

THE FORGOTTEN ANIMAL ISSUE: The Big Mac

Chapter 5 in

Ethics Into Action:¹

By Peter Singer

By the early 1990s, McDonald's restaurants were serving up more than one billion eggs and half a billion pounds of beef a year. That volume, and the icon status of the hamburger chain, made McDonald's an obvious target for bringing about change for farm animals. If McDonald's were to give one-hundredth of one per cent of their gross revenues to fund a research center dedicated to finding alternatives to the stressful confinement of factory farming, that could do even more to reduce suffering than the similar percentage that Revlon had given to the search for alternatives to the Draize test. But McDonald's has a reputation for having a corporate culture that is aggressive and politically well to the right. It was never going to be easy to get them to take animals seriously.

Henry's opening move was a low-key meeting with McDonald's General Counsel and Executive Vice-President, Donald Horwitz, held in February 1989 at the offices of the American Society for the Prevention of Cruelty to Animals. The purpose of the meeting was to ask McDonald's to investigate the effect of factory farming on the animals whose meat and eggs they used, and then to use these findings to develop less stressful ways of raising these animals. Horwitz seemed remarkably ready to cooperate. He agreed that McDonald's would survey its suppliers in the United States and Canada, and take a look at the situation in Europe, where there was legislation setting minimum standards for farm animals that was in advance of anything in the United States. The research would, he said, be a guide to further action.

Horwitz went away to contact McDonald's suppliers, and apparently received some negative feedback about the plan. He suggested some dialogue between advocates of farm animal reform, and the animal producers. That led to a Farm Animal Well-Being Workshop, sponsored by McDonald's and its suppliers, and organized by the Tufts University Center for Animals and Public Policy, headed by Henry's friend Andrew Rowan. The workshop, held in November 1990, seemed to be a useful exploration of common ground between the animal movement and the producers, but it did not lead to any further action by McDonald's or their suppliers.

Over the next eighteen months Henry wrote to, and met with, Horwitz's successor, Shelby Yastrow, suggesting various steps that McDonald's could take to reduce the suffering of the animals used in its products. In May 1992 Yastrow wrote back saying: "We have taken all the steps that we said we would take." McDonald's had, he said, surveyed suppliers and received assurances that "they are in compliance with the laws, regulations and industry guidelines concerning the humane treatment of animals". But this was meaningless, for the "laws, regulations and industry guidelines" in virtually all countries continued to allow the most inhumane confinement of factory farmed animals. Yastrow's letter also referred to "an understanding" between McDonald's and their suppliers that if the existing guidelines "do not show sufficient concern for the humane treatment of animals", the suppliers will "take all reasonable additional measures to assure that animals raised, transported and slaughtered for McDonald's products are treated humanely." That sounded good, but who was to decide what additional measures were "reasonable"? Apparently, the suppliers themselves. In any case, Henry wanted McDonald's to make a more public commitment. As with Revlon, his plan was that McDonald's would set a standard that he could take to other corporations using farm animals, and ask: "Do you want to be seen as less concerned about animals than McDonald's?"

Henry wrote to Mike Quinlan, McDonald's chief executive officer, asking McDonald's to honour the commitment that Horwitz had made at the 1989 meeting to make the survey the basis of some real action

¹Lanham, MD ©Rowman & Littlefield Publishers, Inc. (February 25, 2000)

to reduce animal suffering. Quinlan passed the task back to Horwitz, now working independently with a Chicago law firm. Horwitz wrote denying that McDonald's had entered into any agreements with Henry regarding the well-being of farm animals, but offering to work with him for that goal anyway. Henry accepted the offer, and suggested to Horwitz that McDonald's:

- Set standards for its suppliers that would, with minimal expenditure of time and money, ensure more humane standards of handling and slaughter;
- Investigate alternatives to the worst forms of confinement in factory farms;
- Add a meatless burger to its menu; and
- Establish a Center for Farm Animal Well-Being to assess alternative systems of raising farm animals, in use elsewhere, for their suitability for adoption in the United States.

By February 1993 these proposals had gone nowhere, and Henry wrote again to Yastrow expressing his frustration "that after three years of on-again, off-again dialog there's nothing to show for it." The letter ended with both a carrot and a stick:

... we believe that we are looking at a problem which is capable of a quick and easy solution if dealt with promptly. From our perspective there are no complex decisions that need to be agonized over, nothing that justifies weeks, months and even years of debate. We also believe that you are looking at a problem which, with benign neglect, will quickly escalate into a global and multi-faceted PR nightmare for McDonald's.

This brought about, in March, a breakfast meeting between Henry and Yastrow, after which Yastrow wrote "I'm glad I had a chance to meet with you and live to tell about it." At the meeting Yastrow had said that he would try to organize a coalition of other quick service restaurants to get behind some of Henry's proposals. The next few letters between Henry and Yastrow were on a "Dear Henry"/"Dear Shelby" basis, and markedly more friendly in tone, but still nothing happened. By June Henry was once again bluntly pointing this out to Yastrow. In reply, Yastrow wrote that he was still trying to establish the coalition, and "We will either act as part of a coalition or we won't act at all — especially in view of all you are asking."

A year earlier, Henry had bought 65 shares in McDonald's. The time had come to make use of them. Together with Franklin Research and Development, a firm that provides advice to socially concerned investors, Henry filed a shareholder's resolution to be voted on by all McDonald's shareholders at their 1994 Annual Meeting. The resolution had a preamble describing the treatment of animals used by McDonald's and then asked shareholders to vote for a recommendation asking the Board of Directors to endorse the following principles and encourage the company's suppliers to take all reasonable steps to comply with them:

1. Least Restrictive Alternative — animals should be housed, fed, and transported in a practical manner least restrictive of their physical and behavioral needs;
2. Individual Veterinary Care — animals should be afforded individual veterinary care when needed;
3. Humane Slaughter — methods used should be designed to produce a quick and humane death.

The resolution was phrased so as to be difficult to argue against. How could McDonald's deny that animals should have individual veterinary care when needed? Yet intensively-reared chickens and laying hens have no individual veterinary care at all. Inspection is so cursory that sick birds are usually not noticed until they die. Giving all animals individual veterinary care would mean a radical change in modern methods of animal production.

McDonald's were unhappy about Henry's resolution being put to shareholders. Armed with a long legal opinion, they gave notice — as required by law — to the Securities and Exchange Commission that they intended to omit the proposal from their proxy materials for the 1994 Annual Meeting. Henry gave notice of his intention to contest this decision, but at the same time Yastrow was asking him what would persuade him to withdraw the resolution. In February 1994, a deal was struck. McDonald's agreed to mail a copy of a policy statement on the humane treatment of animals to all their meat and poultry suppliers, and to print an excerpt from the statement in their Annual Report.

The statement that McDonald's agreed to mail to its suppliers read as follows:

McDONALD'S AND THE HUMANE TREATMENT OF ANIMALS Just as McDonald's works hard to maintain the trust and confidence of its customers, it takes seriously its obligation to the communities in which we do business. We are already well-known for our efforts with respect to children and young people. Our commitment to the protection of the environment is also well-documented. However, because McDonald's restaurants buy all their food products from independent suppliers, the Company's commitment to the humane treatment of animals may not be as well-known.

McDonald's believes the humane treatment of animals, from the time of their birth and throughout their lives, is a moral responsibility. The Company fully respects the independence of its suppliers and requires them to adhere to pertinent laws, regulations, and industry guidelines concerning the humane treatment of animals such as those recommended by the American Meat Institute. Additionally, where those guidelines do not show sufficient concern for the humane treatment of animals, McDonald's suppliers should take all reasonable steps to assure that animals raised, transported and slaughtered for McDonald's products are treated humanely. Additionally, we require that each supplier submit to us an annual written statement, signed by its Chief Executive Officer, confirming that it is in compliance with this statement (or explaining where and why it is not in compliance, and when compliance can be expected).

Henry accepted the deal and withdrew the shareholder's resolution, not because he thought this statement was going to bring about dramatic changes to the treatment of animals used by McDonald's, but because he didn't think he was going to get any more out of them by pushing on with the resolution, which the big shareholders were sure to vote it down by a comfortable margin. As Henry told *Vegetarian Times*, the statement "doesn't necessarily mean a lot," but it was a first step in setting an industry standard: "If McDonald's moves a millimeter, everyone else moves with them." In other articles, however, Henry took a more optimistic view, describing McDonald's action as "a fundamental breakthrough in corporate thinking."

Whatever he said publicly, Henry had his doubts about whether anything had really changed in the way McDonald's suppliers were handling their animals. Over the next three years he tried frequently, but without much success, to find out. Temple Grandin told him that she noticed a difference around that time. You could, she said, tell by looking at it whether a slaughterhouse was a McDonald's supplier. They were better maintained, and they avoided handling the worst of the "downers" — cattle who arrive at the slaughterhouse so weak that they cannot stand, and therefore have to be dragged off the truck with a rope. But these were, at best, marginal improvements. In commenting on the campaign in 1996 Henry wrote "Long term results of this initiative are unclear, since McDonald's is not yet making any substantive information available to the public. Stay tuned . . ."

The public did not need to stay tuned for much longer. When McDonald's sued Helen Steel and Dave Morris, two activists from London Greenpeace, for defamation over a leaflet entitled "What's Wrong with McDonald's?", they gave Steel and Morris the chance to prove in court that the allegations in their leaflet—which included cruelty to animals—were true. The outcome was the longest trial in British legal history, pitting a \$32 billion corporation against two activists who, unable to afford a lawyer, represented themselves

throughout a trial that ran for 313 days and heard 180 witnesses. To meet the charge of cruelty, Dr. Fernando Gomez Gonzalez, McDonald's Manager of Meat Products, was in the witness box for seven days. In handing down his verdict, Mr. Justice Bell said:

[McDonald's] evidence of an animal welfare policy, or at least a written animal welfare policy, was curious to say the least . . .

On the seventh and last day of his evidence, Dr. Gomez Gonzalez said that he had seen "a small statement, half a page, regarding animal welfare, the concept". This turned out to be a one page statement headed "McDonald's and the Humane Treatment of Animals", which reads as follows:

Mr Justice Bell then read the statement, already quoted above, and commented:

This statement is in the most general terms. It reads more like a public relations hand-out than a serious policy statement and that interpretation is consistent with it not being so well known as to be at Dr Gomez Gonzalez finger tips during the greater part of his evidence, although it may have dated from 1989 . . . In my judgment [McDonald's] policy . . . was primarily for public consumption in case anyone enquired.

The judge got the date wrong, and the statement may have been more than just a public relations exercise. Nevertheless, the fact that Gonzalez was not at first aware of the statement does show how little concern there was among McDonald's executives for the welfare of the animals whose flesh and eggs they served.

The "McLibel" trial opened a new chapter in Henry's dealing with McDonald's. When the verdict was finally handed down, on June 19, 1997, McDonald's claimed victory because Mr Justice Bell ruled that Steel and Morris had not demonstrated the truth of all of their wide-ranging criticisms. They had not, for example, shown that McDonald's played a role in the clearing of tropical rainforests. McDonald's received a modest award of damages, which they made no attempt to get from Steele and Morris. They did not even bother to apply for costs, writing off the \$15 million they had spent on legal fees. In public relations terms, the trial was a disaster. The corporate giant lost on several points, most notably on the issue of cruelty. The judge found that:

- Chicken served by McDonald's comes from hens who have so little room to move that to keep them in this way is cruel, and McDonald's "are culpably responsible for that cruel practice."
- "A proportion of the chickens used to produce the . . . food are still fully conscious when they have their throats cut. This is a cruel practice for which the Plaintiffs [i.e. McDonald's] are culpably responsible."
- Bacon served by McDonald's involves keeping sows who "spend virtually the whole of their lives in dry sow stalls . . . without freedom of movement." Again, McDonald's was found to be "culpably responsible for that cruel practice."
- Eggs served by McDonald's come from hens who "spend their whole lives in battery cages" and McDonald's "are culpably responsible for that cruel practice".

Only three months before the McLibel verdict, Yastrow had told Henry bluntly that "farm animal well being is not high on McDonald's priority list". When Henry called immediately after the verdict, Yastrow's interest in farm animal well being had risen sufficiently for him to fly to New York to talk about it. They arranged to meet on July 3rd. Before the meeting Henry called me for some feedback on how to handle it; he realized that McDonald's were now much more vulnerable than they had ever been before, and wanted to make the most of it. We discussed different possible tactics. Around the world, on the Saturday after the verdict, there had been demonstrations outside McDonald's restaurants. Would it be best to try to launch an international campaign against McDonald's immediately, focusing on what the trial had shown about the cruelty involved in the food they served? Or should that be held in reserve, to be used only if the discussions between Yastrow and Henry came to nothing? Yastrow himself had said that once a public campaign began,

it would be harder for McDonald's to make changes, because it would not want to appear to be yielding to protesters. This might be a ploy to fend off protests until the issue had cooled, but it could also be true. Henry decided to hold off on the protests.

At Yastrow's suggestion, he and Henry met over breakfast in the Waldorf-Astoria's Peacock Alley. Yastrow told Henry that he had been against taking on Steel and Morris in the British courts, but had been overruled. Now he was only six months away from retirement, and wanted to do something about animal welfare issues before he left. The final decision, though, would depend on how others in the top management group at McDonald's responded. Henry showed him an advertisement that he and Mark Graham had designed — but not yet used — for a campaign against one of McDonald's rivals, KFC. It had a picture of a toilet, with a KFC tub where the bowl should be, and the heading "Do KFC's Standards Meet Your Standards?" The text used the quote from a government microbiologist that Henry had already used in a Perdue advertisement: "The final product is no different than if you took a bird . . . stuck it in the toilet and then ate it." Yastrow looked at it and said: "I suppose you've prepared ads on us as well?" Henry confirmed that he had. Yastrow admitted that his earlier efforts to do something about the treatment of animals had lacked any real commitment, and — as if to demonstrate that he was serious this time — showed Henry an internal company memo in which he bragged that he had been able to fend off Henry's threats without doing much. At the end of the breakfast the two men had a powerplay over who would pay the exorbitant bill. Over Yastrow's undoubtedly true protests that he earned a lot more than Henry did, Henry, who had been quicker at catching the waiter's eye, won. The most significant outcome of the meeting was that Yastrow agreed to meet Temple Grandin to discuss some practical and feasible changes.

The meeting left Henry hopeful but wary: was Yastrow's new frankness just a way of trying to fool him again? While staying in close contact with McDonald's, Henry and I formed an International Coalition for Farm Animals, modeled on the Draize and LD50 Coalitions. By September, some of major animal organizations had agreed to be part of it, including the World Society for the Protection of Animals, the Humane Society of the United States, the American Society for the Prevention of Cruelty to Animals, and the American Humane Association. At the same time, McDonald's seemed to be moving forward. They commissioned Temple Grandin to do an animal welfare survey of their suppliers, and Yastrow told Henry that they would appoint someone to a full-time position to take responsibility for animal welfare issues. That person would report to Bob Langert, McDonald's Director of Environmental Affairs, who in turn reported to the Chief Purchasing Officer, who was directly under the Chief Executive. So, Yastrow was saying, this would be a high-level position, at the fourth rung down the hierarchy.

The next meeting with McDonald's was arranged for October 1997, at a time when I was visiting the East Coast of the United States. Langert had told Henry that he would come to New York together with the person they had appointed to the new position of Animal Welfare Director. Henry arranged a breakfast meeting for the four of us.

When I arrived in New York, Henry and I talked about what we wanted the meeting to achieve. We were worried that McDonald's strategy might be simply to delay things until the McLibel decision was so dated that nobody would get excited about it any more. Hiring someone to deal with animal welfare didn't, in itself, help a single animal, and for a company as big as McDonald's, the cost of another salary was peanuts. We would need to tell McDonald's that we wanted to see, soon, some tangible steps towards reducing the pain and suffering of the animals they used. We talked about what we could ask McDonald's to do. The way they responded to Temple Grandin's criticisms of their suppliers' facilities would be one test of their sincerity. But we wanted more far-reaching changes. What, for example, could McDonald's do about the confinement of sows? Before our meeting we called Osborne Industries, a corporation based in Kansas that produced equipment that manufactured systems for keeping sows that allowed them to roam freely over a large indoor area. Confining sows individually was a crude — and cruel — response to the problem of ensuring that dominant sows do not take more than their share of food. Osborne's response was much more sophisticated. In their system each sow activates a feeding device by entering a pen, one at a time. The

sows wear collars with a bar code suitable for electronic scanning. If a dominant sow enters twice, a scanner detects this and stops the feeder. Our conversation with Osborne Industries confirmed that this system is already in commercial operation in the USA. We would be able to tell McDonald's that if they were serious about overcoming the cruelty described by Mr Justice Bell, they could ensure that their suppliers switched over to this system whenever they put in new facilities for sows.

The meeting took place at a cafe on the Upper West Side, and it did not begin well. We were surprised to find that the new Animal Welfare Director was none other than Fernando Gomez Gonzalez, who from the witness stand in the McLibel trial had resolutely denied that there is any cruelty in the raising of the animals used by McDonald's. That Gonzalez began by ordering bacon with his breakfast was scarcely calculated to endear him to us. But we did not waste time on either pleasantries or unpleasantries. We told Langert and Gonzalez that they needed to deal rapidly with the issues of cruelty identified in the McLibel trial, because there were some major animal rights organizations who were keen to campaign against McDonald's. (This was entirely true: since McDonald's are easily accessible in every major city, they are an ideal target for both national and international campaigns.) We suggested practical ways in which this could be done, ranging from gas stunning for chickens, to Osborne Industries' system of keeping sows.

A lively discussion followed, which ended with Langert telling us that he couldn't give us specific commitments now, but by the end of the year McDonald's would have in place an action plan that would include:

- Using Temple Grandin to develop an animal welfare auditing system that would be integrated into McDonald's food safety audits.
- A way to implement some of the more simple and practical steps to improve the treatment of animals, which could be done immediately or at least during 1998.
- A list of more complex issues that McDonald's would regard as longer-term goals.
- Procedures for working with suppliers to ensure that these changes took place.

Langert accepted our view that real test of McDonald's sincerity would be whether they brought about significant improvements in the treatment of animals. But at the same time he was saying: "We have big plans, but we can't move as quickly as you want. Give us until next year, and then see what we have done."

After the meeting, Henry and I puzzled over the conflicting messages McDonald's seemed to be sending us. The appointment of Gonzalez as Animal Welfare Director was astonishing. Of all the people employed by McDonald's, he had been the most public in defending their treatment of animals. Was his appointment a calculated slap in the face for the animal movement? But then, why would Langert have bothered to come to New York with him to meet us, and try so hard to convince us that McDonald's is serious about treating animals better?

If McDonald's had been totally intransigent, we would have begun planning a campaign against them, drawing on the millions of members of the organizations that had joined our International Coalition for Farm Animals. But since they had said that they would draw up a plan to improve the treatment of animals, we had little choice but to wait until 1998 to see what they did. To launch a campaign against McDonald's now would invite the response that McDonald's had been willing to talk to us, but we had not been prepared to give them the time they needed to change practices affecting millions of animals. At the time of writing, the McDonald's discussions are at a "wait and see" stage.

Copyright 1998 by Peter Singer. Reprinted with permission of Rowman & Littlefield Publishers, Inc.

Note: Date of this document is unknown.

It can be found at <http://www.issuemanagement.org/documents/McDonalds%20Wins%20Chase%20Award.pdf>

The W. Howard Chase Award — 2001

Organization Nominated: McDonald's Corporation

The Issue: McDonald's Animal Welfare Program (MAWP)

Description of the issue:

McDonald's cares about the treatment of animals so we are continuing to take a leadership role in improving conditions and operations at our suppliers' facilities. Although McDonald's does not typically own, raise or transport animals, we do recognize that our responsibility as a purchaser of food products includes working with our suppliers to ensure good animal handling practices. McDonald's believes that the humane treatment of animals is an integral part of our world class supplier system. Therefore, we buy all our beef, pork and poultry products from suppliers who maintain the highest standards and share McDonald's commitment to animal welfare.

McDonald's has implemented innovative animal welfare quality programs, including:

1. A comprehensive and tough objective audit system for good animal handling practices based on animal behavior science.
2. An advisory Animal Welfare Council comprised of leading academic, industry and animal protection experts.
3. A groundbreaking set of new animal welfare practices for laying hens (eggs) that provide 50more housing space and eliminates the practice of restricting food for productivity gains.

1. Why is the issue important to the organization?

McDonald's has the very highest standards for quality and food safety for all the food it procures, cooks and serves at McDonald's restaurants, including the 13,000 USA restaurants. Animal welfare is an integral part of McDonald's commitment to quality. Additionally, McDonald's recognizes that it is a major purchaser of meat, including beef, chicken and pork products. As part of its vision, McDonald's is a socially responsible leader in the communities where we do business: "The world should be a better place because of McDonald's." To take this responsibility upstream with our suppliers to implement real programs that are making a real impact with millions of animals is a visible manifestation of our ongoing commitment to social responsibility leadership.

2. At what levels do members of the organization participate in addressing the issue?

McDonald's has engaged a broad cross-functional team approach to addressing animal welfare leadership.

First, it established a leadership team representing either Directors or Officers from these functional areas to direct and monitor the issue: Supply Chain Management, Public and Community Affairs, Communications, Legal, Global Security, Customer Satisfaction. The Vice President of Public and Community

Affairs oversees the team and is the internal champion, who reports to the Senior VP of Corporate Relations and to an Executive VP on the team's initiatives and progress.

Second, McDonald's Chairman and CEO has been directly engaged and has set the overall direction that McDonald's provide leadership on animal welfare.

And third, McDonald's created a supplier team with our direct meat suppliers to take on this program, to get educated on the issue, and to develop programs in partnership with McDonald's.

3. Which constituent groups are affected?

One of the primary benefits of McDonald's Animal Welfare Program is to appropriately balance the external stakeholder's viewpoints. Constituent groups include: animal rights organizations; animal protection groups; suppliers and their trade organizations; the 30 million customers McDonald's serves daily in the USA; government agencies (USDA); investors; animal scientists and other academics in the animal science arena; and, of course, the media.

4. How are constituent concerns considered and acted upon?

McDonald's created an Animal Welfare Council (AWC) to formalize a process that ensures our ongoing animal welfare commitment, and it is McDonald's best way to seek input and to balance the various constituent concerns. McDonald's recognizes the need to partner with the very best animal welfare scientists and experts to help determine priorities and action steps.

The AWC members are:

Dr. Temple Grandin, Colorado State University

Diane Halvorsen, Animal Welfare Institute

Dr. Jeff Armstrong, Purdue University

Dr. Joy Mench, University of California, Davis

Dr. Janice Swanson, Kansas State University

Dr. Ken Olson, American Farm Bureau

The McDonald's Animal Welfare Council assists McDonald's and its suppliers to address animal welfare issues and to meet the goals described in the attached "McDonald's Animal Welfare Guiding Principles." They provide information, advice, and expertise on germane issues. They have access to key management and suppliers within McDonald's system. The council makes recommendations to McDonald's and its suppliers.

5. What is the key objective of the issue management program?

McDonald's objectives with animal welfare are to provide leadership and innovation in order to create an industry-changing impact, and to provide transferability to others in the industry as well.

McDonald's animal welfare decisions are unprecedented in the retail industry. McDonald's is the first to factor animal welfare guidelines into our procurement process, addressing an issue that is complex and multi-dimensional, consisting of many stakeholders, and successfully engaging its suppliers, scientists, academics, non-profit organizations, and other stakeholders to forge very meaningful solutions. McDonald's used its purchasing power and influence with suppliers to address and eliminate certain animal welfare problems. McDonald's programs can be adopted by others, and likely will be over time. Thus, the impact goes beyond McDonald's and its own set of suppliers.

6. Does issue management make a direct contribution to the organization’s profitability? If so, how?

As a whole, McDonald’s believes in the management of issues in the emergence stage versus the crisis stage. This is the “anticipatory issues management” process that McDonald’s has internally adopted, and is evolving in its corporate culture. There is much more time and money spent in the crisis mode than when issues are strategically addressed in the early stages. Animal welfare is an excellent model of that. McDonald’s began to formalize its program more than four years ago. The most comprehensive part of the animal welfare program is auditing all of its meat facilities. This program does not add cost, and the suppliers are very supportive of the program.

7. What are the results?

Here is a brief summary of McDonald’s major animal welfare programs and progress.

- McDonald’s recently introduced “Laying Hen Animal Welfare Guidelines” with its suppliers. These guidelines call for a 50% increase in the housing space for hens; the elimination of the practice of withdrawing food to induce molting; and the goal of eliminating beak trimming. This will impact the welfare of more the five million hens annually. Many experts, including such animal protection organizations as the Humane Society of the United States and the Animal Welfare Institute have praised these guidelines.
- McDonald’s adopted animal welfare auditing guidelines developed by Dr. Temple Grandin and began auditing all of its meat processing facilities for beef, pork and broiler chickens in 1999. More than 100 plants are now audited annually. Animal welfare training is now a prerequisite with our suppliers. Numerous improvements in animal handling practices have been documented due to these audits.
- McDonald’s established an Animal Welfare Council with six leading scientists, academics and animal protection leaders, with the goal to educate, inform and make recommendations to senior management. This type of stakeholder engagement on animal welfare is unprecedented and shows the level of long-term commitment McDonald’s has to be leaders on animal welfare.

In addition to the actual programs and excellent results, McDonald’s has established the vision and framework that is essential to achieve meaningful, sustainable animal welfare improvements.

For example, McDonald’s Chairman and CEO, Jack Greenberg, has been vocal and visible in his call for animal welfare leadership in the company and with its suppliers. McDonald’s supply chain management team has incorporated animal welfare as a part of doing business by making it an integral part of its quality assurance program. A global set of animal welfare guiding principles has been developed and disseminated worldwide.

From an external viewpoint, the following two quotes put in perspective the larger impact of the program:

“McDonald’s has used their purchasing power very wisely to produce extraordinary animal welfare results, and I encourage others to do the same. I have been in this field for more than 25 years, and I have never seen such a transformation. It’s extremely gratifying. The more companies that implement similar programs, the more improvements we’ll see in animal welfare.”

— Dr. Temple Grandin, world-renowned animal welfare scientist and advocate.

“The longest march begins with a single step, and now McDonald’s, to their great credit, has taken that first step. In the entire history of the intensive egg industry in the United States, no one else has had the courage

to take even a single step. I was recently with a leader of an organization that is working for the rights of farm animals. He asked me what I thought of McDonald's moves, and I asked him my usual question: could he name a single positive move of greater significance for the living conditions of farm animals in the United States during the past 25 years? He admitted that he could not."

— Professor Peter Singer, Animal Rights International, author *Animal Liberation* .

McDonald's Europe receives 'Good Egg' award from Compassion in World Farming as a result of its action on 'cage-free eggs'

Company commits to build on good work by completely phasing out use of 'caged' whole eggs in EU restaurants by end 2010

Under strict embargo until 13.00hrs (14.00hrs UTC / GMT), Wednesday 16th April

(Brussels, 16th April 2008) McDonald's Europe is pleased to announce that it has today received a 'Good Egg' award from international farm animal welfare organization, Compassion in World Farming, in recognition of its work in serving 'cage-free' eggs (barn eggs or free-range eggs that have not been laid by hens in cages) in its menu items. McDonald's uses 123 million free-range 'whole' eggs in the EU each year in menu items such as Egg McMuffins, scrambled-egg based breakfast choices and salads. While faced with complex supply chain challenges in achieving this, over 95% of these eggs across 21 EU countries are now free range and, today, McDonald's is committing to phasing out the remaining few percent of 'caged' whole eggs in its restaurants in the EU by the end of 2010.

McDonald's Europe's progress in supplying free-range eggs marks another important step in the company's efforts to improve animal welfare, and develop a sustainable supply chain.

Keith Kenny, Senior Director, McDonald's Supply Chain Europe, commented, upon receiving the award:

We are very pleased to be recognized by Compassion in World Farming for the work we are continuing to do throughout the EU to phase out the use of eggs laid by caged-birds from our menus. Our customers are increasingly interested in animal welfare and sustainability. We also believe this is the right thing to do. This is the latest step in McDonald's evolution from being a fast food company to a company that serves good food, fast.

Eradicating the use of 'caged' whole eggs from our supply chain throughout the EU has been a complex challenge, but we are confident of achieving this before the end of 2010.

Dr Lesley Lambert, Director of Research & Food Policy at Compassion in World Farming, added:

This is fantastic news. We're thrilled to be awarding such a well-known company for moving to cage-free eggs across the whole of Europe. McDonald's decision will benefit huge numbers of farm birds. By choosing to do the right thing on eggs across Europe, McDonald's has shown great leadership on an issue which many consumers feel strongly about.'

McDonald's drive to improve animal welfare for laying hens complements its work to support sustainable farming practices. Throughout 2007 McDonald's successfully introduced independently accredited¹, sustainably certified coffee in all its European restaurants. The McDonald's Agricultural Assistance Programme (MAAP) tries to ensure that all animals involved in the production of McDonald's food are treated humanely throughout their lives, according to their species' specific needs.

— Ends —

Notes to editors For further information, please contact Vanessa Mato on +44 207 800 4743/ vanessa.mato@uk.mcd.com

Compassion in World Farming's 'Good Egg' awards will take place from 13.00hrs at the European Parliament in Brussels on Wednesday 16th April.

¹ Accreditation provided by Rainforest Alliance and/or Utz Kapeh.

About Compassion in World Farming

Compassion in World Farming is recognized as the leading international farm animal welfare charity. Our vision is a world where farm animals are treated with compassion and respect and where cruel factory farming practices end. Our Good Egg awards are part of our food policy work which aims to engage with and reward companies for the efforts they make to improve farm animal welfare through the products they sell.

<http://www.thegoodeggawards.com/>

About McDonald's Europe

McDonald's Europe is the region's leading foodservice retailer with more than 6,400 restaurants in 40 countries serving 10 million customers a day. More than 60% of McDonald's restaurants in Europe are owned and operated by independent local business men and women. Please visit our website at www.mcdonalds.com to learn more about the Company.

About MAAP — the McDonald's Agricultural Assurance Programme

As a very visible brand and large-scale restaurant chain, serving millions of customers every day, McDonald's needs to purchase raw materials that are safe and available in adequate supply, and produced under ethically acceptable conditions. McDonald's Agricultural Assurance Programme is an initiative to increase the company's influence through the supply chain to the primary producer. The programme provides a framework to manage food safety and quality, as well as sustainable and ethical agricultural production methods towards Sustainable Agriculture.

FOR MORE INFORMATION: Agnes Vadnai
Director of European Communications, McDonald's Europe
Telephone: +44 (0)207 800 4884
Mobile: +44 7590 965 539