

McDonald's® Turkey

Sustainability Report

2014



ANADOLU GRUBU





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about our report

As McDonald's Turkey, we continue to communicate our economic, environmental, and social performance to our employees, customers, business partners and other stakeholders in the third edition of our sustainability report. We design this report, which is prepared on an annual basis, as a communication tool to share the steps we take to manage our impacts.



scope of our report

In a strategy workshop we convened with our senior management, we reviewed the sustainability issues that we needed to manage primarily. As we identified these issues, we took into consideration all our restaurants and the entire process from supply to the delivery of our products to customers in Turkey without any limitations. The information in this report represents our performance from January 1, 2014 to December 31, 2014 unless otherwise stated.

principles of our report

We based our report on the standard disclosures and related performance indicators of the GRI Global Reporting Initiative G4 Sustainability Reporting Guidelines and in accordance with GRI G4 Guidelines – Core option; as well as GRI’s materiality, stakeholder inclusiveness, sustainability context and completeness principles.

www.globalreporting.org

our next report

We plan to publish the report on our 2015 sustainability performance in 2016.



message to our stakeholders

Dear Stakeholders,

In this third edition of our sustainability report, we continue to share with you the value we created in Turkey, where we have been serving as the representative of McDonald's, which was selected by the Forbes Magazine as the "World's 6th Most Valuable Brand" in 2014. We have conducted all our operations based on an approach that prioritizes our social and environmental responsibilities while delivering on our commercial promises to our shareholders by ensuring profitability.

At McDonald's Turkey, we play a significant role in our national economy in terms of the industries, with which we collaborate, as well as our sales volume. As in the previous years, we sourced 98% of the products and packaging materials offered at our restaurants locally, from suppliers in Turkey. In 2014, the number of our restaurants increased by 15% to 266, the number of our franchisees by 33% to 72, and the number of McD Café[®]s to 22.

our social performance

Looking after the health, safety and happiness of our employees and guests is a key aspect of our social performance. We deem the satisfaction of our nearly 5,000 employees working at our restaurants across 44 cities today, as a chief prerequisite of ensuring customer satisfaction. We monitor employee satisfaction closely and continuously invest in their development. In 2014, we further intensified our investments and efforts in both training and communication.

Since 2012, the McDonald's Versatile Leadership Program, which aims to provide all our restaurant managers with training, has graduated a total of 75 trainees, 25 of them in 2014, including 15 women while 9 employees that attended the program were promoted to a higher position.

Customer health and safety is a top consideration in our sustainability efforts. This is further enforced by the principal goal of McDonald's standards; 'food safety.' One of the most prestigious health magazines in the United States, the Health Magazine, ranked McDonald's 8th among **America's Top 10 Healthiest Fast Food Restaurants** based on a survey independently conducted in 100 quick service restaurants across the country.

As in the rest of the world, we prepare all our products from the freshest, premium ingredients. We monitor all of the ingredients in our products in their journey from the field or farm where they are produced until the moment they are placed on the trays of our customers. To ensure a healthy balanced diet for our customers, we provide them with top-quality, delicious product alternatives in accordance with their specific nutrition needs.

Another aspect of our social performance is our work to contribute to the community. With the USD 1.5 million we transfer into the efforts of the McDonald's Children Charity, we have benefitted nearly 200,000 children through our furnishing projects for family rooms, hospital primary education classrooms, hospital playgrounds, and children's units. Following the provinces of Diyarbakır, Şanlıurfa, Mardin, Gaziantep and Adıyaman, we introduced the Eye Health and Success in Education Project to Batman in 2014.

our environmental performance

We manage our environmental impacts by making efficient use of energy and water and disposing of our waste in the best way possible. Thanks to the measures we have taken at our restaurants, our water consumption grew in parallel with the rate of increase of the number of our restaurants over the reporting period while our electricity consumption grew at a slower rate. In the meantime, our electricity consumption per restaurant declined by 5.5% in kWh terms, diesel consumption by 14% and our per restaurant water consumption in liters declined by 11%.

The frying oil we use at our restaurants were disposed in line with the limits set out in all the quality criteria of the Turkish Food Codex before being delivered to the licensed waste oil collection firm. The licensed firm we work with, TÜKÇEV, collected on our behalf 44% of our packaging waste and documented that they were processed at approved recycling/reclamation facilities.

Dear Stakeholders,

We believe that we contribute to all our stakeholders through our report in which we convey our responsible and sustainable way of doing business through best practices. We also asked our main suppliers and franchisees for their opinions on the topics covered by this report. The fact that these opinions overlapped with the topics we focused in previous years attests to our success in meeting the expectations of our stakeholders.

Going forward, we will continue our determination to accommodate the requests of all our stakeholders based on the values and global vision of McDonald's as well as Anadolu Group's principles, and further extend our corporate responsibility approach, keeping up with our sustainability work in the coming period as well.

Kind Regards,

A. Oğuz Uçanlar
Managing Director

facts and figures about McDonald's Turkey



0123456789



®



organizational profile

28 years

44 cities

266 restaurants

22 McD Café[®]s

%27 ratio of franchisees

300 thousand (approximately) daily customers

5,000 employees

New additions to our menu McD Café[®]s

Beverages (5 varieties)
Pastries (3 varieties)

New additions to our menu restaurants

Beef sandwiches (1 variety)
Chicken sandwiches (3 varieties)
Salads (1 variety)
Snacks and side dishes (6 varieties)
Breakfast menus (1 variety)
Beverages (1 variety)
Desserts (1 variety)

Restaurant management

Anadolu Restoran İşletmeleri: 194
Franchisees: 72

sustainability profile

economic

98%

Ratio of locally sourced ingredients in our products

113

million USD

Annual business volume with our suppliers

100

million+ USD

Total amount of investment made by our suppliers in Turkey to date

social

15

thousand+

Total employment we generate together with our suppliers

1.5

million USD

Social investments by McDonald's Children Charity

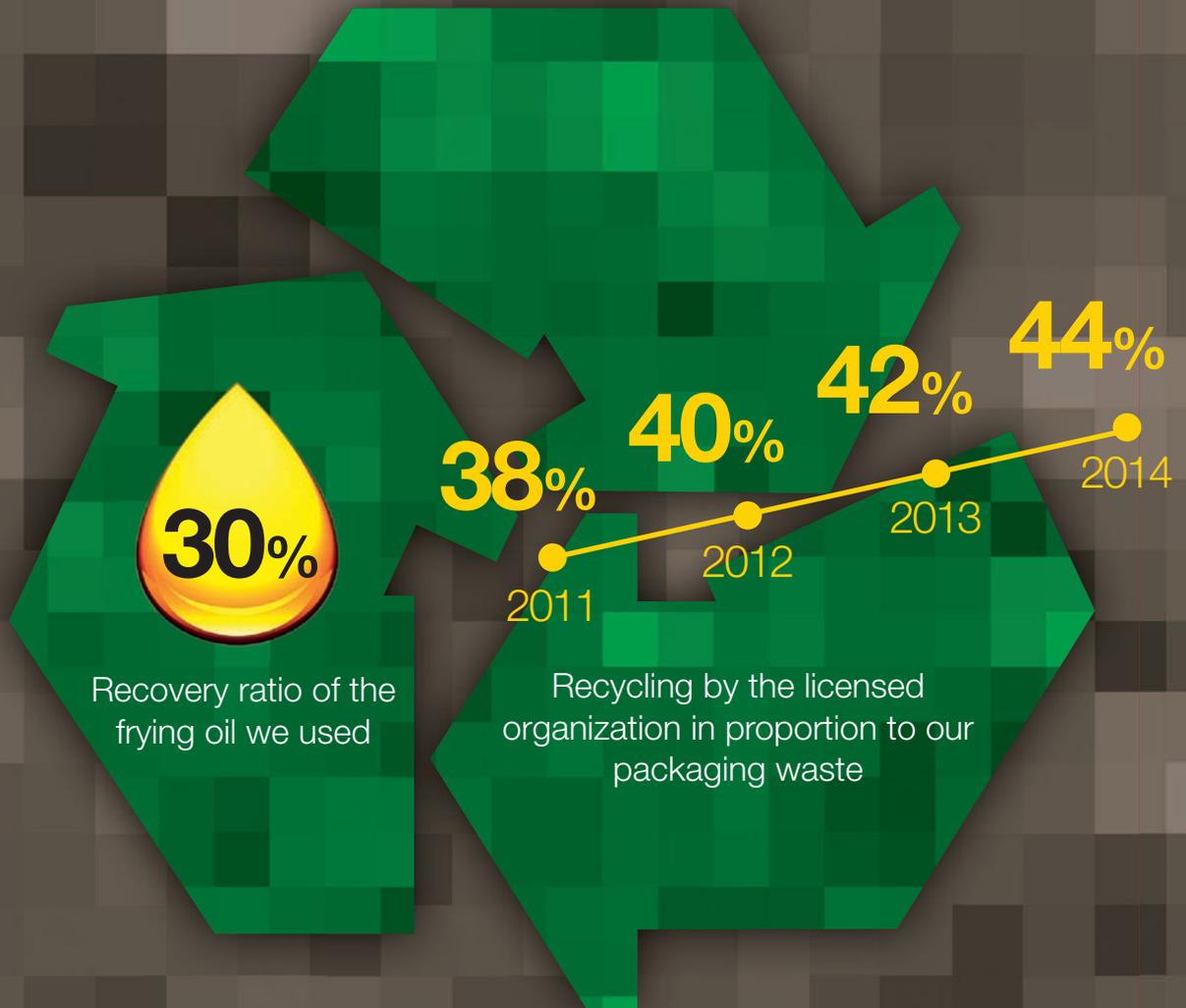
200

thousand children

Number of children reached through McDonald's Children Charity



environmental



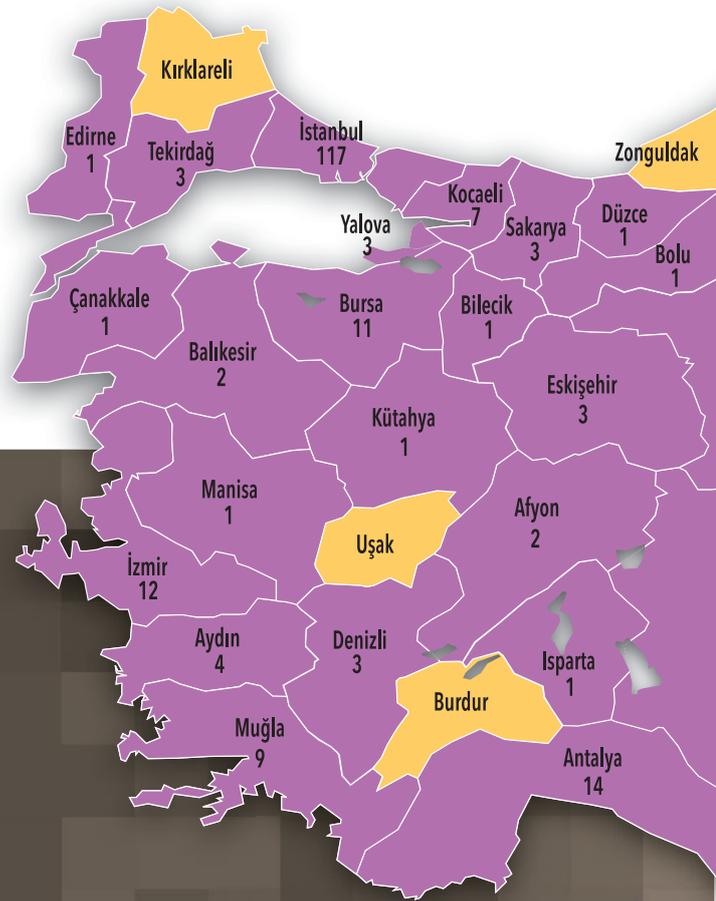
memberships

- AMPD Trade Council of Shopping Centers and Retailers
- GGD Turkish Food Safety Association
- TÜKÇEV Consumer and Environment Training Foundation
- ÇEVKO Environmental Protection and Packaging Waste Recovery and Recycling Trust
- KID Corporate Communicators Association
- GPD Food Retailers Association
- UFRAD The Turkish Franchise Association

our restaurants and McD Café®s

distribution of McDonald's restaurants in Turkey

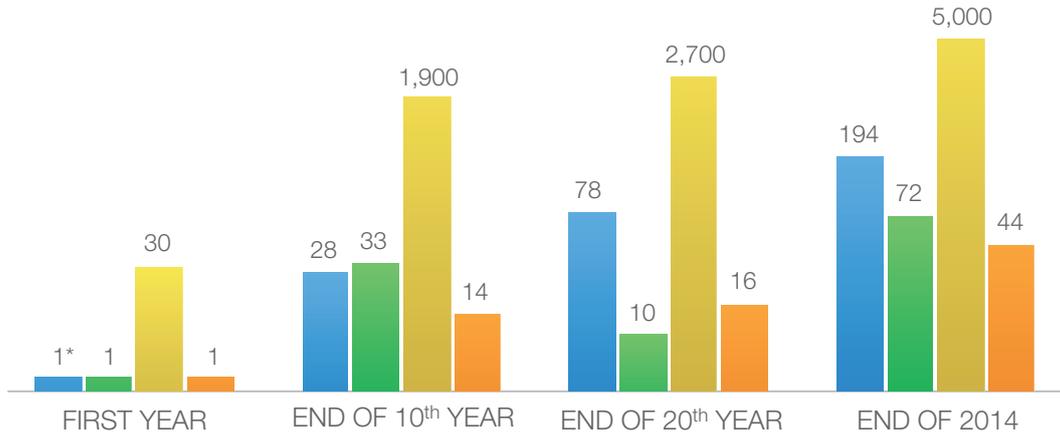
In 2014, we opened a total of 40 new restaurants in İstanbul, Ankara, Tokat, Aksaray, Antalya (Kemer), Erzurum, Bursa, Marmaris, Çorlu, Edirne, Adana, Düzce, İzmir, İzmit, Denizli and Mersin, including 34 company-owned and 6 franchise restaurants. The same year, we ended the operations of five company-owned restaurants including one in İzmit (Gölcük), one in Söke (Aydın), and three in İstanbul.



McD Café®

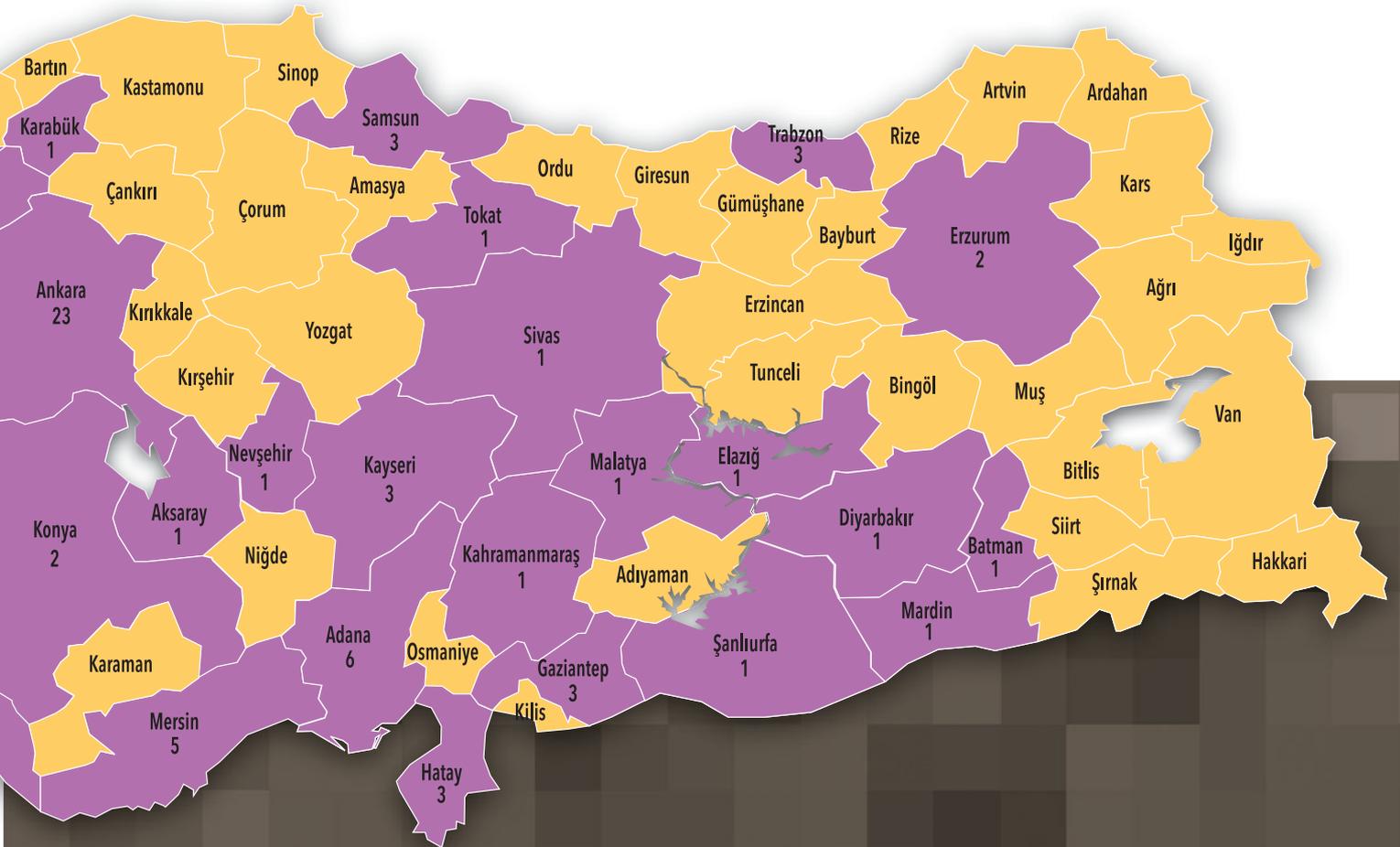
A coffee chain present in more than 1,300 restaurants across 32 countries, McD Café®s started its operations in Turkey in 2012 as McD Café®s. Coffees offered at McD Café®s are prepared by our experienced baristas from 100% Arabica coffee beans.

With the addition of our newly launched McD Café®s that started to serve as corners at McDonald's restaurants in İstanbul, Antalya, and Tekirdağ to provide customers with pleasurable time and to introduce them to a genuine and premium coffee experience, the number of McD Café®s reached 22 in 2014.



■ NUMBER OF RESTAURANTS (Anadolu R.İ.) ■ NUMBER OF RESTAURANTS (Franchisees) ■ NUMBER OF EMPLOYEES (Total) ■ NUMBER OF CITIES WITH A MCDONALD'S RESTAURANT

* Opened in Taksim as Master Licensee in 1986.



McD Café[®]s

2012

Sabiha Gökçen Airport (İstanbul)
Levent (İstanbul)
Torium Shopping Mall (İstanbul)
Sultanahmet (İstanbul)
Merter (İstanbul)
Süreyyapaşa (İstanbul)
Başakşehir (İstanbul)

2013

Ataşehir (İstanbul)
Ankara Batıkent
Acıbadem (İstanbul)
Gültepe NEF (İstanbul)
Cumhuriyet (Antalya)
Galleria (Adana)
Şekerpinar (Kocaeli)

2014

Nuruosmaniye (İstanbul)
Tepe Nautilus (İstanbul)
Beyoğlu (İstanbul)
Akasya Shopping Mall (İstanbul)
Abide-i Hürriyet (İstanbul)
Ataşehir Bulvarı 216 (İstanbul)
Kemer (Antalya)
Çorlu Çarşı (Tekirdağ)

our management approach

At McDonald's Turkey, we conduct all our operations in line with our vision of generating value for all our stakeholders, in compliance with our ethical standards and in full awareness of our social and environmental responsibilities.



our communication awards

LACP 2014 Vision Awards Annual Report Competition Platinum Award, ABD

*Best Sustainability Report in the Industry
First Place
McDonald's Turkey 2013 Sustainability
Report*

During the assessments made at the **2014 Vision Awards**, organized by the League of American Communications Professionals (**LACP**), McDonald's Turkey Sustainability Report 2013 received 99 points over 100 and received the **Platinum Award**, which is the top prize as the **Best Sustainability Report of the World in the Industry**. Our report was also given the **4th Best Letter to Shareholders (Bronze Award)** by the LACP judges for the clear messages given to the stakeholders in addition to the 67th Best Report Award among all entries.





McDonald's 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 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 grows 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. We are always innovative and pioneering.

McDonald's standards

The reason McDonald's is preferred by millions around the world is the McDonald's Standards that were set by Ray Kroc in 1954. Since then, each step taken to improve the McDonald's system has been shaped around these standards. Implemented the same way at all restaurants around the world, these standards are what distinguish McDonald's.

how do we ensure?

quality

By our traceable practices that ensure superior food safety from the field to the tray

service

By being fast, accurate, friendly

cleanliness

By the cleanliness of our employees, restaurants and their environment

value

By serving fresh, warm and delicious products in an enjoyable atmosphere and at great value

transparency

By our sustainable practices across our entire value chain

leadership

By our innovative practices in all areas of the industry

customer satisfaction

In addition to all our practices supporting McDonald's Standards, we comply with environmental and animal health and welfare standards as part of our civic involvement, regularly conducting comprehensive controls. We serve our customers in person and monitor our performance on the satisfaction index to maximize our customer satisfaction.



corporate governance

According to 91% of our employees that participated in our sustainability survey...

“McDonald’s Turkey manages all its business processes in accordance with the (corporate governance) principles of transparency, fairness, accountability and responsibility.”

ethical business practices

McDonald’s and Anadolu Group’s Employee Handbook (working principles) lay out the responsibilities and codes of conduct for all employees to regulate their relations with all key stakeholders particularly including the shareholders’ assembly/employer, other employees and suppliers. The handbook is given to every new employee and explained in detail during orientation by our Human Resources Department. Furthermore, regulations relating to corporate and employee rules are made available to on a common digital medium accessible to all.

In addition to the information on the codes of conduct in the Employee Handbook, a complaint reporting mechanism is also in place to address ethical issues. An Ethics Committee was formed in 2012 to ensure that any behavior within the company in breach of the laws, Anadolu Group and McDonald’s working principles and regulations, public decency and codes of conduct may be reported by the employees regardless of the person who acts improperly.

A binding document for all employees, Non-Compliance Reporting Regulations describes the structure and working principles of the Ethics Committee, of which creation is compulsory, as well as the scope of the non-compliance issues it is obligated to investigate and its responsibilities toward the Anadolu Group Ethics Committee; and lays down the reporting channels (**Non-Compliance Hotline**) that may be used to report non-compliance as well as the rights and responsibilities of the person who reports it. During the process defined as part of the Regulations, all employees may report to the Ethics Committee via email, mail or its hotline any non-compliance they may encounter within the company or in other Anadolu Group companies.

Ethics Committee Members include the Sector President, Managing Director, Human Resources Director, Chief Financial Officer and Legal Director and the committee meetings are chaired by the company’s Managing Director. Ethics Committee officer notified the Ethics Committee Chairman of all reports, who, in turn, examines them, before reviewing them together with the committee and decides to open an investigation whenever necessary.

Non-compliance issues are categorized under illegal practices, practices contrary to Anadolu Group and company procedures and corruption, unethical practices and wastefulness. Non-Compliance Reporting Regulations also cover providers under the designation stakeholder.



responsible marketing

In accordance with the The Golden Arches Code, which is applicable in all McDonald’s offices and restaurants worldwide, as well as the Anadolu Group codes of conduct, we observe the principles of responsible marketing and communication and exercise self-control in line with these standards.

In all our communication efforts, we pay utmost attention to avoid promoting excessive consumption of our products and adhere to the message and visual usage standards and principles set out by McDonald’s global organization in our communication activities that aim children (*Global Children’s Marketing Guidelines*).

communication with stakeholders

According to 80% of our employees that participated in our sustainability survey...

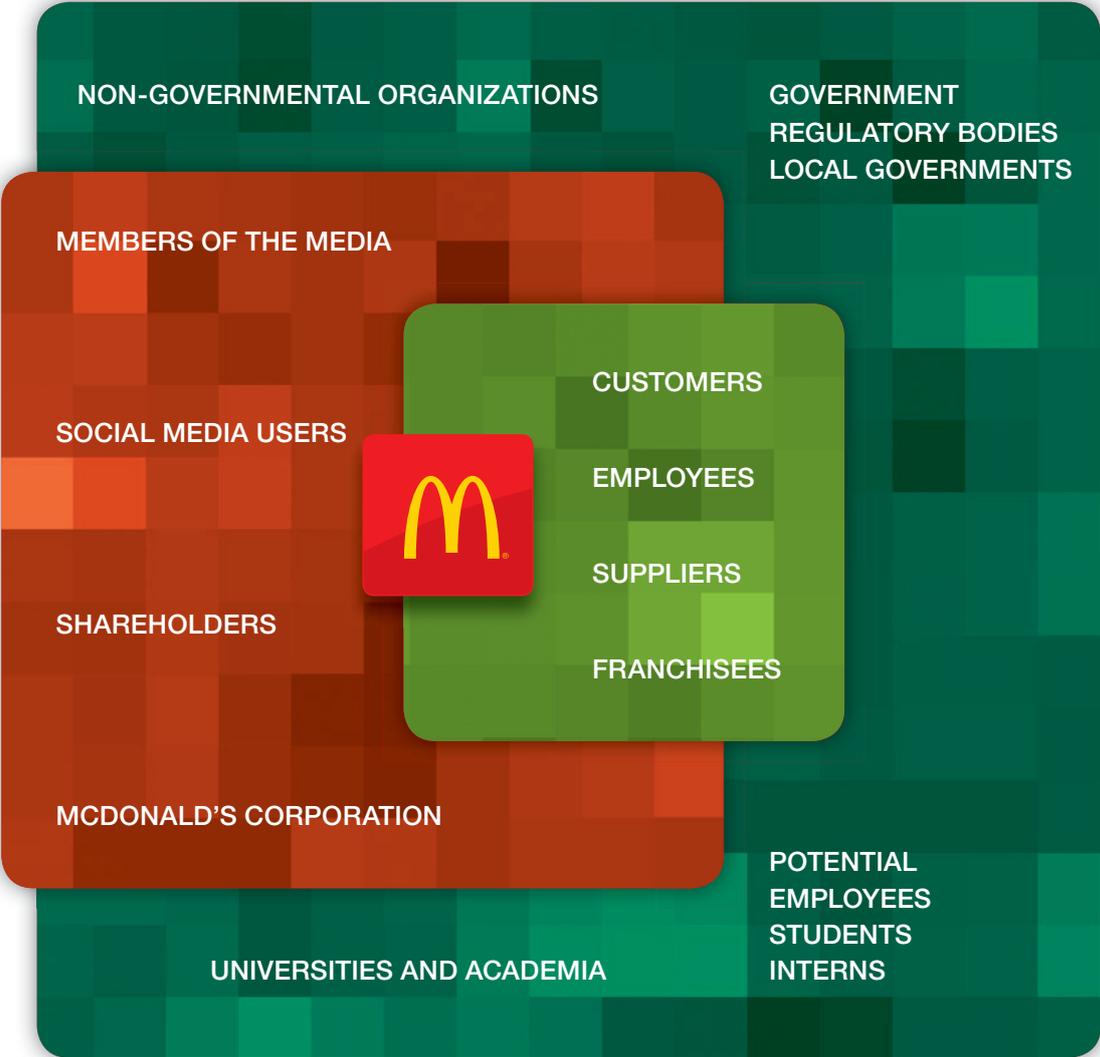
“The regular communication platforms through which McDonald’s Turkey can learn about the ideas, recommendations or expectations of its priority stakeholders are adequate.”

Our stakeholders are the people or institutions that may be affected by our operations and have an impact on our business with their decisions.

At the sustainability strategy review workshop, organized with the participation of our senior management, we reviewed all of our stakeholders and prioritized them in line with our strategic issues.

Via our sustainability performance review survey, we contacted our employees, who are foremost among our key stakeholders, once again and listened to their opinions about the sustainability impacts of our company. We included these opinions under the relevant topics of the report.

As McDonald’s, we inform our key stakeholders about our operations and collect their opinions on various platforms. (G4-25)



stakeholders and communication platforms

Stakeholders	Communication Platform	Communication Goal	Communication Frequency
Customers	Campaigns	Explain advantages including taste, quality, affordable prices	2-3 times per month
	Website, Facebook, in-restaurant promotional materials and brochures	Take and review customer requests and suggestions Describe the McDonald's experience and its difference Emphasize on quality	Regularly
Employees	Intranet	Conduct internal communication	Regularly
	Employee satisfaction survey	Take the action steps to ensure internal customer satisfaction	Annually at the restaurants; biyearly at head office
	HR Summit	Share the targets with all employees	Biyearly
	Sustainability survey	Raise awareness of sustainability	Annually
Suppliers	Sustainability survey	Receive opinions on sustainability	Annually
	One to one meetings	Conduct quality, product valuation, development, market, and pricing work Conduct supplier performance reviews	Performance reviews annually; other efforts regularly
Franchisees	Sustainability survey	Receive opinions on sustainability	Annually
	One to one discussions	Review the technical and operational issues and processes that will contribute in the improvement of the franchisees' business results	Regularly
	Franchisee Meeting	Share with the franchisees the corporate annual business plans, conduct current situation assessments, ensure that the franchisees engage in an exchange of ideas both among themselves and with the head office units on a common platform	Biannually
Shareholders	Board of Shareholders Meeting	Conduct a general review of business results	Monthly
Members of the Media	Press releases	Share any recent corporate and marketing developments with the public	Approx. 2-3 times per month
	Press meetings	Share any recent corporate and marketing developments with the public	Approx. quarterly
	One to one meetings	Share any recent corporate and marketing developments with the public	Approx. 2-3 times per year
Social Media Users	Internet	Explain the steps taken by McDonald's in the field of innovation, Inform stakeholders of campaigns	Regularly
McDonald's Corporation	Technical and commercial visits, meetings	Review products and suppliers Assess strategies	Several times per year
Non-governmental Organizations	Management meetings	Discuss industry-related topics and review regulations	Several times per year
Governments, Regulatory Bodies, Local Governments	One to one meetings	Issue opinions and suggestions after communiqués are created and published Exchange opinions after audits	Approx. 3-4 times per year
Potential Employees, Students, Interns	University visits	Create human resources for the company and jobs for students	Approx. 2-3 times per year
Universities and Academia	One to one discussions and receiving written information	Receive expert opinion support about communiqués and practices	Several times per year

(G4-24, G4-26)

strategic sustainability aspects

Due to our Transition to the GRI G4 Reporting Guidelines in 2014, we took into consideration all of the G4 components to identify our strategic aspects.

During this period, we identified our material aspects through a strategy survey conducted with the participation of our top executives, after which we prioritized the issues at a sustainability strategy review workshop. There, we saw that the issues we identified were parallel to the issues we had identified and reported in the previous years.

In line with the goal we had set last year, we also included our franchisees and suppliers in the prioritization efforts in this reporting period. 70% of our main suppliers and 40% of our franchisees participated in the strategy survey, which demonstrated that Customer Health and Safety, Employee Health and Safety, and Economic Performance were the top priority issues for both stakeholder groups.

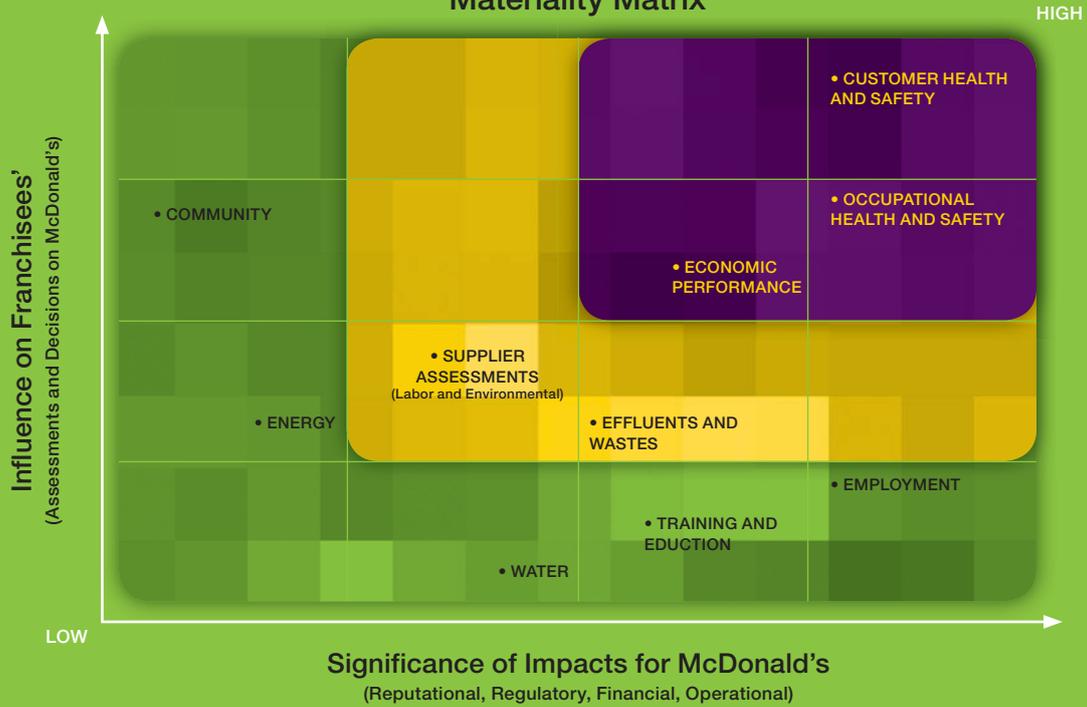
Also taking into consideration the feedback we received from our suppliers, we updated the McDonald's Turkey Sustainability Matrix. Our goal for the coming reporting period is to boost the participation rate in the stakeholder participation process of our suppliers and franchisees as well as our internal participants.

In this period, we once again asked our employees to evaluate the performance of our company relating to the sustainability impacts in the value chain in a sustainability survey and included the results of this survey under the relevant headlines of our report.

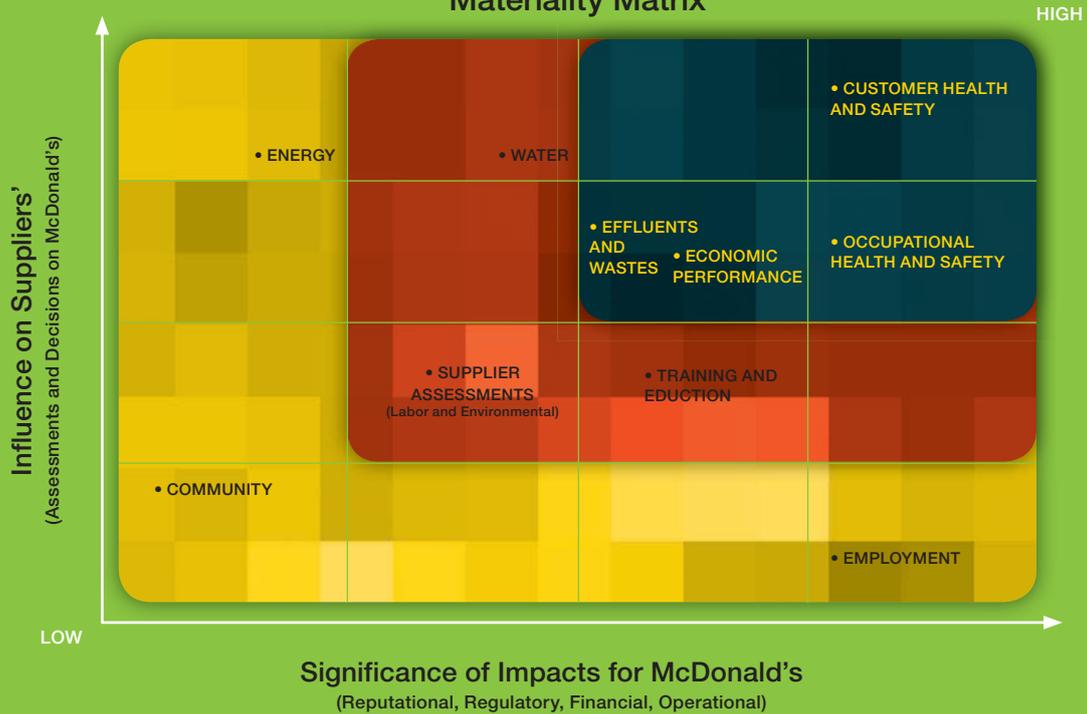
McDonald's Turkey Material Aspects Selection and Boundary Setting Processes (G4-18)



McDonald's (Anadolu Restoran İşletmeleri) Materiality Matrix



McDonald's (Anadolu Restoran İşletmeleri) Materiality Matrix



Both matrices feature both our suppliers and franchisees as well as issues that are of greater importance to our company that have a direct and significant impact on the legal, financial and operational performance - and therefore, the reputation - of our company in the upper right segments. These issues constitute the headline of the relevant sections of the report and we provide a detailed picture of our company's performance backed by numeric data.

The efforts conducted with the participation of our stakeholders reveal that they placed varying degrees of importance on the same issues. Accordingly, we shared two separate importance matrices with a view to share different perspectives with our readers. Both stakeholder groups cited Customer Health and Safety, Occupational Health and Safety and Economic Performance as the most important issues. (G4-19, G4-27)

aspect boundaries

Material Aspects	Aspect Boundaries	
	Internal	External
Economic Performance	HO, AR	SP
Customer Health and Safety	AR	SP, SB
Materials	AR	SP
Assessment of Suppliers in terms of Their Workforce Practices and Environmental Impact	HO	SP
Employment	HO, AR,	SB
Training and Education	HO, AR,	SP, SB
Occupational Health and Safety	HO, AR,	SB
Energy	HO, AR	SP, SB
Water	HO, AR	SP, SB
Liquid and Solid Waste	AR	SP, SB
Community	HO, AR	SP

Head Office: HO All Restaurants: AR Suppliers: SP Subcontractors: SB

(G4-20, G4-21)

With a view to monitoring our stakeholders and ensuring the comparability of our report, we matched the sustainability aspects we identified under the GRI G4 guidelines with our reporting aspects of the years before. We present to our stakeholders our performance on our impacts under nine main topics.

GRI G4 Aspect	Section in Our Report
Economic	Economic Performance
Economic Performance	Contributions to the Economy
Supplier Assessments (Social and Environmental)	Supply Chain Management
Social	Our Social Performance
Customer Health and Safety	Customer Health and Safety
Occupational Health and Safety	Employee Health and Safety
Employment Training and Education	Employer of Choice
Community	Giving Back to the Society
Environmental	Our Environmental Performance
Energy	Energy Efficiency
Water	Water Management
Effluents and Waste	Waste Management

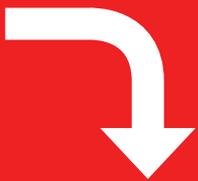
sustainability impacts across our value chain



production of ingredients
Customer Health and Safety



provision of ingredients
Supply Chain Management
Contributions to the Economy



preparation of products
Employee Health and Safety
Water Management
Energy Efficiency



management

- Corporate Governance
- Contributions to the Economy
- Employer of Choice
- Giving Back to the Society

post-consumption

Waste Management



service and consumption of products

- Customer Health and Safety
- Employee Health and Safety
- Waste Management



our economic performance

We source 98% of the product and packaging materials we offer at McDonald's restaurants across Turkey, from local suppliers. Our company plays a major role in helping the local producers it collaborates in Turkey achieve production standards that are on par with those in the world.

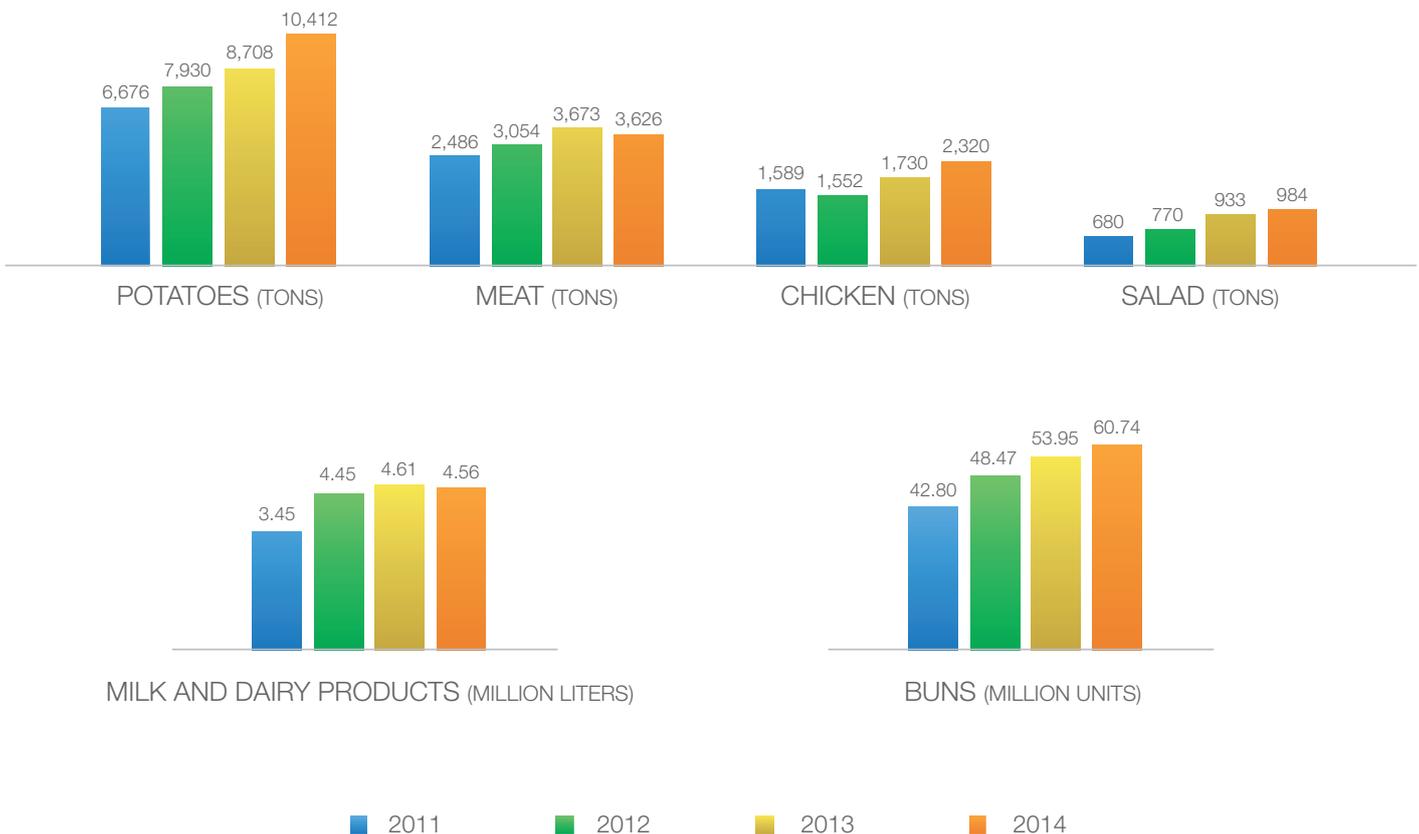


Contributions to the Economy

McDonald's makes significant contributions to the economies of the countries in which it operates due to its large sales volumes and its business relations with numerous industries. McDonald's procures products and services from many persons and institutions across a vast variety of fields ranging from material and product producers to architects, farmers to construction firms.

In 2014, we continued to supply **98% of the products and packaging materials** served at our restaurants from suppliers in Turkey. This year, our **annual business volume with our suppliers reached USD 113 million**. The number of our restaurants increased by 15% to 266 this year while the number of our franchisees surged by 33% to 72.

ingredient usage



supply chain management

According to 82% of our employees that participated in our sustainability survey...

“McDonald’s regularly controls its suppliers in Turkey on food safety, human rights, environmental protection, occupational health and safety and rules concerning these topics have been defined in their respective contracts.”

Supply chain management is extremely important at McDonald’s as a foremost driver of our efforts to provide our customers with high value. Our effective and reliable supply chain creates a long-term price and competitive advantage in our entire value chain as well as having a positive effect on our business performance.

The culture and behaviors that serve the foundation of McDonald’s supply chain management are rooted in a long-winded experience and hard to copy. We share with our suppliers the methods we develop in order to bring our system to perfection and relay to them information and methods on productivity, food technologies, production, packaging, cold storage and distribution while helping them grow their business volumes.

In every country in which it operates, McDonald’s chooses its suppliers among the best firms of the country. Some of the selection and working criteria we set out for our suppliers include; institutionalism, adherence to values and principles, an awareness of social responsibility, supply assurance, innovativeness and rapid research & development / manufacturing competence.

We also require our suppliers to have in place HACCP (Hazard Analysis and Critical Control Points) product reliability systems, comply with financial expectations and score above 85% in the quality results in independent audits.

We regularly inspect and evaluate our suppliers under the **Global Supplier Performance Index (SPI)**. Based on their SPI results, we guide them to attain the regional/global levels in their respective fields and to continuously improve their performance.

Included under the management vision and compliance with values, which is the first of the six key criteria of the performance expected of suppliers in the SPI system, the **Sustainability** topic describes a socially responsible and sustainable supply chain with the elements of ethics, environment, and economics. **Ethics** includes occupational health and safety, employee and animal welfare; **Environment** covers the mitigation of negative environmental impacts across all value chain also including design, production and distribution processes; and **Economics** includes fair trade, reduction of agricultural diseases, and positive effects on boosting public welfare.

In addition to the **Supplier Code of Conduct**, which applies to all McDonald’s restaurants worldwide, we also implement the **Social Workplace Accountability** in Turkey in the same manner, collaborating with our both food and non-food product suppliers in line with the same standards regardless of whether they render their services directly or indirectly.

At McDonald’s, we conduct inspections to control our suppliers’ practices relating to work environment and workers’ welfare as well as supplier quality inspections in each product category through our approved inspectors. And in the McDonald’s organization in Turkey, we annually monitor the waste generation, renewable energy and water consumption performances of our suppliers in order to help them manage their environmental impacts and provide the necessary guidance on improvements in light of our assessments.

Management
Vision and
Values
1

System
Priority
2

Effective
Supply
3

our supplier performance index criteria include;

4
Quality
Systems

5
Innovativeness

6
Predictable and
Competitive
Pricing

Open & Honest

People First

Ethics & Integrity

our core supply chain values

Win, Win, Win

Sharing Best Practices

Personal Accountability

Fair Play

Main Suppliers of McDonald's in Turkey (Food)

As a leading brand, McDonald's Turkey expands the vision of its industry and raises the standards and we work with suppliers that have the potential to meet the global requirements of McDonald's on manufacturing technology, food safety and management approach.

Product	Organization	Production Center	Cooperation (Years)
Beef	Pınar Et*	İzmir	28
Chicken	Banvit*	Bandırma	2
Potatoes	Konya Şeker*	Konya	4
Buns	East Balt*	Kocaeli	17
Ketchup	Tat*	Bursa	28
Pickles and salad	Fersan*	İzmir	23
Dairy products	Danone*	Gönen	28
Ice cream sauces	Aromsa*	Gebze	28
Sparkling drinks	Coca-Cola	İstanbul	28
Canola oil	Marsa	Adana	28
Sauces	McCormick Kütaş*	İzmir	28

Main Suppliers of McDonald's Turkey (Non-food)

Product	Organization	Production Center	Cooperation (Years)
Paper cups	Ekol Ofset*	İstanbul	28
Logistics services	HAVI Logistics	İstanbul	28
Plastic packaging materials	Sem Plastics	İstanbul	27
Packaging materials	Sealed Air-Diversey	İstanbul	26

* Suppliers subject to SPI evaluation.

our social performance

As the McDonald's family, we strive towards creating a pleasant work environment in line with an employee health and safety approach based on continuous development, ensuring customer satisfaction and increasing our contributions in the community through the McDonald's Children Charity.



customer health and safety

According to 96% of our employees that participated in our sustainability survey...

“In Turkey, McDonald’s has adequate systems in place to ensure provision of safe food.”

At McDonald’s, we depend on the freshest and premium ingredients and utmost care to prepare all of our products. We put all our products through systematic inspections with a view to keeping under control the food safety of products offered at McDonald’s restaurants. We undertake to guarantee our quality through such controls made across all stages starting from the acquisition of the raw materials to the offering of products at the restaurant. We carry out the same meticulous controls for each one of the nearly 450 products consumed at McDonald’s restaurants so as to meet food safety, cleanliness and hygiene standards at each and every stage of production.

The source, origin, history and the conditions and method of preparation of all products served at our restaurants are being registered and all products from meat to sauce may be monitored step by step at any moment from the early stage of production until served on the tray. Within this framework, we ensure product safety with HACCP (Hazard Analysis and Critical Control Points) at the producer firms and McHACCP practice exclusive to McDonald’s at the restaurants.

In addition to our collaboration based on a long history and mutual trust with our producers, we also examine all products at their various stages through both planned and unannounced visits made by McDonald’s Quality Assurance Department. In addition to our controls, we provide further guarantees for food safety through the inspections conducted by international, independent food control firms.



Halal Food

We use the fully controlled and approved farms of Pınar Et to procure our beef and of Banvit to procure our poultry products, all of which are slaughtered in accordance with Islamic methods.

McDonald's quality chain

field



- Safe breeding grounds
- Quality raw materials
- Animal health
- Sustainability
- Social responsibility
- Biosafety

supplier



- Specifications
- Incoming raw materials
- Food safety
- Sanitation
- Equipment maintenance
- Employee practices
- Sensory programs

distribution center



- Total quality expectations
- Temperature
- Shelf life
- Stock recalls and traceability

restaurant



- Food safety
- Quality controls

customer



- Sales
- Customer tests
- Customer complaints
- Supplier field visits
- ATCCQ/BTCQ Quality controls

balanced nutrition

In Turkey as well as in the other McDonald's restaurants, we expand our menu selections, offering our guests new, high quality alternatives with superior food safety that meet their personal nutrition needs. We regularly expand our product offering to our guests in terms of quality, flavor, and value.



the steps we have taken in terms of balanced nutrition:

1

We reduced the amount of salt used in our products in Turkey by 20%.

2

We shared on our website the seven different balanced menus we created using McDonald's products for each day of the week.

3

As a part of balanced nutrition, we launched our Light & Active program in Turkey. Every year, we either introduce new additions to the low-calorie product portfolio in this group or replace some products with new ones.

4

We diversify our breakfast menus with new products; we offer delicious and nutritious breakfast products prepared using egg, which enjoys a prominent place in nutrition as one of the richest protein sources.

5

We announce the nutrition values of all our products on our website, tray mats and the nutrition brochures at our restaurants.

Nutritional Values
Table



Balanced
Menus



Nutrition
Equivalence Chart



Calorimeter



In 2014, we added a section named "Secrets of McDonald's" in our website www.mcdonalds.com.tr.

We answer all the questions of our customers about our products, suppliers, standards and nutrition values.

employee health and safety

According to 90% of our employees that participated in our sustainability survey...

“The importance placed in ensuring occupational safety and promoting employee health by McDonald’s Turkey and the protective measures it took for this purpose are adequate.”

Providing our employees with a healthy and safe work environment and preventing work-related diseases are our top priorities. Raising awareness of health and safety issues among our employees and guests is a significant contribution to public health. Occupational health and safety efforts make significant positive economic contributions as a result of increased productivity in parallel with growing employee satisfaction, work motivation and work quality.

Occupational health and safety was among the top three drivers of sustainability identified by both our company and key stakeholders. In managing this issue, we adhere to both occupational health and safety law and the relevant Anadolu Group programs. In order to safeguard the health and safety of our employees in all our restaurants as well as our head office, we conduct risk analyses, hold trainings, put in place contingency plans and meticulously address the issue through our OHS Committees.

With a view to providing our employees with a safe and healthy work environment, we strive towards carrying out the necessary planning to prevent any potential risks at the workplace and any harms that may be caused on the environment by the work, taking precautions, inspecting and properly handling the management of work accidents resulting in diseases-injuries. We aim to create an OHS culture and raise awareness at our workplaces. The subcontractors whose OHS practices we follow, include security and office cleaning services firms and the call center.

occupational health and safety policy

Our OHS policy and related efforts, which cover persons working at our Head Office, restaurants and subcontractors, were created by our Human Resources Directorate in view of national and international standards and in full compliance with legal requirements. ‘McDonald’s Occupational Health and Safety Unit’, which reports to the HR Department is responsible for the enforcement of the policy and management of the issue. In 2014, we carried out our work in accordance with the OHS directive created by the OHS committee. In 2015, we intend to put our policy into writing.



committees

We regularly hold quarterly committee meetings at our eight restaurants in İstanbul with more than 50 employees as well as our Head Office.

Committee Members in Each Restaurant

Employer Representative (restaurant manager)
On-site Doctor
Occupational Safety Expert
Administrative Affairs (a manager)
Employee Representative

Head Office Committee Members

Employer Representative
On-site Doctor
Occupational Safety Expert
Human Resources
Administrative Affairs
Equipment Department
Quality Department
Employee Representatives
Security Supervisors
Training Department

annual plan

At the end of each December, we prepare an annual plan. The 2014 annual plan headings include:

Reporting

- Creation / Updating of Risk Assessments
- Creation / Updating of Contingency Plans
- Creation / Updating of Occupational Health and Safety Instructions
- Creation / Updating of Occupational Health and Safety Procedures
- Creation of Annual Assessment Report

Controls

- Fire Extinguisher Checks
- Fire Sensing and Alarm Systems Checks
- Emergency Lighting Checks
- Air-conditioning and Suction Systems Checks
- Electrical Equipment Checks
- Electrical Installation Grounding Checks

Actions

- Emergency Drill
- Eye Examinations
- Personnel Periodic Examinations
- Cleaning of Water Dispenser
- Drinking and Utility Water Analyses
- Environmental Measurements

Trainings

- Basic Occupational Health and Safety Training
- Basic First Aid Training
- Certified First Aid Training
- Hygiene Training
- Fire Fighting Training
- Search, Rescue, and Evacuation Team Training



trainings

As per standard McDonald's practices, detailed technical occupational trainings are systematically provided by our in-house trainers. Starting from induction, **Restaurant Safety and Security and Cleaning, Sanitation, and Safe Food** are among the four basic trainings taken by everyone regardless of their department or position.

Additionally, the occupational health and safety trainings, which are mandatory under Law no. 6331, are delivered to all employees at our restaurants on the subjects and within the time periods prescribed by the law by certified occupational health experts on the basis of training regulations. In 2014, a total of 3,376 employees including 1,475 in İstanbul and 1,901 in Anatolia from 168 restaurants received these trainings. Furthermore, we also started to provide hygiene trainings from authorized institutions at our restaurants on June 2014.

risk analyses and contingency plans

We identify the risks associated with each restaurant's location, architectural conditions and its layout, take separate precautions for each, and prepare and implement action plans accordingly. In 2013-2014, we completed the risk analyses and contingency plans of a total of 201 restaurants in İstanbul and Anatolia. We intend to complete the relevant work for the remaining restaurants as well as the new one due to be opened in 2015.

drills

Emergency drills were conducted in 2014 in each restaurant under the supervision of an expert. Together with employees present for their basic occupational health and safety trainings, we completed the drills of 168 restaurants at the end of the training.

new occupational health and safety - security guide

During the reporting period, the Team Development Program Safety and Security Guide, which was updated by the Training Unit of the Human Resources Department, was replaced by the New Occupational Health and Safety – Security Guide. The guide, which addresses safety and security issues in greater detail, is the primary source used by trainers to train the team.

the new security - occupational health and safety contents

- Occupational Health and Safety Law nr. 6331
- Safety Awareness at the Restaurant
- Using Chemicals
- Using Protective Clothing
- Fire Prevention
- Using Fire Extinguishers
- Load Carrying Techniques
- Correct Posture in the Work Environment
- Earthquakes
- Electricity
- Rules for Safe Driving
- Work Accidents and Emergencies
- Emergencies - Important Numbers
- Slippery Grounds
- Restaurant Safety Rules
- Safe Opening and Closing Procedures
- Bomb calls
- TL Security Features
- Robberies
- Suspicious Packages
- Cash Register Security
- Mislaid Articles
- Fraud Incidents



employer of choice

According to 75% of our employees that participated in our sustainability survey...

“Trainings/programs provided by McDonald’s Turkey to support the personal development to its employees are adequate.”

2014 (IRI) Restaurant Staff
Satisfaction Score:

81.6%

2014 (IRI) Restaurant Management
Team Satisfaction Score:

89.5%

Human resources is the most valuable asset for McDonald’s. Employee satisfaction is key to our ability to have fully satisfied customers. Our Human Resources Department regularly reaches out to all our employees to hold internal customer satisfaction surveys under strict confidentiality and devises action plans based on the results of these.

To this end, Hewitt conducts a satisfaction survey bi-annually among head office and restaurant managers while IRI Consulting conducts another survey among the restaurant staff on an annual basis.

human rights practices

Under Anadolu Group’s Equal Opportunity Policy, our employees are never discriminated against either during hiring or throughout their careers at our company based on age, gender, race, religion, language, ethnicity, sexual orientation, belief, marital, social or economic status, disability, political views, union participation and membership, pregnancy or military service status.

At our company, we adopt the equal pay for equal work principle as per the International Labor Organization’s Equal Remuneration Convention and use “HAY Job Evaluation Methodology.” In this system, there are no differences between our male and female employees in terms of salary. We implement our remuneration policy based on performance results, and in a fair manner that also affords us with competitiveness in the labor market. The wages of employees working at our restaurants are determined based on the

positions, while remuneration is at the same level for all employees recruited for these positions regardless of their gender.

As Human Resources, our goal is to increase the employment of female candidates and we have conveyed these goals to our restaurant managers as well. We asked them to include among their goals having at least one middle-aged female employee at each restaurant. Before long, we received positive feedback from our restaurants that implemented this strategy indicating their satisfaction with the situation.

In 2014, seven head office employees, including five women and two men, used parental leave. Five continued to work after the end of their parental leave.

advantages of working at McDonald's

Ability to Socialize While Working

Our employees find the opportunity to be part of a fun, dynamic and friendly working environment as part of a larger team with flexible working hours.

Employment Opportunities for All Age Groups

The McDonald's system offers employment opportunities for men and women of all ages. Currently, employees between the ages 16 and 57 work at our head office as well as many units of our restaurants.

Equal Opportunity

Our female and male employees recruited at the same management level are offered exactly the same opportunities. Although the legal requirement of 3% employment for the disabled applies to provinces with more than 50 employees, at our restaurants in 23 provinces with less than 50 employees, we employ a total of 107 disabled persons, also including those with minor mental disabilities, which is well above the average for the employment of disabled persons.

Contribution to Private Pension Plans

We make an additional contribution equivalent to 2% of each employee's salary in his/her pension plan. In 2014, we allocated a budget of TRY 187,000 for the pension plans of 88 of our employees.

Career Opportunities

Working at McDonald's means having a safe work environment and career opportunities with a promising future. Executives currently working in various departments at McDonald's Turkey head office also include those who started professional life at McDonald's restaurants as team members. Throughout their careers, personal performances of McDonald's employees are continuously reviewed for promotions, rewards and other privileges.

Personal and Professional Development Opportunities

Training is a foremost consideration in the McDonald's system. Each McDonald's employee attends various training programs both before starting work and throughout their career. Team members start their professional life at McDonald's with restaurant orientation. This is followed by the so-called star system-a training system where improvements in knowledge and performance are rewarded with career advancements.



employment

Long-term employment of our people, and accordingly, low employee turnover rate is of utmost importance due to their impact on productivity, and therefore to costs, as well as customer satisfaction and employee image.

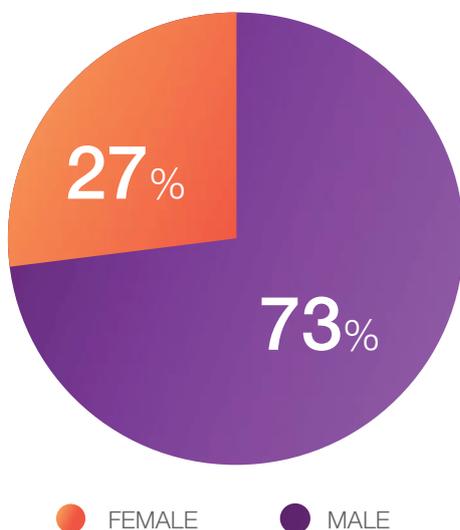
While turnover is a widespread problem in the retail industry, it is neither possible to completely eliminate nor strategically desirable to keep it at or near zero. As a company, we regularly follow the turnover rate every month and set yearly targets, and strive to reduce it to reasonable levels.

We have a variety of processes and efforts in place including trainings, orientation, and motivation programs that support employee retention starting from recruitment with a view to reducing turnover. In order to support the set targets, we create projects particularly in collaboration with the HR and Operations Departments. In addition to these two departments, The Restaurant Management Team is responsible for the management of the issue with turnover being one of the requirements in the Key Performance Indicator (KPI) in their performance.

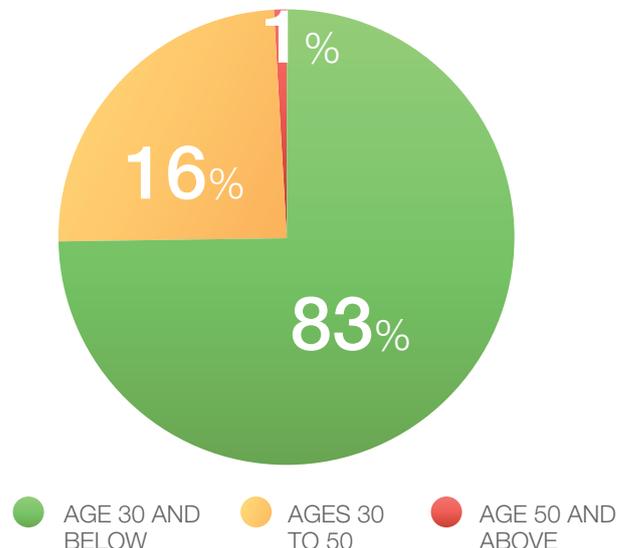
Most of our policies concerning human resources practices have been set at the global level. Additional regulations and practices in line with both national requirements and the legal framework are also in place. Turnover-related decisions and efforts are presented and followed up at Board meetings. Furthermore, HR Department of McDonald's AMPEA region, to which we report, also follows performance, visiting the country once or twice every year to look into the existing situation and efforts. Any different practices in the region are shared with us while our practices are also shared with the region.



OUR EMPLOYEES BY GENDER



OUR EMPLOYEES BY AGE



improvement practices

Restaurant Visits

At the end of the year, restaurants with highest turnover are identified. These restaurants are then visited 3 times during the year by Business Partners. The first visit aims to ascertain the situation. Throughout the day, the relevant restaurant manager and the team are interviewed, documents are examined and the overall situation is assessed concerning human resources practices. A second visit is made approximately a month later. This time, an action plan is drawn up to address the issues identified in the previous visit. And the last visit is made approximately four months later. During this visit, both the implementation of the action plan and changes compared to the previous visit are identified and reported to the relevant executives.

This project has resulted in significant improvements at restaurants with high turnover. We plan to continue these visits in 2015 as well.

Restaurant Management Team Transfer Ratios

Frequent transfers of restaurant managers were identified as a factor that impacted turnover. Accordingly, regulations were created concerning transfers and efforts were undertaken to drive down the transfer ratio.

Recruitment Center Pilot Project

It was seen that failure to hire a sufficient number of persons in a timely fashion or to hire the right persons was a root cause of turnover. To this end, we designated some areas of some of our restaurants on the Asian side of Istanbul as a hiring center in a pilot project for the second half of 2014, and designated a person to take on this task. The project proved beneficial, and we plan to assign a Recruitment Specialist for the European side of the city in 2015 as well.

Restaurant visits and hiring pilot project were implemented in Istanbul while the transfer regulations were put in place nationwide. Based on the current decisions, we plan to continue all three projects in the long term.



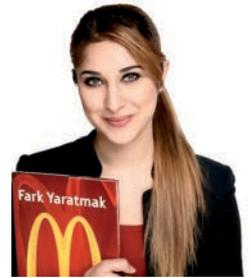
sharing success stories

Covering and supported by all our restaurant and office employees, this project has been in place for four years in line with our Human First approach.

We feature the experiences at McDonald's of a variety of employees across a variety of positions in this project, the fundamental goal of which is to support employee engagement. Furthermore, we also undertook to debunk the perception that 'Only young people could work at McDonald's' by including in the project middle-aged and older employees.

We set the concept for 2014 in line with the goal of spreading the McDonald's Values throughout the rank and file, which was set in 2013. We identified the candidates we would introduce to all our employees for 12 months and asked them to combine the McDonald's Values with their stories. We commissioned a fashion photographer for photo shoots at our head office using materials in line with the concept. We created calendars in which we shared the story of an employee for each month.

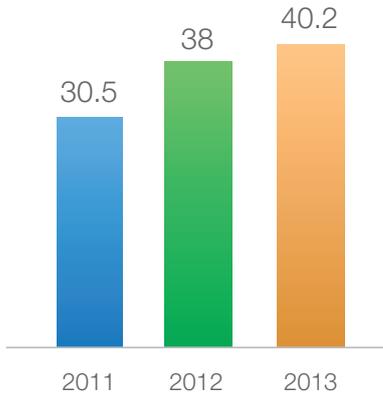
The interest and motivation of our employees in this project has compelled us to continue this project going forward.



training and

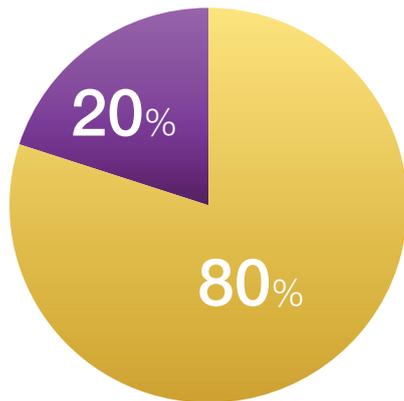
Our company operates in accordance with the training first to ensure internal customer satisfaction and service quality approach. We are aware that investment in the training and development of our employees will result in committed employees, happy guests, increased sales and safe, smooth restaurant operations. Accordingly, we continuously improve the technical and personal development trainings we offer to our employees and executives across various levels. We believe that well-trained team members are essential to the continued success of our company.sürekli geliştiriyoruz. İyi eğitilmiş takım üyelerinin şirketimizin başarısının devamı için esas olduğuna inanıyoruz.

AVERAGE HOURS OF TRAINING
(All restaurants' staff)



Average hours of training provided to employees increased during reporting period.

DISTRIBUTION OF OUR TRAININGS



● TECHNICAL ● PERSONAL DEVELOPMENT

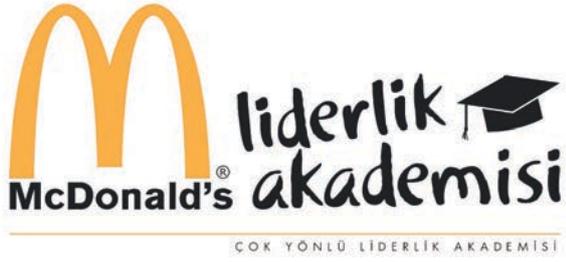
Training Catalogue

The trainings envisaged by the executive for the employees after performance reviews, personal training needs of employers, and competencies that need to be highlighted based on the company's vision are consolidated at the end of the year. Based on this analysis, the issues where the company needs training are identified. We aim to create trainings open to all employees on the topics needed at the beginning of each year. Office staff following the announcements via the training portal may apply and attend the trainings on their own initiative. The training catalogue we prepare annually with a view to meet the personal development and general trainings needs of our employees also feature the trainings given to our restaurant staff.

Executive Development Center

In line with the need for executive succession planning, the company launched the Executive Development Center project led by the Human Resources Department in the 2013-2014 period with a view to identifying high-performing employees with advancement potential within the company, to ascertain the areas of development of such persons and to support their development in such areas. A team of 13 training/development consultants took part in this project.

The work carried out during the implementation of the project included a personality inventory, a one-day assessment center practice, and 360-degree assessment. Following these assessments, consultant coaches provided each person with feedback and competencies that stood out and that must be developed were identified. Each employee created his/her individual development plan during 2014, and each participant was given 90-minute one-to-one trainings accompanied by a coach for 10 months on the areas that needed to be developed as well as presentation techniques and coaching training, thereby ensuring an effective training and education process.



Our Human Resources Department gathered its efforts in the field of training under the McDonald's Leadership Academy. Based on the McDonald's Leadership Academy curriculum, a restaurant manager receives a total of 615 hours of training including in-company trainings and Sabancı University's Versatile Leadership Program before reaching this position.

Through the in-company trainings, our managers are trained across several topics including Coaching and Consultancy, Social Responsibility, Safe Food, Boosting Employee Engagement, Inventory Management, Risk Management, Safety and Security in the Work Environment in order to support their competences.



Sabancı University Versatile Leadership Program

Our managers, who successfully completed their in-company trainings and received their appointments as restaurant managers, attend in the Voyage of Discovery with i-LAB (Innovation Laboratory), Retail and Service Flower, Executive's Toolkit, Selection & Retention of New Generations, Mobilizing Oneself and Others, Value Oriented Marketing, Next Generation Customers, Marketing the Future, Strategic Teamwork, and Value Oriented Retail Chain trainings under the Versatile Leadership Program launched in collaboration with Sabancı University's Executive Development Unit with a view to further equipping them in the face of increasing competition and enriching their perspectives and management approach.

The four-month trainings include four different modules. Academicians and trainers with industry experience as well as guests speakers attend the program.

The program graduated 75 trainees, 25 of whom were in 2014, including 15 women while 9 employees that attended the program were promoted to a higher position. We intend to train all of our restaurant managers at the McDonald's Versatile Leadership Program.





human first project

In May and June 2014, we organized the Human First summits in İzmir, Ankara, Antalya, İstanbul, and Trabzon led by our Human Resources Department with the participation of restaurant staff from all around Turkey and met nearly 800 restaurant managers.

These summits undertook to convey to executives' innovations and human resources practices to motivate employees. Targeting employees in Shift Manager and 2nd Manager positions who have a very critical role in the restaurant management team, the summit also aimed to impress upon the employees that they worked under a major brand and facilitate their exchanges with managers from other regions.

Our General Manager and Operations Director also attended the summit and shared the company's goals and experiences with the participants. APMEA executives also accompanied summit of McDonald's Turkey, which is one of the largest among the 37 markets in the APMEA region, which covers Asia, Pacific, Middle East and Africa.

At the meetings, the role of restaurants in meeting corporate goals was addressed with expert speakers providing latest information and methods on Human Resources Targets, Hiring and Retention, Occupational Health and Safety, Professional Image and Personnel Affairs.

McDonald's employees had great time also with sketches and games in the foyer specially created to suit the content of the meeting by Entertainment Engineers. Famous Turkish sportsman Semih Sayginer also made a presentation on how to surpass any obstacles encountered on the path to success.

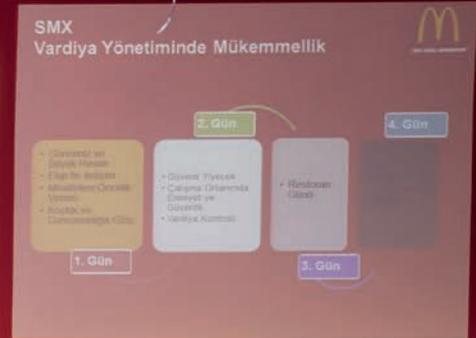
Despite the challenges of attendance from a scattered group of regions, we are planning to organize the summit every other year as a delightful event where we can learn and have fun at the same time.

"Our restaurants constitute the most important and the largest areas in our business. In a way, each restaurant may be deemed as a small factory and our restaurant managers as the managing directors of these factories. Therefore, we have to be in greater communication with our restaurants and run towards the same goal as part of a better partnership with them. These events help us both inform our employees about our agenda and meet them in a highly motivating environment. We made a special effort to organize our summits in five different cities so that we could meet our employees in their respective regions and achieved our goal in very successful meetings. Our efforts to further enrich our human resource will continue."

Dr. K. Mehmet Büyükçolak
Human Resources Director



İNSANDIR ÖNCELİĞİMİZ





giving back to the society

According to 79% of our employees that participated in our sustainability survey...

“Investments/efforts by the McDonald’s Children Charity across Turkey are adequate in terms of discharging our company’s social responsibility.”

At McDonald’s, success is about more than achieving commercial goals such as profitability and growth, but also about operating to the benefit of our communities. McDonald’s is a responsible member of the society and each McDonald’s restaurant is a good neighbor in the area in which it is located; and as such, they take part in projects that benefit the community. We provide support across several fields from health to sport on both local and international levels.



McDonald's children charity

McDonald’s is the biggest supporter of McDonald’s Children Charity, which operates in Turkey as a local chapter of RMHC’s (Ronald McDonald’s House Charities) global organization. In line with the charity’s mission, we support the creation of projects in hospitals across Turkey’s several provinces to help sick children and their families to have a more comfortable experience throughout their inpatient care.

Since the foundation of McDonald’s Children Charity in 1999, we have completed 46 projects in the childcare units of 29 different hospitals in 25 cities, from İzmir to Van and Adana to Trabzon. To date, we have reached out to more than 200 thousand children and transferred in excess of USD 1.5 million in cash or in kind through the Charity, which has implemented projects across Turkey to promote children’s welfare and happiness.

Through the Eye Health and Success in Education Project in collaboration with GAP Region Development Administration, we have conducted the eye screening of tens of thousands of elementary school students in Şanlıurfa, Diyarbakır, Mardin, Gaziantep, Adıyaman. In 2014 we have completed eye screenings of 17 thousand students in 17 elementary schools of Batman. Going forward, we intend to reach approximately 20 thousand students in every academic year as part of the project.

The other project of the Charity completed in 2014 was the refurbishing of the Pediatric Polyclinic building of Behçet Uz Hospital located in İzmir and which is one of the oldest childrens’ hospital of the Eagean Region.

Projects Completed to Date

4 Family Rooms

3 In Hospital Primary Education Classrooms

6 Hospital Playgrounds

27 Pediatric Services Furnished

6 Eye Screening Projects

Ronald McDonald House Charities (RMHC)

A non-profit organization established in 1975 in Philadelphia, RMHC creates, develops, and supports projects that offer direct benefits for children’s welfare and happiness. Thanks to its global network of its local extensions in 58 countries and territories, RMHC support children’s access to quality healthcare services worldwide with millions of dollars in donations in three main programs including the Ronald McDonald House®, Ronald McDonald Family Room®, and Ronald McDonald Care Mobile®.

our environmental performance

We manage our environmental impact by effective usage of natural sources such as water and energy, and disposing of our waste in the most proper manner. To reduce our impact, we constantly monitor our operational activities across our value chain and work towards our improvement goals.



McDonald's



SİPARİŞLERİ
KASAMIZI DA

McDonald's
BIG MAC
TÜKENMEK
BİLMİYEN
LEZZETLER

McD Cafe
Yeşil bir
kafa
değeyim

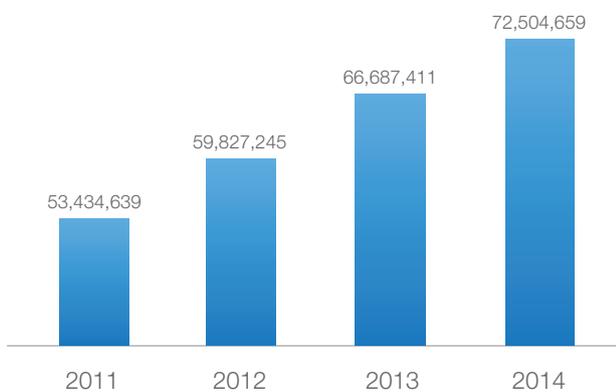
Sevdiğin yeni serisi

energy efficiency

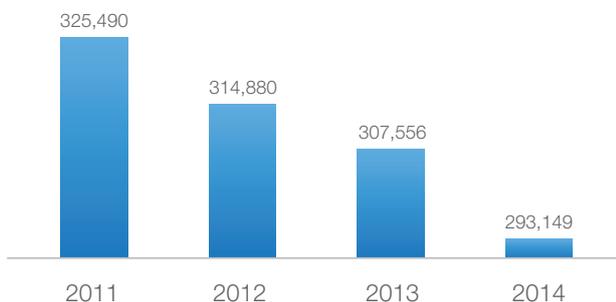
According to 66% of our employees that participated in our sustainability survey...

“The energy efficiency investments, emission reduction projects and other protective measures put in place by McDonald’s Turkey in line with its goal of reflecting its environmental awareness in its operations are adequate.”

TOTAL ANNUAL ELECTRICITY CONSUMPTION (kWh)



ANNUAL ELECTRICITY CONSUMPTION PER RESTAURANT (kWh)



Electricity is the foremost energy source used by McDonald’s in its operations in Turkey. We use electricity in interior and exterior lighting of our restaurants as well as for kitchen equipment, treatment systems, air conditioners, freezers and deep freezers. And, we use diesel to power our generators that are activated in the event of a blackout.

In 2014, we upgraded the kitchen equipment of our newly opened restaurants to ensure energy efficiency. In the meantime, we optimized some equipment depending on the needs of our restaurants.

We started to use a new type of acclimatization equipment with lower energy consumption and emission rates at our new restaurants. In terms of energy consumption, they are approximately 25% more efficient than the previous equipment. In addition to switching to LED lighting in all newly opened restaurants, we also apply heat insulation at our new restaurant building construction.

We organize trainings in order to raise awareness among our employees and conduct a semi-annual energy survey. 102 (approx. 40%) of our company restaurants purchase their electricity from EnerjiSA, which generates more than 50% of its electricity from renewable sources.

In the reporting period, despite the 15% increase in the number of our restaurants, our energy consumption increased only by 12.3% thanks to our efficiency measures. In the meantime, we reduced our electricity consumption per restaurant in kWh terms by 5.5% and diesel consumption in liter terms by 14%.

waste management

According to 71% of our employees that participated in our sustainability survey...

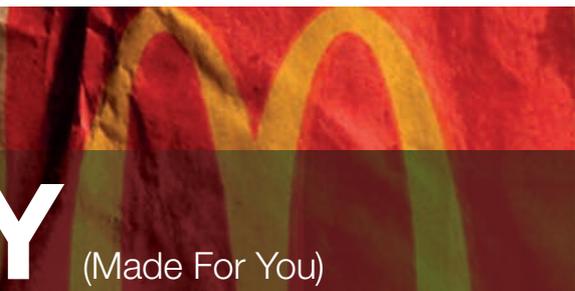
“Efforts by McDonald’s Turkey to reduce environmental pollution and manage solid waste are sufficient.”

Our restaurants mainly generate oil and packaging waste. All actions we take in relation with waste management have been launched in line with legal requirements. We have signed a contract with TÜRKÇEV in order to discharge our obligations concerning our packaging waste. As a legal requirement, we ensure that our oil waste is collected by delivering it to licensed collectors Albiyobir and Deha Biyodizel.

Under the regulations in force, frying oil waste is classified as hazardous waste. The frying oil we consume at our restaurants is used within the limits set by in the quality criteria by the Turkish Food Codex. These oils are disposed before the criteria limits are exceeded and delivered to licensed oil waste collection firms.

At all of our restaurants, we put the water used for cleaning purposes in the sink through oil retainers, which helps us retain the oil and dirt in our water waste, thereby contributing in the protection of the environment.

In 2014, under our legal obligation, we disposed of an amount of packaging waste equal to 44% of our packaging waste under our legal obligation. It was documented that these wastes were recycled at certified facilities.



MFY (Made For You)

In 2013, Turkey became one of the earliest adopters of the MFY project, which is mandatory for all McDonald’s restaurants across the world. The project undertook to increase the sustainability of the company by optimizing costs and energy consumption while preparing each product within a certain amount of time based on the order of the customer.

Before MFY, products were prepared, packaged, and offered for sale depending on the intensity of the sales. Product that could not be sold within a certain amount of time were considered waste and these products were disposed of in their packaging.

With the launch of MFY, the amount of unpackaged waste, or the cooked product waste, declined by 8% while paper, cardboard, and packaging waste was reduced by 22%.

This brought along a reduction in energy consumption as well as product and packaging waste. With the MFY project, energy consumption per restaurant was reduced by 4.64% thanks to energy efficient equipment designed for MFY and the use of equipment based on the orders.

water management

According to 64% of our employees that participated in our sustainability survey...

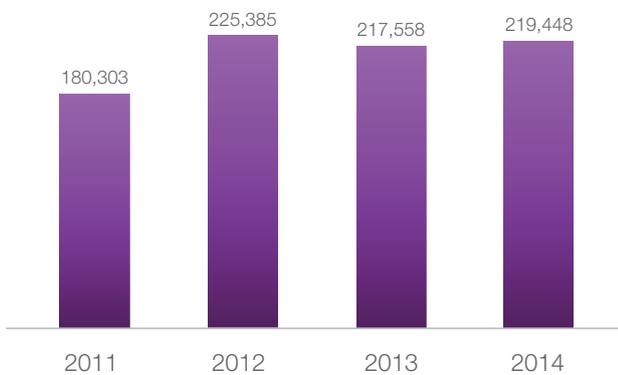
“Efforts by McDonald’s Turkey to make economical use of resources such as electricity, water, natural gas, and fossil fuels are sufficient.”

The most intensively used natural resource in our restaurants is water. In addition to its use for general purposes, we also use it to prepare sparkling drinks, ice, coffee and cocoa. The water purification (reverse osmosis) system used at McDonald’s Turkey is designed to remove any pollutants harmful to human health, such as heavy metals that might be coming from the water mains employing state-of-the-art technology to ensure compliance with food safety and product quality (beverages) standards.

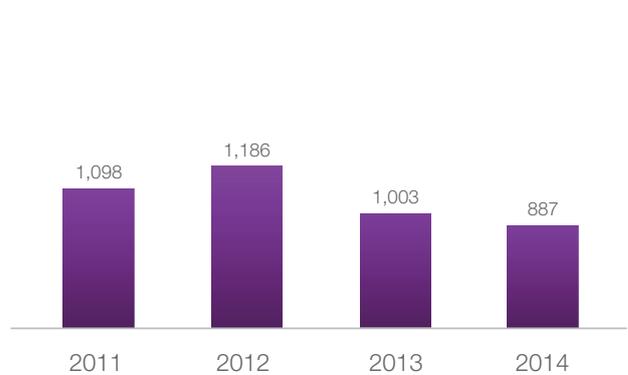
We ensure that our purification system undergoes periodical controls on a monthly basis and the water is chemically analyzed through the samples taken. In 2014, we continued to use infrared fittings in the personnel basins of our newly opened restaurants while using devices that would reduce the amount of running water.

During the reporting period, our water consumption at all our restaurants increased merely by 4.25% despite a 15% increase in the number of our restaurants, resulting in an 11% decline in our water consumption per restaurant. Going forward, we will continue to take the measures that would keep the rate of increase in our water consumption below the rate by which our restaurants expand.

TOTAL ANNUAL WATER CONSUMPTION (Liter)



ANNUAL WATER CONSUMPTION PER RESTAURANT (Liter)





appendix

our social performance indicators

OCCUPATIONAL HEALTH AND SAFETY						
McDonald's Turkey		Women		Men		
Accidents		2013	2014	2013	2014	GRI
Accident frequency rate	Ratio	N/A	17	N/A	143	LA6
Frequency of occupational diseases	Ratio	N/A	N/A	N/A	N/A	
Fatality	Number/Year	N/A	0	N/A	0	
Accident Types	Number/Description	N/A	1 Vehicle Accident 7 Falls 9 Other	N/A	89 Vehicle Accident 31 Falls 23 Other	
Absent Days	Unit	2013	2014	2013	2014	GRI
Occupational accident related absent days	Day	N/A	41	N/A	460	LA6

N/A = not available; gender-based data is not available for 2013.
Collection of data of our subcontractors will commence in 2015.

WORKFORCE				
Employment	Unit	2013	2014	GRI
TOTAL (Head Office)	Persons	139	128	
General-Turnover	Unit	2013	2014	GRI
Hired	Persons	14	8	LA1
Left	Persons	8	17	
By Gender-Turnover	Unit	2013	2014	GRI
Male – Hired	Persons	9	7	LA1
Male - Left	Persons	5	11	
Female – Hired	Persons	5	1	
Female - Left	Persons	3	6	
By Age-Turnover	Unit	2013	2014	GRI
Age 30 and below - Hired	Persons	2	1	LA1
Age 30 and below - Left	Persons	2	4	
Ages 30 to 50 - Hired	Persons	12	7	
Ages 30 to 50 - Left	Persons	5	13	
Age 50 and above - Hired	Persons	0	0	
Age 50 and above - Left	Persons	1	0	

WORKFORCE						
By Employment Type	Unit	2011	2012	2013	2014	GRI
White Collar - Female	Persons	435	524	547	533	G4-10
White Collar - Male	Persons	1,195	1,460	1,649	1,668	
Blue Collar - Female	Persons	880	939	905	712	
Blue Collar - Male	Persons	1,595	1,617	1,516	1,835	
TOTAL	Persons	4,105	4,540	4,617	4,748	
By Contract Type	Unit	2011	2012	2013	2014	GRI
Full-Time Employee - Female	Persons	917	1,081	1,092	1,015	G4-10
Full Time Employee - Male	Persons	2,162	2,402	2,422	2,736	
Part-Time Employee - Female	Persons	398	382	360	230	
Part Time Employee - Male	Persons	628	675	743	767	
By Location	Unit	2011	2012	2013	2014	GRI
Head Office Staff - Female	Persons	43	54	57	51	G4-10
Head Office Staff - Male	Persons	63	77	82	77	
Restaurant Staff - Female	Persons	1,272	1,409	1,395	1,194	
Restaurant Staff - Male	Persons	2,727	3,000	3,083	3,426	
By Gender	Unit	2011	2012	2013	2014	GRI
Male	Persons	2,790	3,077	3,165	3,503	LA12
	Ratio	68%	68%	68%	73%	
Female	Persons	1,315	1,463	1,452	1,245	
	Ratio	32%	32%	32%	27%	
By Age Group	Unit	2011	2012	2013	2014	GRI
Age 30 and below	Female	1,183	1,295	1,240	1,036	LA12
		28.80%	28.50%	26.80%	21.80%	
	Male	2,432	2,668	2,594	2,939	
		59.30%	58.80%	56.20%	61.90%	
Ages 30 to 50	Female	129	166	202	203	
		3.10%	3.60%	4.40%	4.30%	
	Male	348	398	561	549	
		8.50%	8.80%	12.10%	11.60%	
Age 50 and above	Female	3	2	10	6	
		0.10%	0.10%	2.50%	0.10%	
	Male	10	11	10	15	
		0.20%	0.20%	2.50%	0.30%	

Other Groups		Unit	2011	2012	2013	2014	GRI
Foreign	Female		0	0	0	0	LA12
			0%	0%	0%	0%	
	Male		0	0	0	0	
			0%	0%	0%	0%	
Disabled	Female		19	18	14	11	
			17%	16%	13.40%	12.70%	
	Male		91	92	90	86	
			83%	84%	86.60%	87.30%	
By Management Category		Unit	2011	2012	2013	2014	GRI
Senior Management	Female		10	10	10	9	LA12
			0.0%	0.0%	0.20%	0.20%	
	Male		16	18	21	15	
			0.0%	0.00%	0.50%	0.30%	
Middle Management	Female		4	7	11	11	
			0.0%	0.0%	0.20%	0.20%	
	Male		23	31	34	37	
			1.00%	1.00%	0.80%	0.80%	
Specialists/ Administrative Personnel	Female		421	507	524	511	
			10.00%	11.00%	11.40%	10.80%	
	Male		1,195	1,411	1,592	1,614	
			29.00%	31.00%	34.40%	34.00%	
Other Personnel	Female		880	939	907	714	
			21.00%	21.00%	19.60%	15.00%	
	Male		1,595	1,617	1,518	1,837	
			39.00%	36.00%	32.90%	38.70%	
Board Structure		Unit	2011	2012	2013	2014	GRI
Female Members		Percent	0%	0%	0%	0%	LA12
Age 30 and below		Percent	0%	0%	0%	0%	
Ages 30 to 50		Percent	15%	15%	15%	15%	
Age 50 and above		Percent	85%	85%	85%	85%	
Disabled		Percent	%0	%0	%0	%0	

INVESTMENTS MADE IN THE TRAINING OF EMPLOYEES							
Full-Time Employees		Unit	2011	2012	2013	2014	GRI
Total training hours		Hours	21,648	27,296	25,685	22,830	LA10
Total number of trainees		Persons	711	837	793	648	
White collar - Female		Total Hours	766	736	582.5	763	
White collar - Male		Total Hours	1,790	3,776	2,854	3,531	
Blue collar - Female		Total Hours	5,728	7,008	7,184	5,400	
Blue collar - Male		Total Hours	13,364	15,776	15,064	13,136	

our environmental performance indicators

WEIGHT OF TOTAL WASTE Head Office and All Restaurants						
By Type	Unit	2011	2012	2013	2014	GRI
Hazardous Waste <i>(frying oil waste)</i>	Kg	0	0	0	*387,508	EN23
Non-Hazardous Waste <i>(plastics, paper/cardboard)</i>	Kg	591,627	607,950	614,848	2,003,429	
Total Waste Generated	Kg	591,627	607,950	614,848	2,390,937	
By Disposal Methods	Unit	2011	2012	2013	2014	GRI
Recovery <i>(Frying Oil Waste)</i>	Kg	241,700	265,420	325,258	387,508	EN23
Recycling/Recovery <i>(plastics, paper/cardboard)</i>	Kg	83,491	95,611	121,628	881,509	
Total Waste Disposed	Kg	325,191	361,031	446,886	**1,269,017	

*As of 2014, we classify frying oil waste under hazardous waste in our reporting.

**In line with our environmental consciousness, we started to include our paper cups and sandwich boxes to focus on disposing of a greater amount of packaging waste.

Power Consumption	Unit	2011	2012	2013	2014	GRI
Anadolu Restoran	kWh	46,793,046	50,243,269	51,386,837	52,879,338	EN3
Franchisees	kWh	6,641,594	9,583,976	15,300,575	19,625,321	
Total	kWh	53,434,639	59,827,245	66,687,411	72,504,659	
Per Restaurant according to SOM	kWh	325,490	314,880	307,556	293,149	
Change	%	0	-3,36	-2,33	-4,68	
Diesel Consumption	Unit	2011	2012	2013	2014	GRI
Anadolu Restoran	liters	273,275	332,446	320,554	299,731	EN3
Per Restaurant according to SOM	liters	1,482	1,755	1,796	1,545	
Change	%	0	18,45	2,32	-14	
Water Consumption	Unit	2011	2012	2013	2014	
Anadolu Restoran	m ³	157,893	189,280	167,642	160,049	EN8
Franchisees	m ³	22,411	36,105	49,916	59,400	
Total	m ³	180,303	225,385	217,558	219,448	
Per Restaurant according to SOM	m ³	1,098	1,186	1,003	887	
Change	%	0	8	-15	-11,57	

SOM: Store Operating Month

GRI CONTENT INDEX

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STRATEGY AND ANALYSIS	
G4-1 (CEO Letter)	Pages 4-5
ORGANIZATIONAL PROFILE	
G4-3 (Organization name)	Page 68
G4-4 (Brands, products and services)	Pages 6-10
G4-5 (Location)	Istanbul, Turkey
G4-6 (Countries)	Only Turkey
G4-7 (Legal form)	Limited Company
G4-8 (Markets)	Pages 6-10
G4-9 (Scale)	Pages 6-10
G4-10 (Employee profile)	Page 63
G4-11 (Collective bargaining)	None
G4-12 (Supply chain)	Pages 31-33
G4-13 (Changes)	The company's capital structure has not changed during the operating year.
G4-14 (Precautionary approach)	We comply with all environmental laws and regulations.
G4-15 (External principles)	None
G4-16 (Memberships)	Page 11
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	
G4-17 (Entities reported)	Page 68
G4-18 (Process of aspect boundaries)	Page 23
G4-19 (Material aspects)	Page 24
G4-20 (Aspect boundaries within)	Page 25
G4-21 (Aspect boundaries outside)	Page 25
G4-22 (Restatements)	Our sustainability strategy as well as the identification processes of priority issues and key stakeholders have been relayed again.
G4-23 (Changes in scope and boundaries)	The scope and limitations of the report have not changed since the last report.
SHAREHOLDER ENGAGEMENT	
G4-24 (Stakeholders engaged)	Pages 21-22
G4-25 (Identification of stakeholders)	Page 22
G4-26 (Engagement methods and frequency)	Page 22
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REPORT PROFILE	
G4-28 (Reporting period)	Page 2
G4-29 (Previous report)	2013
G4-30 (Reporting cycle)	Annual
G4-31 (Contact point)	Page 68
G4-32 (GRI Info)	Pages 2, 66-67
G4-33 (External assurance)	Not externally assured.
GOVERNANCE	
G4-34 (Governance structure)	Anadolu Restoran İşletmeleri Ltd. Şti. Shareholders include Çelik Motor Ticaret A.Ş. and Anadolu Endüstri Holding A.Ş. The company is represented by appointed managers. An Occupational Health and Safety Committee is in place within the company.
ETHICS AND INTEGRITY	
G4-56 (Values)	Page 20

SPECIFIC STANDARD STATEMENTS	
MATERIAL ASPECTS	DMA AND INDICATORS
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