McDONALD'S* SUPPLIER QUALITY MANAGEMENT SYSTEM

The why McDonald's is the world's leading global food service retailer with over 36,000 locations in over 100 countries. More than 80% of McDonald's restaurants worldwide are owned and operated by independent local business men and women. At McDonald's, we're proud of the way we're creating an experience to remember: reaching customers wherever they are and innovating new tastes and choices, while staying true to customer favorites.

Food Safety is our #1 priority. McDonald's recognizes that food safety should not be a competitive issue within the food industry, we have been committed to harmonizing food safety standards and sharing best practices globally. Cindy Jiang, our Senior Director of Global Food and Packaging Safety has been an active board member on the GFSI board since 2008.

As McDonald's understands the potential benefits for food industry to harmonize food safety audit standards and practices at food manufacture sites globally, we have been proactively working with the GFSI community to develop efficient processes and tools to make it a reality on "once certified, recognized everywhere" for food manufacturer plant audits. With less redundant food manufacturer plant audits, people can focus more on managing food production facilities and improving the food safety practices, such as cleaning, sanitation, maintenance, HACCP implementation, prevention of food fraud, etc.

The GFSI Benchmarking Requirements has served as a guide for all the food safety audit standards. It has played significant role to reduce the number of food safety audit standards and redundant food safety audits globally. McDonald's requires our suppliers to be certified with any one of these GFSI benchmarked standards globally.



Steve Easterbrook CEO, McDonald's Corporation

"We have been mindful since 1955 every single day. We never take it for granted. We serve over 60 million customers every day. The absolute number one priority for us is food safety."



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The How McDonald's commitment to sourcing the highest quality food products for our restaurants starts with suppliers. That means suppliers' commitment to food safety and quality must remain strong to ensure McDonald's restaurants can consistently deliver safe, high-quality, great tasting products to our customers every day. The Supplier Quality Management Systems (SQMS) is an expectation document which outlines the McDonald's expectations with respect to suppliers' food safety and quality management systems. Compliance to SQMS requirements by suppliers are verified through audits by recognized 3rd party auditing firms.

McDonald's has been taking the approach to identify the gaps between McDonald's SQMS and GFSI benchmarked certification programs, such as BRC, IFS, SQF, FSSC 22000, Global GAP, etc. and establish addendum to each of the GFSI benchmarked food safety audit programs. The addendum is developed based on collaboration among our global suppliers, GFSI benchmarked Certification Program Owners (CPOs), and many auditing firms. Numerous conference calls/webinars and in-person meetings have helped us to get to the final version of the addendum. Our auditing firms have been engaged in establishing practical mapping tools for auditors to use during audits and preparing audit reports. Here is an example, if a supplier is certified with BRC Food Safety audit, they will need to add few items which are included in the McDonald's BRC addendum. Most of the addendum items are addressing McDonald's product specific quality requirements.

As CPOs continue to update their auditing standards, we are reviewing and updating our addendum on-going with participation from suppliers, CPOs, and auditing firms. Collaboration is key for all stakeholders to continue the journey to ensure high quality of food safety audit is a reality.

The Benefits Having consolidated number of food safety auditing standards and programs for food industry globally helps food industry to reduce redundant audits and allocate more resources on improving food safety practices. Many people were questioned about how GFSI would make it work in terms of reducing number of Food Safety Audit standards in early 2000, people can see the results now. With collective efforts from the food manufacturers, food service companies, and food retailers, we have made a huge progress on reducing the number of food safety audit standards and elevate food safety practices along

the supply chain. At McDonald's, we have seen overall improvement on food safety practices at food manufacturer level globally while reducing number of redundant audits by multiple parties/customers. Although there are issues with the auditor performances from time to time, sometimes, we have experienced food plant had received high audit score while our internal staff would not agree with. This is an opportunity to train and calibrate with auditors and also have the food production facility to maintaining strong food safety culture and deliver high performance every day.



Collaboration is a key to the success of using GFSI bencmarked food safety audits. All stakeholders must be engaged and committed.

This is a journey, it takes time to achieve greater results. Progress over Perfection, let's work together to make it better. When people experienced the issue with auditor consistency, let's follow the process to let CB/auditing firm know and to address the issue. GFSI food safety certification program is not perfect, let's continue the work to make it better together.

