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Leveraging Purchase Power to Preserve Biodiversity: The Partnership Between the McDonald's Corporation and Conservation International



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Case Overview

Beginning in 1990, the iconic fast food franchise empire McDonald's Corporation entered into a partnership with the Washington, D.C. area-based environmental nonprofit organization, Conservational International (CI). The relationship marked the first time CI had entered into an agreement with a corporate partner. Initially, the two parties collaborated on raising conservation awareness through a series of educational marketing campaigns aimed at the preservation of the world's rainforests. The partnership then advanced to an analysis of the sustainability of the corporation's whitefish fish supply chain. McDonald's had become increasingly concerned about the future of global whitefish stocks and turned to CI, a institution dedicated the preservation of biodiversity, for help in finding sustainable whitefish sources for its Filet-O-Fish sandwich. The success of this initiative led to the two parties to begin developing a broader strategy to look at the sustainability of McDonald's entire global supply chain. The work established a set of principles for McDonald's to initiate dialogue with its suppliers on several subcategories of corporate social responsibility, including social and environmental sustainability. As a result of its partnership with CI, McDonald's has developed its own supplier monitoring framework called the Supplier Quality Index (SQI), which rates suppliers of its top five commodities—beef, pork, chicken, buns and potatoes.

This case will chronicle the partnership between CI and McDonald's from 1990-2007 with a focus on the partnership's sustainable supply chain work. The analysis will evaluate efficacy of leveraging the purchase power of McDonald's vast business footprint to advance CI's mission of preserving biodiversity. The net benefits of the partnership

appear to favor McDonald's, which begs the question: what are the long-term strategic gains to CI's mission and how can they be proven?

*"Addressing today's most pressing environmental challenges requires solutions for our customers and shareholders that make both economic and business sense. That is what we are doing through our work with [Conservation International's] The Center for Environmental Leadership in Business."*¹

William Clay Ford, Jr.
Chairman of the Board and CEO, Ford Motor Company

Introduction: Genesis and Motives of the Partnership

In 1990, Conservation International (CI) decided to make the McDonald's Corporation its inaugural corporate partner with the objective of finding initiatives that could both benefit the environment and improve McDonald's business. CI's objective was to collaborate with the world's largest food-service provider in order to leverage McDonald's considerable international purchase power to preserve global biodiversity. In 2005, McDonald's spent nearly \$18 billion on food and paper products.² CI's strategy with McDonald's is predicated on scale: \$18 billion is a sufficient level of purchasing power to change business practices in great volume. Rather than taking the traditional pressure approach in order to induce McDonald's into reducing its adverse environmental impacts, CI favored a more integrated, multi-stakeholder approach to address the global challenges McDonald's businesses presented. For if McDonald's decided to insist upon certain environmental standards from suppliers, the suppliers would have to either comply, or risk losing a chunk of McDonald's \$18 billion business.

¹ <http://www.celb.org/xp/CELB/> -- December 1, 2008

² McDonald's 2005 Financial Statement

At the genesis of the partnership, the notion of an environmental group partnering with a Fortune 500 company (McDonald's is currently ranked number 106 with 2007 revenues of \$23.2 billion³) was uncommon and CI faced early criticism from the nonprofit community. In 1989, McDonald's was under heavy scrutiny by activist environmental groups led by Greenpeace for allegedly sourcing beef from fragile rainforest areas in South America. A large constituency in the environmental movement at the time considered McDonald's to be an insouciant instigator of habitat loss in its pursuit of profits. For CI, an organization dedicated to the conservation of biodiversity hotspots—many of which are rainforests—partnering with McDonald's was an unorthodox move without definitive project metrics.

However CI's partnership with McDonald's proved to be seminal, as the organization rapidly increased its work with the private sector by creating The Center for Environmental Leadership in Business (CELB) which carries the following mission: "To engage the private sector worldwide in creating solutions to critical global environmental problems in which industry plays a defining role."⁴ Indeed, the purchase power partnership model is a significant instrument CI employs to pursue its mission. Over the course of nearly 20 years, McDonald's and CI have worked on a myriad of projects (see Appendix A for a project timeline) designed to fundamentally change the way McDonald's does business along its supply chain.

It is important to establish from the outset that CI does not portend to be a monitor or verifier of McDonald's overall operations, but rather an independent, project-based consulting partner. McDonald's does not pay a fee for the consulting services

³ http://money.cnn.com/magazines/fortune/fortune500/2008/full_list/101_200.html -- December 3, 2008

⁴ <http://www.celb.org/xp/CELB/about/> -- December 1, 2008

provided by CI. Financial compensation from McDonald's is bundled towards CI's annual fundraising and the organization is cognizant of ensuring that all partner projects receive funding from a diverse pool of sources not dominated by McDonald's.⁵ To properly evaluate the credibility of the partnership, it is necessary to examine the context in which it began. Partnership models between corporate and nonprofit actors presuppose vested interests, so it is necessary to understand how McDonald's aligns its corporate social responsibility initiatives with its business model. CI's interests in preserving the environment are clear, as its existence—sustainable donation growth—depends on credibly showing that it protects some of the world's most threatened resources. McDonald's direct interest in preserving the environment is not obviously apparent.

Corporate Social Responsibility at McDonald's: Ray Kroc's "Doing the right thing" Mantra

While skeptics might argue that McDonald's interest in heralding its relationship with CI on its website and Corporate Social Responsibility reports (see Appendix B) is a clear case of green-washing, McDonald's would counter that the partnership is a natural extension of the business values of its founder, Ray Kroc. As the first CEO of the McDonald's Corporation, who opened its first franchise in Des Plaines, Illinois in 1955, Kroc believed that McDonald's success hinged on the quality, consistency and value of its products. For Kroc, this meant that all suppliers must be held accountable for ingredient and quality standards.⁶ It is perhaps fair to say that Kroc was a supply chain innovator in his day. He made it an operational imperative to regularly inspect suppliers

⁵ Conversation with John Buchanan, Senior Director Business Practices, Center for Environmental Leadership in Business, Conservation International – November 7, 2008

⁶ Ray A. Goldberg and Jessica D. Yagan, "McDonald's Corporation: Managing a Sustainable Supply Chain" (Boston: Harvard Business School Case Study, 2007), p. 2.

and terminate relationships with those that failed to consistently provide high-quality products in high-volume. Those that did meet Kroc's standards were rewarded with additional business.⁷ The key to McDonald's corporate strategy has been preserving quality and value across its supplier relationships. It is under Kroc's "Doing the right thing" mantra that McDonald's bases its corporate social responsibility ethos.

Today, McDonald's CSR initiative is chiefly responsible for aligning the company's environmental strategy with its business strategy. Just as CI decided in the early 1990s that working closer with private business could yield larger conservation feats, McDonald's believes in a strong company-wide policy environmental policy that seeks the inclusion of stakeholders from the environmental community.⁸ Nonetheless, the environmental challenges facing McDonald's business footprint are staggering. In the U.S. alone, it is estimated that each of its over 9,000 restaurants create more than 300 pounds of non-recyclable waste a day.⁹ McDonald's environmental strategy has reflected different trends in the environmental movement over time. Beginning in 1989, when the Environmental Defense Fund (EDF) approached the company about reducing its solid waste disposal specifically through the elimination of the polystyrene clamshell containers, the company responded by shifting to containers that did not contain chlorofluorocarbons (CFCs). However, when Burger King—McDonald's chief competitor—shifted its packaging to a purportedly biodegradable containers, the company began taking a more aggressive approach to offering consumers the most

⁷ Ibid.

⁸ Susan Svoboda, "Case A: McDonald's Environmental Strategy" (Ann Arbor: University of Michigan Corporate Environmental Management Program, 1995), p. 3.

⁹ Goldberg & Yagan, p. 8.

environmentally friendly packaging available to protect against losing market share.¹⁰

This case illustrates McDonald's CSR strategy for the environment: engage outside stakeholders—mainly nonprofits such as CI—where the knowledge gained can add value to the company's bottom line. This was certainly the objective McDonald's carried when it approached CI about its whitefish supply chain concerns.

2001: Sustainable Fisheries

“Working with McDonald's and its fish suppliers, I have seen first-hand the value of partnering with purchasers of this size, who can influence markets and send clear signals to governments to improve the fisheries they manage.”¹¹

Jim Cannon, Formerly with Conservation International
Now Executive Director of the Sustainable Fisheries Partnership, Europe

As previously explained, McDonald's seeks at the most basic level, a holistic view of its supply chain, that guarantees the consistent delivery of high-quality products, safe products in a sustainable manner. In 2000, whitefish suppliers for McDonald's Filet-O-Fish sandwich began raising concerns about the considerable declines they were seeing in their catches. The company's supply chain management team immediately initiated conversations with the CSR team in order to assess the situation and determine next steps. McDonald's Senior Director of Worldwide Supply Chain Proteins, Gary Johnson summarized the problem: “Catches were going down and quotas were being reduced by governments, but there were black markets forming. We could not have the fisheries out of control.”¹² McDonald's concern was primarily one of business continuity: how would

¹⁰ Svoboda, p. 1.

¹¹ Quotation taken from McDonald's 2006 Corporate Social Responsibility Report, p. 27.

¹² Goldberg & Yagan, p. 5.

declining whitefish stocks in its supply chain affect the company's ability to meet customer demand for Filet-O-Fish sandwiches? The company turned to CI, an organization it previously worked with for over a decade, for ways to insure the sustainability of the whitefish supply.

CI was interested in elevating its work with McDonald's when the company began initiating conversations about its whitefish concerns. Previously, the partners had focused on marketing, education and awareness of conservation issues, but had yet to fundamentally change McDonald's business activities. Prior the sustainable fisheries initiative, the two parties had not collaborated on a so-called "Triple Bottom Line" strategy, where multi-stakeholder engagement—the combination of for profit and nonprofit environmental and social interests can simultaneously deliver environmental, social and financial returns.¹³ From CI's perspective, there was a substantial opportunity to preserve ocean biodiversity by convincing McDonald's to find alternate sources of fish, which would meanwhile guarantee McDonald's ability to profit of the sandwich. This would serve one of CI's priorities in South America, which was to encourage the fishing industry to collaborate on the development of more sustainable aquaculture practices. On the McDonald's side, the company was very concerned about the future of its Filet-O-Fish product and sought CI's expert council on establishing fish sustainability guidelines. On the whitefish supply issue, the interests of CI and McDonalds were fairly well aligned to overcome the collective action problem CI had struggled with: how to begin convincing the fishing industry to shift more sustainable procurement methods.

¹³ Andrew Savitz and Karl Weber, *The Triple Bottom Line* (New York City: Jossey-Bass, 2006).

The sustainable fishing standards created by CI for McDonald's included guidelines for managing fishery quality, fish stock status and marine conservation.¹⁴ CI's biggest concern with fisheries is the problem of by-catch, or the accidental animals that are caught in a fishery.¹⁵ It is currently estimated that every year, 7.3 metric tons of marine life are thrown overboard—8% of all fish caught.¹⁶ By 2005, McDonalds began reporting that it had used CI's guidelines to shift more than 18,000 metric tons of fish purchases to more sustainable sources. Beyond writing the guidelines and advising McDonald's on methods to find new sources of fish, CI has never "certified" McDonald's new fish supply chain. The 18,000 metric ton figure is a metric provided by McDonald's a without any verification through a third party. On the sustainable fishery work, CI stopped consulting with McDonald's in 2007. The organization decided it had achieved all that its objective with respect to McDonald's fishery issue, and did not feel that continued work on the whitefish issue served its mission. Currently, Jim Cannon, a former principal who led CI's fishery work with McDonald's, has spun off his own NGO that seeks to replicate the model used with McDonald's with other major seafood purchasers globally.¹⁷ However, even though CI and McDonald's no longer work directly on fishery matters, the project did spawn a more ambitious initiative: an analysis of the sustainability of McDonald's overall supply chain, focusing on the top direct commodities.

¹⁴ Goldberg & Yagan, p. 6.

¹⁵ http://www.sustainablefishery.org/index.php?option=com_content&task=view&id=58&Itemid=38 – December 4, 2008

¹⁶ K. Kelleher, "Discards in the world's marine fisheries: An update," *FAO Fisheries Technical Paper*. No. 470 (Rome, FAO), p. 131.

¹⁷ Conversation with John Buchanan, CI – November 7, 2008

Formulating a Vision for a Sustainable Global Supply Chain and the Creation of the Supplier Quality Index (SQI)

Following the sustainable fisheries initiative, McDonald's Senior Vice President of Worldwide Supply Chain Frank Muschetto, decided the company needed to a more robust mechanism to ensure its vision of a fully sustainable global supply chain.¹⁸

Muschetto and CI grappled with the following questions in order to proceed with a new supplier framework:

1. How should McDonald's prioritize sustainability relative to other supply chain goals (ensuring food safety and minimizing costs)?
2. How should McDonald's reconcile different sustainability expectations and priorities around how the world with the understanding that local practices sometimes impact the global brand?
3. How should McDonald's engage suppliers, activists, and other stakeholders in its sustainable supply chain efforts?¹⁹

CI and McDonald's decided the auditing system should focus on the sustainability of the company's top five sourced commodities: beef, pork, chicken, buns and potatoes.

McDonald's continued to envision a secure and sustainable global supply chain, while CI's was determined to use its credibility garnered from the whitefish project to have McDonald's ask its suppliers to become better stewards of water and energy use and waste emissions. Finding tangible sustainability guidelines for a fishery is a considerably easier task than doing it for a vast agricultural supply chain, as there is great deal of heterogeneity across suppliers and not as much data exists for benchmarking in

¹⁸ Goldberg & Yagan, p. 1.

¹⁹ Ibid., pp. 1-2.

agribusiness.²⁰ The full extent of the supply chain vision agreed upon by the two parties through a memorandum of understanding (MOU) was a complete vertical integration of the top five commodities from restaurant all the way down to the farm or feedlot. This meant that CI's goal was for McDonald's to not simply work with its beef patty suppliers, but rather with the entire beef value chain from patty provider to abattoir to rancher. This was an ambitious auditing framework, which would require a significant and sustained commitment from McDonalds. Nonetheless, the company believed it had to move aggressively in this area and agreed to engage CI on the creation of the supplier scorecard.

CI and McDonald's piloted a test of the new supplier Environmental Scorecard in 2004 with direct suppliers. The Scorecard contained metrics that measured water use, energy consumption, solid waste production and air emissions. By 2006, pilot results show that most suppliers reduced environmental impacts between 2003 and 2004, and McDonald's sought to expand use of the audit system to all direct suppliers in its top nine markets (see Appendix F for summary statistics).²¹ The perceived success the index had on making suppliers alter their practices to reduce their environmental footprint was so encouraging to McDonald's that it decided to expand the standards and create its own supplier assessment tool call the Supplier Quality Index (SQI). The SQI was created with input from CI, but has a much more significant focus on social performance than on environmental impact. The SQI scoring framework includes the following five metrics, for which a supplier is rated on a 1 (poor) to 5 (excellent scale):²²

²⁰ Conversation with John Buchanan, CI

²¹ Goldberg & Yagan, p. 6.

²² McDonald's 2006 Corporate Social Responsibility Report

- Supplier understands key areas involving social responsibility and complies with all local requirements.
- Supplier has established plans on how this discipline is managed.
- Supplier has a clearly defined plan with goals, measured targets and a person appointed to manage these plans for the organization.
- Best practices have been established and these are recognized by their industry.
- Supplier has established relationships with outside councils and groups. Reports have been written. Targets have been attained.

The SQI continues to be a part of McDonald's sustainable supply chain strategy, as it seeks both influence supplier practices and offer reports on their progress in becoming more sustainable. CI is continuing to push McDonald's to fulfill the objective of rating suppliers at every level of the value chain, but progress deeper down the value has yet to be fully seen.

Partnership Evaluation: The Benefit to McDonald's Corporation

It is evident that McDonald's partnership with CI has benefited the corporation considerably in both tangible and intangible ways. When the partners first engaged in the early 1990s, the environmental community had McDonald's in their cross hairs for the company's contribution to habitat loss in the Amazon basin, as well as for its use of toxic packaging. CI has proven to be a reliable partner in helping the company defend against its PR problems, as well as problem solve on vital supply chain vulnerabilities, particularly in the case of the whitefish initiative.

Although accusations of greenwashing are bound to surround McDonald's motives in working with CI, there have been myriad examples of the company using its relationship with CI to respond in a productive manner to such claims. A notable example is McDonald's response to Greenpeace's 2006 piece, "Eating up the Amazon," which attacked company for using soya from deforested Amazonian forests to feed its chickens (the chickens has been sourced from Cargill). The attack was leveled at McDonald's after it had been working with CI on both the sustainable fisheries initiative, as well as the SQI. Instead of fighting Greenpeace's claims through standard corporate PR, McDonald's immediately engaged in public dialogue with the key environmental stakeholder and successfully forced Cargill to stop feeding its chicken soya from threatened rainforests. Although CI was not directly involved in the Greenpeace/Cargill response, this is a clear example of how the company could use its purchaser power to force a supplier to adopt more sustainable practices. Greenpeace went on to publically praise McDonald's and the company continues to engage other stakeholders from the environmental community on various topics surrounding the impact of its business operations on the environment. It seems safe to conclude the without first establishing a comfortable partnership with a key environmental stakeholder such as CI, McDonald's would have had neither the facility or the inclination to engage with Greenpeace.

There's no doubt from reading McDonald's CSR reports from 2002-2008, the company wants the public to believe it is cognizant of the impacts its business operations have on the environment. The level of sophistication of the language of the reports along with constant mentions of partnerships with key stakeholders like CI on behalf of sustainability certainly look good. And yet, McDonald's is a business whose core

competency is selling cheap, consistent fast food in over 118 countries in the world. Its primary customer market has probably very little concern over what sort of environmental footprint a Filet-O-Fish sandwich has. While the corporation's partnership with CI is not aimed at its average customer, it certainly elevates the company's image and even adds value to their business. From the perspective of McDonald's, and not just from the perspective of its CSR initiative, the partnership with CI has been an unequivocal home run.

Partnership Evaluation: The Benefit to Conservation International

While McDonald's seem to have gained a great deal from its work with CI at a very low cost, the benefit to CI's mission seems a great deal more opaque. It is certainly true that the nonprofit has successfully engaged McDonald's in ways the company can use its purchase power to encourage more sustainable business practices across its global supply chain. Clearly, big business wants to engage with CI following its work with McDonald's. Since 1990, when McDonald's became CI's first corporate partner, the Center for Environmental Leadership in Business (CELB) has gone on to work with over 50 corporations²³, all the way from Wal-Mart and Ford to the Walt Disney Company and Stonyfield Farm. But key questions remain with respect to CI's work with McDonald's:

- How can the impact of purchase power partnership be measured?
- If it cannot, what is better way to evaluate the effectiveness of the model?

²³ <http://www.celb.org/xp/CELB/partners/> -- December 8, 2008

- How can we benchmark 18,000 metric tons of more sustainable fish sources as seen in the whitefish initiative?
- Why has McDonald's taken the SQI in-house?
- Are the SQI metrics accurate predictors of sustainability? What are the water, energy and waste emission categories benchmarked against?
- If this is not green-washing, why does CI allow McDonald's to use its branding in its marketing collateral: website, CSR reports, etc.?
- What control does CI have over McDonald's use of its logo?

This case has endeavored to answer all these questions, but discovered that most of them are difficult to answer beyond anecdotal and limited quantitative evidence provided through McDonald's glossy CSR reports between 2004-2008 (see Appendix E for 2006 report). While CI also reports on the partnership on its website and in its annual reports, there are no consistent evaluation tools used to fully understand partnership outcomes. Perhaps CI is primarily benefitting by expanding dialogue with the corporate world, galvanizing business to continue developing environmental or Triple Bottom Line principles in their operations.

The lines between the nonprofit and private sectors have certainly blurred since 1990, with the CELB being a significant example of this. Nonetheless, until CI can offer more rigorous outcome evidence, it will remain difficult to gain a precise understanding of the benefit they derive from working with McDonald's. Perhaps this will be answered over time as more data becomes available, but for now, CI seems to be content to receive the positive externalities and spillover its work with McDonald's has created.

Discussion Questions

1. What are the pros and cons of the purchase power partnership model employed by CI with McDonald's?
2. What do you believe are McDonald's motives in partnering with CI?
3. What do you believe CI's motives are in partnering with McDonald's?
4. Does the partnership pose risks to CI's credibility?
5. Is CI being transparent about its relationship with McDonald's?
6. What benchmark data would make the sustainable fishery initiative more convincing?
7. Should McDonald's care more about its environmental impact or the security of its whitefish supply?
8. Does the fact CI no longer works to directly consult on MCD's supply chain raise questions?
9. What benchmark data would make the SQI more convincing?
10. Should conservation groups stick to the "pressure" strategy as opposed to partnerships? Can a combination of the two work?
11. Why does McDonald's publish such sophisticated CSR reports and employ a large CSR staff if their primary constituency is indifferent to its environmental impacts?

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Appendix A: CI & McDonald's Partnership Timeline

- In June 2008, McDonald's announced its support of CI's program to protect wild pandas one of the Earth's most threatened species. This latest initiative builds on the 20-year partnership between the two organizations to create positive environmental solutions for our planet.
- In May 2008, to celebrate the debut of McDonald's "Kung Fu Panda" Happy Meal promotion, McDonald's, DreamWorks Animation SKG, Inc. and CI created Panda-mania worldwide by inviting kids and families to a one-of-a-kind "Kung Fu Panda" party. R
- In 2007, McDonald's and CI collaborated on the launch of "The Bee Movie" Happy Meal. CI helped develop an online feature for the Meals, called "Bee Good to the Planet" pledge, which encourages children to become more active with environmental issues and get outside to enjoy what their local environments have to offer. In addition, McDonald's generously pledged funds to go directly to assisting crucial bee habitat in Mexico and South Africa that will help to ensure that these important species will continue to pollinate for a long time to come.
- In 2001, CI and McDonald's launched an initiative to examine how McDonald's, with more than 30,000 restaurants in 120 countries, could encourage use of best practices throughout its global supply chains by building incentives for improved environmental stewardship into supply chain management systems. McDonald's and CI joint work in this area focused on fisheries and agricultural-based food supply chains.
- McDonald's is a founding member of CI's Business & Biodiversity Council (BBC), a community of companies committed to leveraging their business experience and resources to conserve biodiversity.
- From 1991-1997 McDonald's, Texas A&M, Clemson University and CI partnered on the Amistad Conservation and Development Initiative. The project worked directly with small farming communities in Costa Rica and Panama on issues including forestry, agriculture, soil conservation, environmental education and community development.
- In 1990, McDonald's supported a joint project by CI and Kurtis Productions to produce a video entitled The Rainforest Imperative. The video aired on the A&E Network over a two-year period. A 20-minute version of the video continues to be used as part of the Rain Forest Teaching Kit for teachers which McDonald's distributes free on its website through the companies Educational Resource Center.

· McDonald's and CI designed and released the Discover the Rain Forest Happy Meals in 1991. A portion of each sale went directly to support rainforest conservation efforts.

Source: Conservation International

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Appendix B: McDonald's responsible fish supply approach

The initial environmental guidelines on fish sourcing that we are developing and beginning to implement evaluate whitefish fisheries according to three criteria important to ensuring long-term fishery health: the quality fisheries management, the status of fish stocks in the fishery and conservation of the marine environment and biodiversity.



Source: McDonald's 2004 Worldwide Corporate Social Responsibility Report

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Appendix C: CI Statement on McDonald's Partnership

“At Conservation International, we are excited that around the world, a new generation of leadership is recognizing the implications of current environmental trends and beginning to take action to protect biological diversity and natural resources. Current trends are dire. Twenty-four percent of all mammals appear on The World Conservation Union's (IUCN) red list of threatened species, and within 45 years, the percentage of people living in water-scarce regions will grow from 8% to 40%. But solutions do exist. And what is needed are leaders to encourage their spread. That is why we're thrilled to work with McDonald's. In the course of our 13-year partnership, we've seen McDonald's recognize the business importance of a healthy environment, both to sustain the trust of customers and to sustain yields of high-quality raw materials for their products. Today, we are collaborating with McDonald's and its suppliers to develop procurement strategies that will signal interest in environmentally - sound techniques and create incentives for suppliers to adopt environmental measures that reduce impacts on natural resources and create benefits for biodiversity conservation. These strategies will influence behavior within McDonald's own supply chain, but we also believe they will help prove that conservation and profitability are compatible - and that this will create ripple effects far beyond the McDonald's System. While steps to

protect the environment make compelling long-term sense for businesses, competing short-term priorities and the specter of added cost can complicate progress. That is why practical solutions are so important. For example, we are working with McDonald's and their fish suppliers to identify ways they can help strengthen fisheries management and marine conservation in the fisheries from which they source. This work will help to protect long-term fish supplies and improve the health of the surrounding marine ecosystems and biodiversity. The environmental solutions McDonald's seeks to encourage are not decided by McDonald's alone. These are systemic problems requiring the collaboration of many parties to solve. We hope more food and agricultural companies begin to act similarly, and we recognize that McDonald's actions and example are significant steps that will help pave the way for broader cooperation.”

Conservation International and McDonald's Corporation first partnered more than a decade ago to produce a video and educational Happy Meal about rainforest conservation. Today, the partnership aims to develop and demonstrate ways to incorporate social responsibility and conservation criteria into McDonald's food supply chain.

Further information about Conservation International is available at www.conservation.org.

Glenn Prickett, Senior Vice President, Conservation International

Executive Director The Center for Environmental Leadership in Business



Source: McDonald's 2004 Worldwide Corporate Social Responsibility Report

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