

# Global Supply Chain




*This message is being sent to GSC, Markets, and Suppliers*

August 8, 2024

Across the three legs of the stool, the McDonald's System is grounded in our values and our purpose of feeding and fostering communities. Central to that purpose is McDonald's commitment to respect the human rights of all people who produce, serve, and enjoy our food.

As part of our ongoing commitment to respect human rights across our supply chain, we are implementing important updates in two key areas: our Supplier Code of Conduct, where we document requirements of our suppliers related to human rights, and our Supplier Workplace Accountability (SWA) program, which verifies compliance against these requirements. These updates align with our values and beliefs, the evolving global standards in human rights legislation and due diligence requirements, and reflect extensive benchmarking with peer groups and industry best practices. We've collaborated with markets, suppliers, and external experts to assess the potential impact of these changes, and we're committed to partnering with suppliers to implement these updates as we take important steps forward to address our most pressing risks to human rights.

### **Updated Supplier Code of Conduct**

Our values guide how we do business, and we expect our suppliers to respect and promote these values as outlined in  [McDonald's Supplier Code of Conduct](#). We have updated our

Code to align with leading industry practices pertaining to human rights and the environment, internationally recognized standards, applicable laws, increasing regulations, and existing internal policies, including the Supplier Workplace Standards & Guidance Document (SWSGD), updated in 2021.

Effective January 1, 2025, we have updated two standards in the Code, which are noted below:

1. Minimum working age raised to 15 years old (from 14).
2. Maximum working hours reduced to 60 per week (from 80).

Additionally, please note the following policies that were updated in 2021 and at that time incorporated into our SWA program:

1. Increased Child labor Remediation Requirements
2. Prohibition of Prison Labor
3. Recruitment Fee Reimbursement Required
4. Critical Health and Safety Incident Reporting Protocol
5. Expanded Emergency Exits Door Requirements

The new standards will be reflected in the revised SWSGD later this year. Both documents are available on our @McD site: [Global Sustainable Sourcing Guide - Human Rights & Supplier Workplace Accountability \(SWA\) \(atmcd.com\)](https://atmcd.com/global-sustainable-sourcing-guide-human-rights-supplier-workplace-accountability-swa).

### **Evolution of McDonald's Supplier Workplace Accountability (SWA) Program**

Ensuring respect for human rights requires a comprehensive approach--one that allows us to focus on monitoring and mitigating issues relevant to our business while providing the ability to respond to emerging human rights-related trends and business priorities.


Starting on January 1, 2025, we will transition from our proprietary SWA audit checklist to the SEDEX Members Ethical Trade Audit (SMETA), a widely recognized industry-standard audit. Through this transition, we gain the benefits of an industry tool, currently used by many of our suppliers, and can focus more on stakeholder engagement, training, and cross-functional opportunities with other businesses to enact change across industries.

As part of this evolution, the Supplier Workplace Accountability (SWA) program will be rebranded to **Supply Chain Human Rights (SCHR)**, over the next few months.

### **Next Steps**

In September, all recipients of this communication will be invited to attend a webcast to learn more about the updates to the Code and the new SCHR program, including our shift to SMETA.

In Q4, additional tool specific trainings will be held as part of the holistic work under the Brand Trust Digital Transformation Program -- our SCHR audits will be housed in our new Foods Connected platform.

If you have questions, please refer to this  [FAQ](#) or reach out to: [Kelsey Hollins](#), [Emily Armstrong](#) or [Aisling Andrews](#). We thank you for your commitment and look forward to strengthening our System partnerships as we continue to protect our supply chain and, most importantly, the people in it.

Kind Regards,  
Marion

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