thousand children at 22 primary schools in Gaziantep (2011-2012 educational calendar year) are gone through eye scanings.
- + In 2012-2013 educational calendar year the project was initiated in Adıyaman.



#### **HOSPITAL PLAYGROUNDS**

McDonald's Children Charity aims to help sick children feel and get better by creating a positive atmosphere in the hospital playgrounds that children could benefit throughout the day.

**The hospitals where the Hospital Playgrounds are realized:**

- + İstanbul University Cerrahpaşa Hospital
- + Afyon Kocatepe University Hospital
- + Kayseri State Hospital
- + Konya Beyhekim State Hospital
- + Çanakkale Çan Municipality Infirmary
- + İstanbul Mehmet Akif Ersoy Hospital





# Our Environmental Performance

We manage our environmental impacts by using energy and water efficiently and disposing our wastes appropriately. To reduce the impacts, we observe our operational activities constantly and define improvement areas.

**BEING A GOOD NEIGHBOR**  
We keep encouraging our restaurants since our establishment in Turkey in 1986 to be socially responsible by being aware of the neighboring community needs and address them as possible.

In 2011-2012 period, we reached out nearly two thousand people, mostly children, via social activities we carried out at our restaurants through cooperation with various institutions and non-governmental organizations, on special days such as EID, Women's Day, April 23 National Sovereignty and Children's Holiday all around Turkey.

**TURKISH WOMEN'S NATIONAL VOLLEYBALL TEAM SPONSORSHIP**  
McDonald's supports active life and physical activity as part of its global strategy and is the official restaurant of the Olympics since 1974. McDonald's also sponsors FIFA World Cup. McDonald's encourages children and youngsters in Turkey to do physical activity and to raise their interest in sports. For this purpose, it allocated USD 250 thousand budget for the communication and sponsorship activities in 2012.

McDonald's Turkey supported and sponsored the **Turkish Women's National Volleyball Team**, the first ever-national team to qualify for 2012 London Summer Olympics.



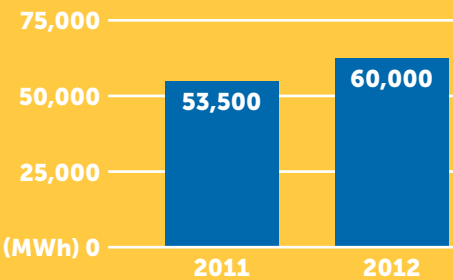
## ENERGY EFFICIENCY

At McDonalds, the foremost energy source used in operations is electricity. We use electricity in lighting the interiors and exteriors as well as for kitchen equipment, freezers and deep freezers, water treatment and air conditioners. Our generators used during blackouts are operated with diesel. We have energy efficient air conditioners, grills, fryers, ice, and soda and ice cream machines in 110 restaurants. In the years 2011-2012, we began to renew our restaurant equipment with more energy efficient models. We also switched to LED lighting from conventional.

We have been arranging trainings to raise energy efficiency awareness among our employees and carrying out an energy survey every six months. 103 of our restaurants buy their electricity from EnerjiSA, which produces 15-20% of its electricity production out of renewable energy sources. During this reporting, while the number of our restaurants increased by 19%, our overall electricity consumption increased by only 12%, thanks to the energy saving policies we have enforced.



### ELECTRICITY CONSUMPTION



59% of our employees who participated in sustainability survey say that...

"THE MOST IMPORTANT ENVIRONMENTAL IMPACT McDONALD'S IN TURKEY SHOULD MANAGE IS ENERGY EFFICIENCY."



## WASTE MANAGEMENT

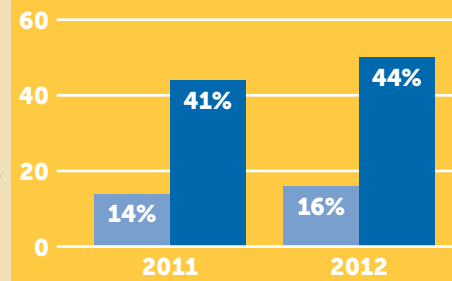
Our restaurants mainly produce oil and packaging waste. On the collection and recycling of waste oil, we work with a licensed company, **Albiyobir**. We collect the waste oil into the jerry cans they provide our restaurants with, and hand over to them along with a National Waste Transportation Form on a weekly basis. All of the collected oil is processed, making sure that our oil waste is fully recycled.

Since it is impossible to separate packaging waste within the restaurants, we collaborate with **TÜKÇEV** (The Consumer and Environment Education Foundation) on collection and recycling of all plastic, paper/carton and composite packaging materials that we use. As the 'releaser', we share the figures regarding how much waste we have produced in a previous year with the Ministry of Environment and Urbanization, and TÜKÇEV. In the following year, TÜKÇEV collects an amount of packaging waste that meets the recycling ratio according to the related laws and regulations from the market, recycles, documents and reports it to the Ministry on behalf of our company.

Our waste disposed figures via recycling and recovery has increased by 2-3% due to the increase in the number of our restaurants within the same period. The amount of domestic and paper waste that is produced within our offices is negligible for collection and storage in any special method.

### WASTE DISPOSAL PERFORMANCE

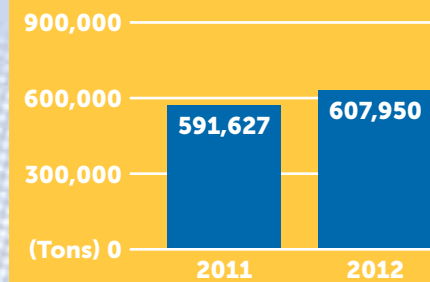
Recycling  
Recovery



52% of our employees who participated in sustainability survey say that...

"THE SECOND MOST IMPORTANT ENVIRONMENTAL ISSUE OF McDONALD'S IN TURKEY SHOULD MANAGE IS THE WASTE ISSUE."

### WASTES



### IMPORTANT IMPROVEMENT IN COMPLETED WASTE RATE

Having enough number of ready to serve products on the shelf to meet immediate customer demand is an important issue for quick service. We developed the **MFY (Made For You)** System in order to offer a higher quality end product while maintaining a quicker service. In this system we pass the customer's order from the cash register to the kitchen automatically, and prepare the product on demand, whereas the previous system required the preparation of food in advance and keeping a number of products on the shelf waiting for a customer to come, which increased the amount of completed waste.

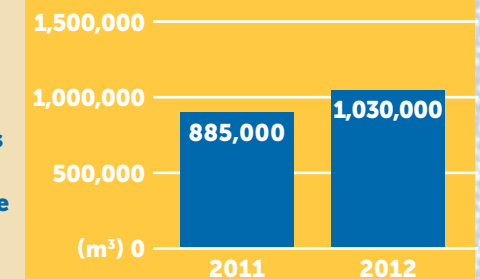
Product supply have been started to be made according to their expiry dates in the electronic domain, eliminating the need for keeping excessive stock in the restaurants. Our new system **enabled us around 30% improvements** in completed waste rates between 2011 and 2012.

## SAVING WATER

The most intensively used **natural resource** in our restaurants is **water**. Besides its use in general purposes, we also use it in the preparation of soda drinks, ice, coffee and cocoa. The water used in beverages is drawn from the water network and is fully filtered. By using a reverse osmosis filtering system, we clean the tap water from any ingredient that might be coming from the network and harmful to human health, such as heavy metals etc. We make sure that our water filtering systems are checked for any irregularities, and their outputs are put through chemical analysis on a monthly basis.

We have started to use photocell controlled taps in the personnel restrooms of the restaurants opened in 2011 and 2012, and alternative water saving apparatuses in the older restaurants. During the preparation of this reporting, **our water consumption has only increased by 16% as opposed to the 19% increase in the number of restaurants**, all thanks to the water saving measures we have taken. We will continue to enforce these measures to make sure that our consumption increase-rate stays behind our growth rate in restaurant numbers.

### WATER CONSUMPTION



51% of our employees who participated in sustainability survey say that...

"THE MEASURES McDONALD'S IN TURKEY TAKES IN THE ECONOMICAL USAGE OF SOURCES SUCH AS ELECTRICITY, WATER, NATURAL GAS AND FOSSIL FUELS ARE SUFFICIENT."





# Our Performance Indicators

## SOCIAL PERFORMANCE INDICATORS

### WORKFORCE

BY EMPLOYMENT TYPE	UNIT	2011	2012	GRI
White collar female employees	Number	435	524	LA1
White collar male employees	Number	1,195	1,460	LA1
Blue collar female employees	Number	880	939	LA1
Blue collar male employees	Number	1,595	1,617	LA1
TOTAL	Number	4,105	4,540	LA1
BY CONTRACT TYPE	UNIT	2011	2012	GRI
Full-time female employees	Number	917	1,081	LA1
Full-time male employees	Number	2,162	2,402	LA1
Part-time female employees	Number	398	382	LA1
Part-time male employees	Number	628	675	LA1
BY LOCATION	UNIT	2011	2012	GRI
HQ - Female	Number	43	54	LA1
HQ - Male	Number	63	77	LA1
Restaurants - Female	Number	1,272	1,409	LA1
Restaurants - Male	Number	2,727	3,000	LA1
BY GENDER	UNIT	2011	2012	GRI
Male	Number	2,790	3,077	LA13
	Rate	68	68	LA13
Female	Number	1,315	1,463	LA13
	Rate	32	32	LA13
BY AGE	UNIT	2011	2012	GRI
Age 30 and below	Female	1,183	1,295	LA13
		28.8%	28.5%	LA13
	Male	2,432	2,668	LA13
Age between 30-50	Female	129	166	LA13
		3.1%	3.6%	LA13
	Male	348	398	LA13
Age 50 and above	Female	3	2	LA13
		0.1%	0.1%	LA13
	Male	10	11	LA13
		0.2%	0.2%	LA13

OTHER GROUPS	UNIT	2011	2012	GRI
Foreign employees	Number	0	0	LA13
Disabled employees	Female	19	18	LA13
		17%	16%	LA13
	Male	91	92	LA13
		83%	84%	LA13
EMPLOYEES BY CATEGORY	UNIT	2011	2012	GRI
Senior management	Female	10	10	LA13
		0%	0%	LA13
	Male	16	18	LA13
		0%	0%	LA13
Middle management	Female	4	7	LA13
		0%	0%	LA13
	Male	23	31	LA13
		1%	1%	LA13
Specialists / Administrative personnel	Female	421	507	LA13
		10%	11%	LA13
	Male	1,195	1,411	LA13
		29%	31%	LA13
Other personnel	Female	880	939	LA13
		21%	21%	LA13
	Male	1,595	1,617	LA13
		39%	36%	LA13
BOARD STRUCTURE	UNIT	2011	2012	GRI
Female members	Rate	0	0	LA13
Age 30 and below	Rate	0	0	LA13
Age between 30-50	Rate	15	15	LA13
Age 50 and above	Rate	85	85	LA13
Disabled	Rate	0	0	LA13
EMPLOYEE HEALTH AND SAFETY				
ACCIDENTS	UNIT	2011	2012	GRI
All except first aid level minor injuries	Number/Year	n.a.	n.a.	LA7
Reportable*	Number/Year	77	81	LA7
Accident frequency**	Rate	8.4	7.9	LA7
DAYS OF ABSENCE	UNIT	2011	2012	GRI
Illness related absence days	% In absence	n.a.	n.a.	LA7
Occupational disease frequency	Number/Year	0	0	LA7

\* Reportable: A work related accident when 3 + days of absence is involved  
 \*\* Accident frequency (A.F.): Number of accidents in one million hours worked  
 A.F. = Total number of accidents / (Total number of employees x 300 days x 7.5 hrs)  
 - (Total number of days of absence x 7.5 hrs) x 1,000,000  
 n.a.: not available



ENVIRONMENTAL  
PERFORMANCE  
INDICATORS

INDIRECT ENERGY CONSUMPTION		HEADQUARTERS AND RESTAURANTS		
INTERMEDIATE ENERGY PURCHASED AND CONSUMED FROM NON-RENEWABLE ENERGY SOURCES				
ENERGY SOURCES	UNIT	2011	2012	GRI
Electricity	kWh	53,500,000	60,000,000	EN4
Electricity	GJ	192,600	216,000	EN4

TOTAL WATER WITHDRAWAL BY SOURCE		HEADQUARTERS AND RESTAURANTS		
SOURCE: CITY WATER	UNIT	2011	2012	GRI
Water	m³/year	885,000	1,030,000	EN8
Water treated	m³/year	885,000	1,030,000	EN8

TOTAL WASTE AMOUNT		HEADQUARTERS AND RESTAURANTS		
BY TYPE	UNIT	2011	2012	GRI
Hazardous waste	Tons	0	0	EN22
Non-hazardous waste (frying oil, plastics, paper)	Tons	591,627	607,950	EN22
BY DISPOSAL METHOD	UNIT	2011	2012	GRI
Recycling (plastics, paper)	Tons	83,491	95,611	EN22
Recovery (frying oil)	Tons	241,700	265,420	EN22
Total waste disposed	Tons	325,191	361,031	EN22

GRI CONTENT INDEX

PROFILE DISCLOSURES CONTENT

GRI	STRATEGY AND ANALYSIS	REFERENCES & COMMENTS	REPORTED
1.1.	Statement from the most senior decision-maker of the organization	Pages 4-5	●
GRI	ORGANIZATIONAL PROFILE	REFERENCES & COMMENTS	REPORTED
2.1.	Name of the organization	Anadolu Restoran İşletmeleri Ltd. Co.	●
2.2.	Primary brands, products, and/or services	Pages 6-7	●
2.3.	Operational structure	Pages 6-7	●
2.4.	Location of headquarters	Büyükdere Cad. Özsezen İş Merkezi, 122/9 Zincirlikuyu 34394 İstanbul, Turkey	●
2.5.	Countries of operation	Pages 6-7	●
2.6.	Ownership	Private ownership, Limited Company	●
2.7.	Markets served	Pages 6-7	●
2.8.	Scale and size	Pages 6-7	●
2.9.	Significant changes	Pages 6-7	●
2.10.	Awards	Page 10	●
GRI	REPORT PARAMETERS	REFERENCES & COMMENTS	REPORTED
3.1.	Reporting period	Page 2	●
3.2.	Date of previous report	This is the first report.	●
3.3.	Reporting cycle	Annual	●
3.4.	Contact information	Page 49	●
3.5.	Defining content	Pages 12-13	●
3.6.	Boundary of the report	Page 2	●
3.7.	Limitations	Page 2	●
3.8.	Basis for reporting entities	Page 2	●
3.10.	Re-statements	This is the first report.	●
3.11.	Changes	This is the first report.	●
3.12.	GRI content index	Pages 45-47	●
3.13.	Assurance	Not externally assured	●
GRI	GOVERNANCE & COMMITMENTS	REFERENCES & COMMENTS	REPORTED
4.1.	Governance structure	Page 13. Commitees do not exist.	●
4.2.	Chairman	It is not applicable. Our company is a Limited Partnership.	●
4.3.	Unitary board	It is not applicable. Our company is a Limited Partnership.	●
4.4.	Mechanisms for recommendations	Page 14. Board of shareholders meetings, periodical meetings and all communication means such as one-on-one, e-mail mail, telephone for employees.	●
4.8.	Mission and values	Page 11	●
4.13.	Memberships in associations	Page 10	●
4.14.	Stakeholder groups	Pages 12-13	●
4.15.	Basis for selection	Pages 12-13	●
4.16.	Approaches to stakeholder engagement	Pages 12-13	●
4.17.	Key topics from stakeholders	Pages 12-13	●



PERFORMANCE INDICATORS			
GRI	ECONOMIC PERFORMANCE	REFERENCES & COMMENTS	REPORTED
Economic Performance			
EC1 (Core)	Direct economic value generated and distributed	Page 17	⦿
Market Presence			
EC5 (Add)	Ratios of standard entry level compared to local minimum wage	Minimum wages are the same at all locations in Turkey. Standard entry-level wage is either the same (1/1) with minimum wage or higher.	●
EC6 (Core)	Policy, practices and proportion of spending on local suppliers	Page 17	●
Indirect Economic Impacts			
EC8 (Core)	Impact of infrastructure investments and services for public benefit	Pages 35-37	●
GRI	ENVIRONMENTAL PERFORMANCE	REFERENCES & COMMENTS	REPORTED
Energy			
EN4 (Core)	Indirect energy consumption by primary source	Page 44	●
Water			
EN8 (Core)	Total water withdrawal by source	Page 44	●
Emissions, Effluents and Waste			
EN22 (Core)	Total weight of waste by type and disposal method	Page 44	●
Products and Services			
EN27 (Core)	Percentage of products sold and their packaging materials that are reclaimed by category	Page 44	●
Compliance			
EN28 (Core)	Monetary value of significant fines for non-compliance with environmental laws	No sanctions for non-compliance	●
GRI	SOCIAL PERFORMANCE (EMPLOYEES)	REFERENCES & COMMENTS	REPORTED
Employment			
LA1 (Core)	Total workforce by employment type, employment contract, and region	Pages 42-43	●
Occupational Health and Safety			
LA7 (Core)	Injuries, occupational diseases, working days lost, absentee rate and work-related fatalities	Page 43	⦿
Training and Education			
LA10 (Core)	Average hours of training per year per employee by employee category	Page 26	⦿
Diversity and Equal Opportunity			
LA13 (Core)	Diversity in senior management and employee structure	Pages 42-43	●
Equal Remuneration for Women and Men			
LA14 (Core)	Ratio of basic salary of male and female employees	1 to 1 in all categories	●

GRI	SOCIAL PERFORMANCE (HUMAN RIGHTS)	REFERENCES & COMMENTS	REPORTED
Non-discrimination			
HR4 (Core)	Incidents of discrimination and actions taken	No incidents occurred	●
Child Labor			
HR6 (Core)	Operations with significant risk for incidents of child labor and measures taken	No identified risks	●
Forced and Compulsory Labor			
HR7 (Core)	Operations with significant risk for incidents of forced and compulsory labor	No identified risks	●
GRI	SOCIAL PERFORMANCE (SOCIETY)	REFERENCES & COMMENTS	REPORTED
Corruption			
SO3 (Core)	Employee training regarding anti-corruption	100% through Golden Arches Code and Anadolu Group Code of Conduct.	●
Compliance			
SO8 (Core)	Monetary value of fines for non-compliance with laws	No sanctions for non-compliance	●
GRI	SOCIAL PERFORMANCE (PRODUCT RESPONSIBILITY)	REFERENCES & COMMENTS	REPORTED
Customer Health and Safety			
PR1 (Core)	Life cycle stages in which health and safety impacts of products and services are assessed	Page 32	●
Marketing Communications			
PR6 (Core)	Programs for compliance with laws, standards related to marketing communications	Page 33 Golden Arches Code, McDonald's Social Media Guideline and Anadolu Group Code of Conduct	●
● Fully ⦿ Partially ○ Not			





## Statement GRI Application Level Check

GRI hereby states that **Anadolu Restoran İşletmeleri Ltd. Co. (McDonald's Turkey)** has presented its report "2012 Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 4 February 2014

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check 28 January 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

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