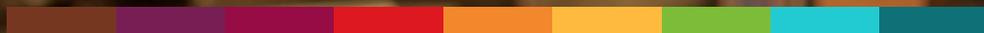




Social Impact and Sustainable Development Report

2020 LATIN AMERICA AND THE CARIBBEAN



SUMARIO



McDonald's Panama Team

MESSAGE FROM OUR EXECUTIVE CHAIRMAN	3	4 SOCIAL IMPACT	33
MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER	4	4.1 OUR PEOPLE	33
1 WE ARE ARCOS DORADOS	6	4.2 DIVERSITY & INCLUSION (D&I)	42
1.1 OUR COMPANY	6	4.3 YOUTH EMPLOYMENT	46
1.2 STRATEGIC PLAN	12	4.4 COMMUNITY	49
1.3 AGENDA 2030	17	4.5 NUTRITION & RESPONSIBLE MARKETING	53
2 ARCOS DORADOS IN THE FACE OF COVID-19	19	5 ENVIRONMENTAL IMPACT	59
2.1 INITIATIVES AND ACTIONS		5.1 OUR SUPPLY CHAIN	59
2.2 COOPERATION AGREEMENTS - EMPLOYEE TRANSFERS	20	5.2 ANIMAL WELFARE	63
2.3 SUPPORT FOR HEALTHCARE WORKERS	23	5.3 SUSTAINABLE SOURCING	64
3 CORPORATE GOVERNANCE	26	5.4 SUSTAINABLE RESOURCE MANAGEMENT	69
3.1 CORPORATE GOVERNANCE STRUCTURE	26	6 ABOUT THIS REPORT	78
3.2 ETHICS AND INTEGRITY	29	6.1 STAKEHOLDERS AND MATERIALITY	79
		7 EXTERNAL VERIFICATION	84
		8 GRI AND SASB CONTENT INDEXES	87

MESSAGE FROM OUR EXECUTIVE CHAIRMAN

GRI Contents 102-14; 102-15



At Arcos Dorados, we are serious about playing a role in the growth of Latin American society. As Executive Chairman of the Company, I am proud that we are meeting that responsibility through our efforts in ESG (Environmental, Social and Governance). This translates into behavior that, aside from being aligned with our Values, I am absolutely convinced is the right thing to do, including in the uncertain times we are living in today.

The last several months have given us the opportunity to evolve as a corporate citizen, prioritizing the health and safety of our employees and guests, along with supporting the wellbeing of the communities we serve.

The pandemic also allowed us to show that Arcos Dorados is a good neighbor. Our vast geographic footprint is made up of strong local roots in each of the twenty countries where we operate, which contributes directly to the development and activity of domestic suppliers who provide the ingredients used to prepare our menu items. Additionally, I take personal satisfaction in offering formal employment and training opportunities to thousands of young people who live near our restaurants and are seeking a first step in their professional development.

While global activity decelerated last year, I pushed our team to continue accelerating efforts on various environmental fronts. We took advantage of the large scale of our operation and the opportunity generated by serving millions of guests every day, to strengthen our positive imprint on society. Together with our suppliers and sub-franchisees, we helped educate communities about the importance of sustainable habits, we met several goals from our Recipe for the Future and established new ones, while also advancing policies that ensure a positive impact from our supply chain.

Finally, I want to highlight one of the Company's core Values, that I also follow very closely, which is to have a workplace that is safe, fair and free of discrimination. Accordingly, our Diversity and Inclusion Committee has my complete support to continue working on programs and initiatives related to Gender, Generational and Sexual Diversity as well as Health and Wellbeing, that have already yielded important and encouraging results.

I am proud to present Arcos Dorados' 7th Social Impact and Sustainable Development Report for Latin America and the Caribbean. Please read through the report to learn more about the details of our initiatives, which contribute to building a better world for today's and future generations.

Woods Staton
Executive Chairman
Arcos Dorados

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER



The consistent progress Arcos Dorados has made toward its social, environmental and governance commitments also includes improvements in the way we report on our initiatives and results. Once again, our Social Impact and Sustainable Development Report was prepared in accordance with GRI (Global Reporting Initiative) standards and based on SASB (Sustainability Accounting Standards Board) indicators, both benchmarks in ESG. In addition, and for the first time, the document and its contents were audited for validity and accuracy by Ernest & Young.

In this report, we describe how Arcos Dorados managed through the pandemic conditions that began last year, including how we quickly adapted the entire company to meet the challenge. In addition to furthering the digital transformation that we started a few years ago by focusing on our Three D's Strategy of Drive-thru, Delivery, Drive-Thru and Digital, in 2020 we leaned on our ESG (Environment, Social & Governance) platform, Recipe for the Future, to protect the health and well-being of our people, guests, communities and environment.

As part of McSafe, the internationally recognized program designed to enhance our industry-benchmark hygiene and food safety protocols in order to ensure the health and safety of employees and guests, we took several steps to support healthcare workers, other first responders and the most vulnerable members of our communities. Through initiatives such as "Big Gracias - McObrigado", we delivered more than 1,000 tons of food and more than 14,000 meals across the region.

As one of the largest providers of formal employment to young people in Latin America and the Caribbean, we prioritized the preservation of jobs despite the difficult operating environment. In keeping with the youth opportunity pillar of our Recipe for the Future, we implemented initiatives and participated in programs that allowed us to navigate the period without the need for lay-offs, including hundreds of employees who took part in exchange programs with other leading companies that needed temporary increases in staffing levels during the pandemic.

Regarding our commitments and goals for the management of natural resources and sustainable sourcing, we are excited to share the progress we made in 2020. We made great progress related to circular economy projects and, by the end of the year, we had already achieved a 40% reduction in the amount of single-use plastic used in our operation throughout the region.

On the environmental front, our commitment to procure sustainable beef remained a fundamental pillar of our ESG platform. We hold strategic positions in organizations that seek to guarantee sustainable livestock practices and we continue to work closely with our suppliers.

Finally, I want to thank the entire Arcos Dorados team for the effort, responsibility and additional commitment they demonstrated in response to the most challenging period in our company's history. Enjoy your reading.

Marcelo Rabach
Chief Executive Officer
Arcos Dorados



McDonald's Martinica Team

1. | WE ARE
Arcos Dorados



GRI Contents 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-16, 102-17.
 SASB: FB-RN-000.A, FB-RN-000.B

1.1 | OUR COMPANY

Arcos Dorados Holdings Inc.¹, is the world’s largest independent McDonald’s franchisee, operating the largest quick service restaurant chain in Latin America and the Caribbean. It has the exclusive right to own, operate and grant McDonald’s restaurant franchises in 20 countries and territories in Latin America and the Caribbean with more than 2,200 restaurants that together employ more than 70 thousand people.

As a Company, we are committed to the development of the communities in which we operate, offering young people their first formal job opportunity, and using our scale to achieve a positive impact on the environment. All these pillars are part of our **Recipe for the Future** ESG platform.

OPERATING IN 20 COUNTRIES AND TERRITORIES IN LATIN AMERICA AND THE CARIBBEAN

- Brazil
- Argentina
- Mexico
- Colombia
- Chile
- Panama
- Venezuela
- Peru
- Costa Rica
- Puerto Rico
- Ecuador
- St. Croix
- Uruguay
- St. Thomas
- Aruba
- Curazao
- Trinidad y Tobago
- Martinica
- Guadalupe
- Guayana Francesa

¹More information on our company available in the Annual Report 20-F - ITEM 4. Information on the Company <https://www.arcosdorados.com/ir/financials-news-presentations-events/#sec-filings>.



IN APRIL OF 2011, ARCOS DORADOS BECAME A PUBLIC COMPANY TRADING ON THE NEW YORK STOCK EXCHANGE (NYSE), UNDER THE TICKER SYMBOL ARCO.

**ARCO
LISTED
NYSE.**

MISSION

To serve quality food while generating delicious and accessible moments for everyone.

VISION

To be recognized for offering the best experience in each of our restaurants on a daily basis, generating value for our people and shareholders.

OUR VALUES

- We deliver Quality, Service and Cleanliness to our Customers
- We are a Results-Oriented Company with an Entrepreneurial Spirit
- We promote Meritocracy and Teamwork
- We value Differences and foster Inclusion
- We operate Responsibly and Ethically
- We contribute to the Development of the Communities in which we operate

1.1 | OUR COMPANY | ARCOS DORADOS IN FIGURES



²1,576 company-owned restaurants and 660 franchise restaurants.

1.1 | OUR COMPANY | MENU

By developing and offering quality food options we welcome guests in our restaurants on a more regular basis. This includes the items on our main menu, product innovation initiatives and an uncompromising commitment to food safety and nutritional balance.

Our main menu, which is the most important element of the menu strategy, includes well-known items that are loved by guests globally and in restaurants all over Latin America.

OUR MENU OPTIONS:



BEVERAGES



FRIES AND SIDE DISHES



HAMBURGERS



CHICKEN LINE



SIGNATURE LINE



HAPPY MEAL

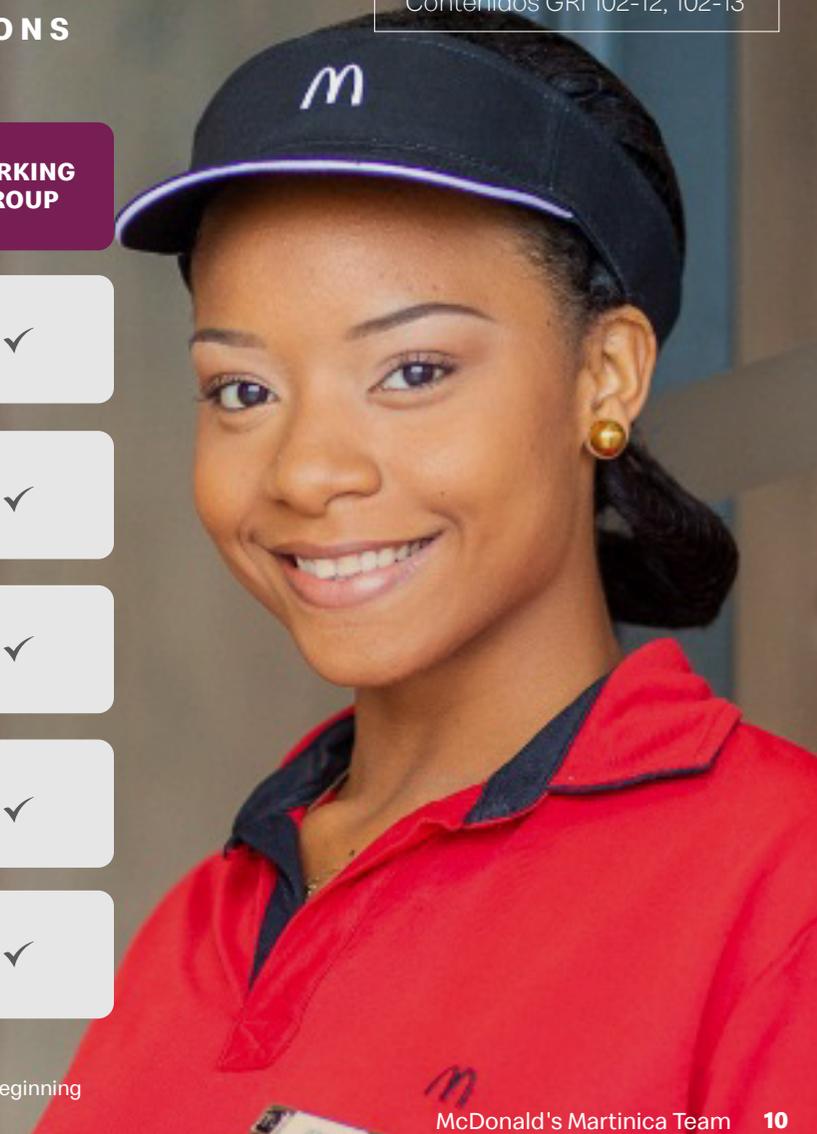


DESSERTS



McCOFFEE

INSTITUTION ³	MANAGEMENT POSITION	FINANCIAL CONTRIBUTION	WORKING GROUP
 <p>Carbon Disclosure Project (CDP)</p>	—	MEMBERSHIP	✓
 <p>Business Council for Sustainable Development Argentina (CEADS)</p>	—	✓	✓
 <p>Business Commitment for Recycling (CEMPRE Chile)</p>	✓	✓	✓
 <p>Grupo de Trabalho da Pecuária Sustentável (GTPS Brazil)</p>	✓	MEMBERSHIP	✓
 <p>Argentine Roundtable for Sustainable Beef (MACS Argentina)</p>	✓	MEMBERSHIP	✓



³We have signed agreements with the United Nations Program "UN Women" in Brazil, Uruguay and Argentina, Colombia and we are beginning the work to enter the rest of the 20 markets where we operate.

1.1 | OUR COMPANY | RECOGNITIONS 2020

We are proud of the third-party recognition we received for the outstanding effort and extensive work done by all of the Company's teams across many markets, not only to make Arcos Dorados one of the best places to work, but also to support its commitment to communities and strengthen its Sustainability and Corporate Governance initiatives. Some examples include:



Placed No. 1 in the Restaurants category in Uruguay, Brazil and Ecuador and No. 5 in the Food and Beverage Sector in Mexico.

Recognized at a regional level as one of the Best Global Brands (9th place).

In Chile, Silver Eikon in Environmental Sustainability, Relations with the Press and Sports Sponsorship categories. In Argentina, Placed No. 3 in the Consumer Relations category.

More information on recognitions available at: <https://www.arcosdorados.com/que-hacemos/>

1.2 | STRATEGIC PLAN

Arcos Dorados' strategic plan is based on three main pillars designed to build our long-term leadership position in the Quick Service Restaurants category, in Latin America and the Caribbean:

OUR RESTAURANTS

- ✓ We operate modern restaurants creating memorable environments with the most highly-trained and welcoming teams.

OUR FOOD

- ✓ We leverage the core of our Brand, attractive affordability platforms and menu innovations that offer relevant local flavors and nutritional balance to our guests.

OUR PEOPLE

- ✓ We improve guest and employee satisfaction through our Service Coolture, which is changing the way we interact with each other and with our guests and how they connect with the McDonald's Brand.

ESG CRITERIA

In 2020, we were evaluated by two of the most recognized rating agencies, MSCI and Sustainalytics, for the impact of our environmental, social and governance platform.

In both cases, the levels of risk to which we are exposed and our proven responsiveness reflect our commitment and the transparency of our ESG work, allowing us to maintain the trust of our employees, guests and other stakeholders.



⁴<https://www.msci.com/our-solutions/esg-investing/esg-ratings>

⁵<https://www.sustainalytics.com/>



Recipe for the Future Arcos Dorados

At Arcos Dorados, we are sensitive to the challenges our society faces today. With that in mind, we have committed to introducing innovative approaches to actively resolve these issues.

That is why we developed our **Recipe for the Future**, a social and environmental strategy aimed at positively impacting the issues where we have the best opportunities to achieve significant change. The **Recipe for the Future** is at the heart of our values; it is the opportunity that we have, together with millions of guests, employees, suppliers and other restaurant companies around the world, to leave our collective mark.

**Working on issues that benefit the community
and the environment is part of our DNA.**

As leaders in the region, we intend to promote change that balances the needs of people, animals, and the planet. We take on the responsibility of ensuring the wellbeing of our community; offering highly-nutritious food to families, supporting youth opportunity, guaranteeing a sustainable supply chain and minimizing our environmental impact.

ARCOS DORADOS MOST ADMIRED COMPANY

REVENUE MANAGEMENT

Menu simplification - Pricing - Coupons - Value Platform

FAMILY BUSINESS.

Happy Meal Program - Family Bundles - Family Experiences



Drive Thru



Digital



Delivery



**RECIPE
FOR THE FUTURE**

RUNNING GREAT RESTAURANTS

McProtegidos (McSafe) & Food Safety



1.2



Recipe for the Future Arcos Dorados

**We believe we can always become more aware of
and learn new ways
to take care of each other and help the planet.**

This is a companywide initiative at Arcos Dorados. As part of the communication strategy of our Social Impact and Sustainable Development programs, we maintain and update a website dedicated to sharing the various areas of work, programs and initiatives related to ESG. Included, is section called "Learn More", where we create and share content with the community in general, through talks and seminars, which are completely free, with topics such as circular economy, Sustainable Development Goals (SDG) and climate change, among others.



1.2 | STRATEGIC PLAN | OUR COMMITMENTS

We continuously support the commitments that guide us. They include: food quality and safety as well as transparency; generating formal employment and training opportunities for young people; community support; sustainable supply chain and minimizing environmental impact; diversity and inclusion and innovative experiences for the whole family.

PILLARS		COMMITMENT	ACHIEVEMENTS
YOUTH OPPORTUNITY	We offer the opportunity for thousands of young people to gain their first formal job experience	✓ Reduce barriers to employment for more than 2,000,000 young people by 2025.	IN PROGRESS
		✓ Reach more than 400,000 young people in Latin America through pre-employment skills development programs, direct employment, on-the-job training and alliances with NGOs by 2020.	✓
CLIMATE CHANGE	We implement initiatives to reduce the impact of our operations on the environment	✓ Implement the Sustainable Development program in more than 1,000 restaurants by 2020, so that 2,000 employees can be trained through face-to-face courses and exclusive conferences.	✓
		✓ Reduce greenhouse gas (GHG) emissions by 36% ⁶ by all restaurants and offices by 2030.	IN PROGRESS
		✓ Reduce supply chain GHG emissions by 31% ⁶ in collaboration and partnership with our suppliers by 2030.	IN PROGRESS
PACKAGING AND RECYCLING	We work on the transition to renewable materials and changes in habits in restaurants	✓ In 2020, 100% of fiber-based packaging for primary consumer products comes from a certified Chain of Custody or certified recycled sources of third parties where no deforestation occurs.	92% ⁷
		✓ 100% of our packaging for consumer products will come from renewable, recycled, or certified sources by 2025.	IN PROGRESS
		✓ Recycle ⁸ customer packaging in 100% of McDonald's restaurants by 2025.	IN PROGRESS

⁶Based on 2015 values.

⁷Fiber: All suppliers declared that they would achieve the goal of being certified by the first quarter of 2021.

⁸We understand that recycling infrastructure varies from city to city and country to country, but we plan to be part of the solution and help influence powerful change.

PILLARS		COMMITMENT	ACHIEVEMENTS
SUSTAINABLE SOURCING	We promote animal welfare and we procure ingredients produced while respecting the environment	✓ In Brazil, source beef from suppliers that meet the Global Roundtable for Sustainable Beef principles and criteria by 2020.	✓
		✓ Verify that 100% of the beef comes from suppliers who prevent and avoid deforestation in Brazil and Argentina by 2020.	✓
		✓ Serve 100% coffee from certified sustainable sources by 2020.	80% ⁹
		✓ Serve 100% fish from sustainable sources certified by Marine Stewardship Council (MSC) by 2020.	✓
		✓ Ensure that 100% of the palm oil used as an ingredient in our products comes from certified sustainable sources by 2020.	✓
		✓ Reach 100% of egg purchases from cage-free producers by 2025.	IN PROGRESS
		✓ Eliminate the use of antibiotics defined by the World Health Organization as Highest Priority Critically Important Antimicrobials (HPCIA) for human medicine in all the chicken served in our restaurants by 2027.	IN PROGRESS
COMMITMENT TO FAMILIES	We maintain our commitment to families, with menu options for all needs and by improving their quality of life	<ul style="list-style-type: none"> ✓ Remove artificial flavors, added colors and artificial preservatives where feasible from the Happy Meal. ✓ Continue to be transparent with nutritional information by making it available in every market. ✓ Continue responsible practices in marketing to children maintaining nutritional criteria and promoting increased consumption of fruits and vegetables. 	IN PROGRESS

⁹Coffee: At the end of 2020 all suppliers had approved certifications.

1.3 | AGENDA 2030

In 2015, the UN established the “2030 Agenda for Sustainable Development”, within which 17 Sustainable Development Goals (SDGs) were set. Since then, they have become a guide and action plan for companies, countries, governments and NGOs to work together seeking to end poverty, combat climate change, strengthen education and care for the environment, among other central issues for human development.

We incorporate the "Agenda 2030" into our commitments.



With our **Recipe for the Future** ESG platform we aim to contribute positively to the development of actions and initiatives that allow us to support this agenda, particularly in those objectives where we believe we can generate the greatest impact.

SUSTAINABLE SOURCING



YOUTH OPPORTUNITY



PACKAGING AND RECYCLING



COMMITMENT TO FAMILIES



CLIMATE CHANGE





McDonald's Chile Team

2. | ARCOS DORADOS In the face of Covid-19

2. | ARCOS DORADOS IN THE FACE OF COVID-19

At the end of March 2020, governments across the region implemented measures intended to reduce the spread of the COVID-19 virus. These included strict limitations to our operations, from partial restrictions (only allowing Drive-thru and/or Delivery services) to total restaurant closures depending on the market. This "new normal" was also accompanied by significant changes in consumer behavior.

Government restrictions also impacted supply chain operations. Many international borders were closed; some suppliers were unable to continue producing and products began to approach their expiration dates while still being held in our distribution centers. Our **supply chain** responded efficiently and effectively to these challenging market conditions.

At the beginning of April 2020, 55% of our restaurants were temporarily closed and the rest were operating with significant restrictions.

Thanks to the McSafe Program and the easing of government restrictions, by July 2020 we could operate at least one sales segment in 88% of our restaurants.

When the pandemic began, we made it our priority to **protect people** and immediately enhanced the industry-benchmark hygiene and food safety protocols in our restaurants, implementing the McSafe Program in all our restaurants.

As the year progressed and government-imposed operating restrictions started to relax, we transitioned from Crisis Management to the Recovery Phase of plan to manage through the pandemic. Primarily through Drive-thru, Delivery and Take-away, we were able to gradually resume the operation of at least one sales segment in most restaurants.

At the peak of the pandemic during the second quarter of 2020, the Drive-thru and Delivery sales segments accounted for approximately 80% of systemwide sales.

To streamline our supply chain and simplify our restaurant operations, we reduced restaurant menus by around 30%. We focused on the most popular menu items to ensure the continuity of our supply chain and ensure high levels of customer satisfaction.





McSafe

We enhanced food safety and hygiene protocols for the benefit of our people and guests
Ensuring the safest restaurant experience for both.

Employees / Guests

McToGo

New sales channels - McToGo (take away) stands placed in the external area of the restaurant to promote to go orders.

We also expanded our McDelivery
And added features to our Mobile App, such as Mobile Order and Pay / Pick-up (MOP).

From Happy Meal To Happy Home

Aiming to raise awareness about the importance of staying home, we introduced activities to have fun at home while prioritizing health and safety.

Open Doors, transparent and virtual

We adapted the celebration of the International Open Doors Day, generating a virtual edition: we launched a special website where guests could take tours of our kitchens and learn how their favorite menu items are prepared.

There were more than 45,000 visits to the "Transparent Doors" website.

Guests

Virtual education and training

We launched AD Chat,
Core Curriculum Virtual and HU Sessions

BigGracias- Supporting Healthcare Workers

We made donations to healthcare workers and those working on the frontline of the pandemic.
**We delivered +500 tons of food
+500 thousand meals.**

Food Donation

We established local alliances with food banks and other NGOs.
**We donated 1,000 tons of food
+14 thousand meals**

Employees

Community

2.1 | INITIATIVES AND ACTIONS

Our contributions during the pandemic were recognized by third parties, filling us with pride and validating our commitment to the communities where we operate.



2.2 | COOPERATION AGREEMENTS – EMPLOYEE TRANSFERS

Due to the impact of COVID-19, in March 2020 we quickly initiated conversations with other companies to evaluate alternative courses of action and prioritize the preservation of sources of income of all our employees.

+300 people participated in collaboration agreements and were temporarily transferred to other companies that needed to increase staffing levels in response to the pandemic.

One of the action steps was the signing of collaboration agreements whose main objective was the temporary transfer of employees to other companies.

We entered into agreements with leading companies such as Mondelez, Walmart, Mercado Libre, and Amazon, among others.

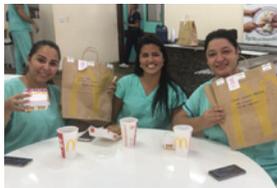


2.3 | SUPPORT TO THE COMMUNITY

In 2020, we supported healthcare workers and other first responders during the pandemic. We worked hand in hand with our teams in each of our markets to aid those tasked with minimizing the spread of the virus and caring for the people who became severely ill as a result of COVID-19.



In **BRAZIL**, with the #McObrigado campaign we exceeded 100,000 meals donated to healthcare workers, truck drivers and collectors of recyclable materials.



In **CHILE**, we gave away more than 16,000 free BigMac combos to healthcare workers.



In **URUGUAY**, more than 65,000 people received a free meal, as thanks for all their efforts during the pandemic.



In **ECUADOR**, we participated in the campaign and delivered more than 9,000 meals.



In **COLOMBIA**, more than 100,000 meals were delivered to honor our heroes. In addition, more than one million ingredients were delivered to the Colombian Association of Food Banks to support the vulnerable population of the various cities where we operate.



2.3 | SUPPORT TO THE COMMUNITY

At Arcos Dorados, we maintained a single goal across the region: using our scale to promote joint efforts and collaboration to overcome this very challenging time.



In **ARGENTINA**, in Buenos Aires and Córdoba we made donations to Red Cross volunteers who support others on a weekly basis.



In **PERU**, along with the resumption of our operations, we donated food to public safety and sanitation personnel.



In **MEXICO**, we donated more than 27,000 meals to the healthcare workers in the hospitals fighting COVID-19. In addition, we donated 570 meals to doctors staying in hotels in Mexico City while they cared for the severely ill.



In **VENEZUELA**, we donated more than 2,900 products to the emergency room staff of Dr. Miguel Pérez Carreño Hospital and we reached doctors, nurses and patients from 19 healthcare centers in 11 cities.





Henrique Schaumann Restaurant , Sao Paulo, Brazil.

3. | Corporate Governance

3.1 | CORPORATE GOVERNANCE STRUCTURE | BOARD OF DIRECTORS

GRI Contents 102-18, 102-19, 102-20, 102-22, 102-23, 405-1

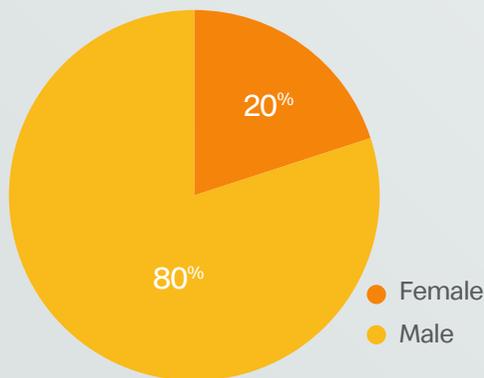
The corporate governance practices of Arcos Dorados Holdings Inc., the rights of shareholders and the responsibilities of our directors are governed by the provisions of the articles of incorporation and bylaws, which are regulated by the United States Securities and Exchange Commission (SEC).

The Board of Directors and Management Team of Arcos Dorados exercise the authority delegated by the Shareholders' Meeting for managing the Company and establishing its strategic direction. Likewise, as being listed on the New York Stock Exchange (NYSE), the company complies with the regulations of the United States Securities Commission (SEC)

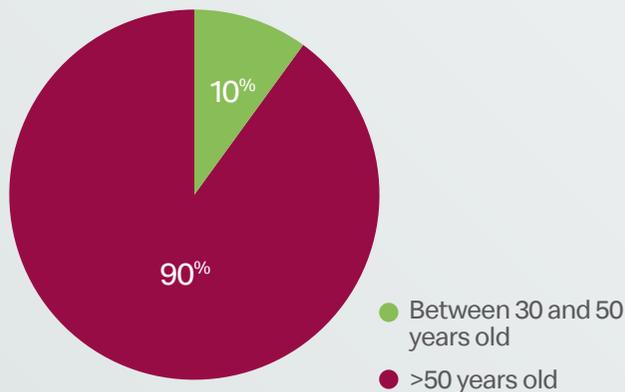
The Board of Directors¹⁰ is responsible for overseeing the strategic direction and management of the Company. It is made up of ten members, four of whom are independent directors¹¹⁻¹². As a result of the separation of the roles of the Chairman and the CEO, in the event of a tie in the vote of any corporate matter, the Executive Chairman will have the deciding vote.

40% INDEPENDENT DIRECTORS

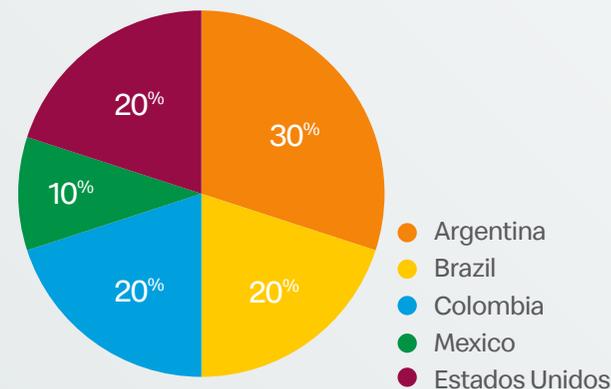
GENDER ✓



AGE RANGE ✓



NATIONALITY



¹⁰Board of Directors: More information on our Board of Directors in relation to its composition, seniority, experience, etc., available in the Annual Report 20-F - ITEM 6. Directors, Senior Management and employees

¹¹Independent according to the corporate governance rules of the SEC and the NYSE applicable to foreign private issuers.

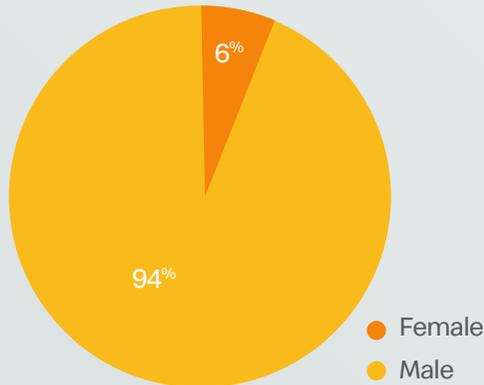
¹²Data on independence, gender and age range as per Annual Report 20-F

3.1 | CORPORATE GOVERNANCE STRUCTURE | MANAGEMENT BOARD

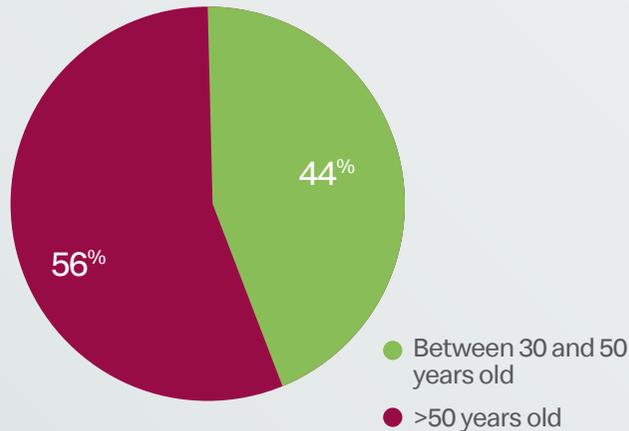
Our Management Board¹³ is responsible for managing and representing the Company. We have a strong management team with extensive experience in development, revenue, supply chain management, operations, finance, marketing, legal affairs, human resources, communication and training.

Most of them have worked in the food industry for several years and many have a long history with McDonald's operations in Latin America and the Caribbean¹⁴.

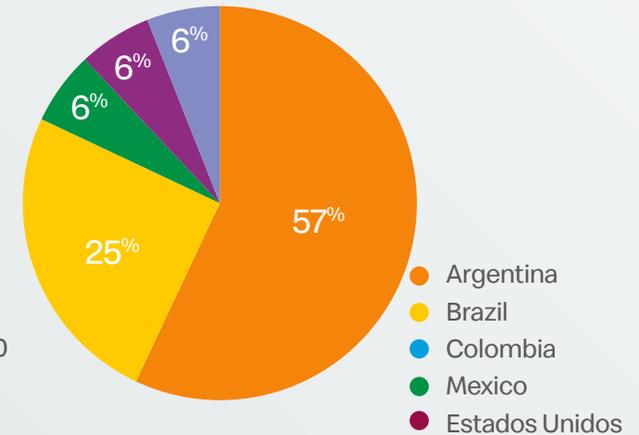
GENDER



AGE RANGE



NATIONALITY



¹³ Corresponds to the EC, CEO, COO, CFO, CLC, Corporate VP's and Divisional Presidents. More information on our Management Team available at <https://www.arcosdorados.com/quienes-somos/>

¹⁴ Data on gender and age range as per Annual Report 20-F

3.1 | CORPORATE GOVERNANCE STRUCTURE | OUR COMMITTEES

AUDIT COMMITTEE

Made up of two independent directors, its objective is to assist the Board of Directors in matters related to external auditing, internal control, financial information and communications to third parties.

COMPENSATION AND NOMINATION COMMITTEE

Made up of three directors, one of them independent, it is responsible for evaluating compensation and benefits policies, approving corporate goals and objectives for compensation, among others.

ETHICS COMMITTEE

It is responsible for supervising the implementation and compliance with the Standards of Business Conduct. It is made up of the Corporate leaders from the Human Resources, Legal and Internal Audit teams.

SOCIAL IMPACT AND SUSTAINABLE DEVELOPMENT COMMITTEE

It monitors, validates and shares the Company's social and environmental impact initiatives. It is composed of the Executive Chairman, the VP of Government Relations, the VP of Corporate Communications, the VP of Investor Relations and the Director of Social Impact and Sustainable Development.

DIVERSITY AND INCLUSION COMMITTEE

It was formed in 2018 to promote corporate actions that allow all employees to reach the maximum of their potential, regardless of differences in gender, race, sexual preferences or generation gaps.

3.2 | ETHICS AND INTEGRITY

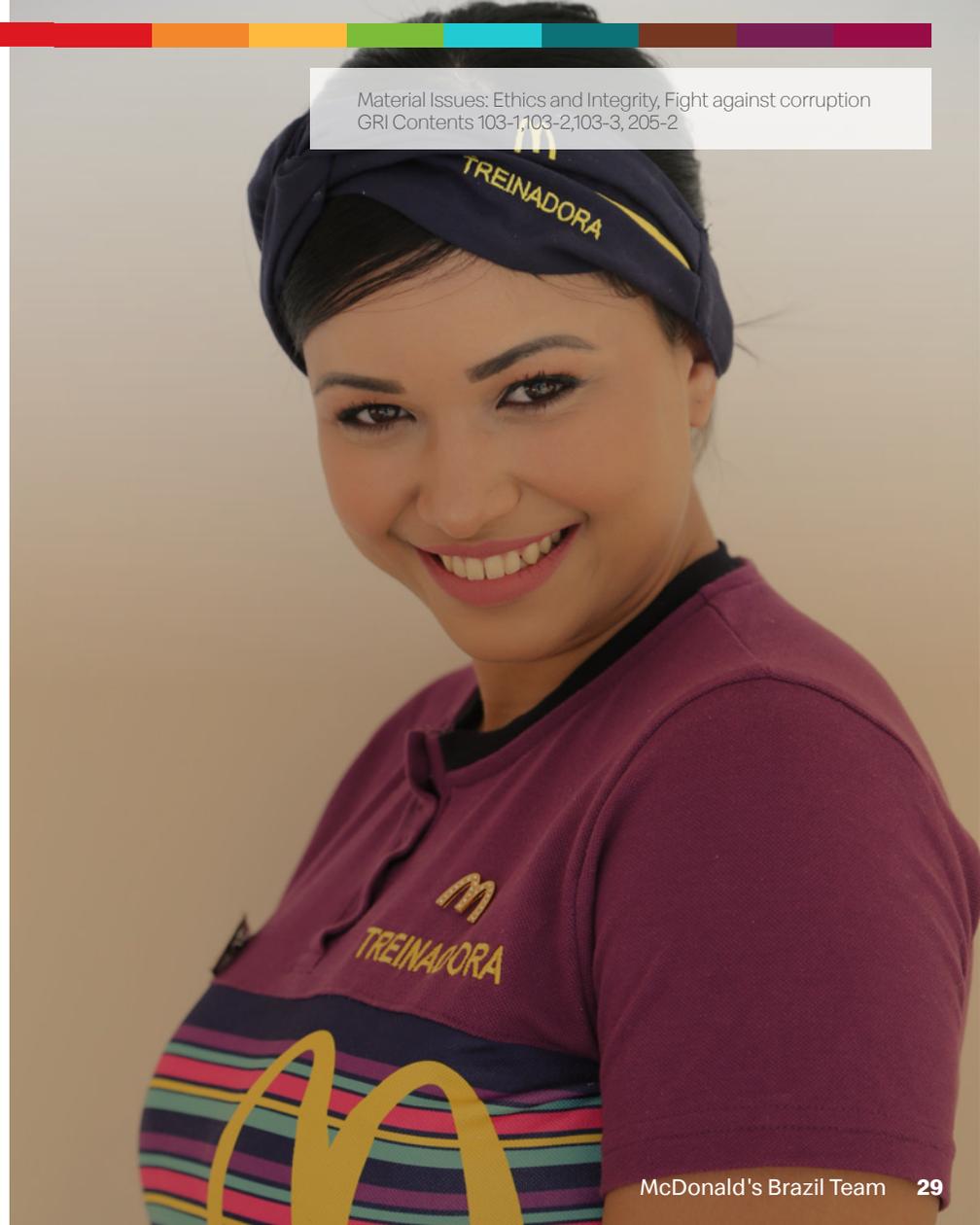
Arcos Dorados operates according to the highest ethical standards. It is an essential competence for all Directors and employees to ensure the long-term growth and sustainability of the business.

The corporate principles of integrity, honesty, diversity and sustainability are a reflection of the values that we adopt at Arcos Dorados. All of us who are part of the Company have the commitment to abide by principles of ethical behavior and the obligation to comply with the legal regulations of each country and/or territory where we operate

This is a shared commitment that requires us to continue and maintain the good reputation of Arcos Dorados with our guests, suppliers, operators and the communities where we operate. To this end, we follow the guidelines set forth by the Standards of Business Conduct, which are overseen by the Corporate Ethics Committee.

Safe and Respectful Workplace Policy: <https://www.arcosdorados.com/wp-content/uploads/2015/12/Poli%CC%81tica-de-lugar-de-trabajo-respetuoso.pdf>

Material Issues: Ethics and Integrity, Fight against corruption
GRI Contents 103-1,103-2,103-3, 205-2



3.2 | ETHICS AND INTEGRITY | STANDARDS OF BUSINESS CONDUCT

Material Issues: Ethics and Integrity,
Fight against corruption
GRI Contents 102-16, 102-17, 103-1,
103-2, 103-3, 205-2

The Standards of Business Conduct were approved and adopted by the Board of Directors of Arcos Dorados Holdings Inc. (together with its subsidiaries and affiliates) and summarize the standards that should guide our actions. They apply to all Arcos Dorados employees (including temporary ones) and to the members of the Company's Board of Directors.

These standards are a guide to legal responsibilities and ethical commitment and constitute key principles of conduct that represent the Company's policies. They give us guidance and direct us to resources to help us make the right decisions.

The corporate Internal Audit team is available to answer any questions about the Standards of Business Conduct, or analyze potential violations thereof.

The Standards of Business Conduct¹⁵, together with several specific policies (computer security, hiring, social networks, purchases, donations, risk management, among others), constitute a reference guide for our behavior towards guests, suppliers, operators and communities where we operate and it reduces the likelihood of inappropriate conduct.



Annually, in order to meet the requirements of being a public company, all of us who are part of Arcos Dorados must take the mandatory **"Course and Certification on Standards of Business Conduct"**. The main objective is to reinforce our knowledge of the content of our Standards of Business Conduct, anti-corruption and anti-money laundering, specifically of those laws (FCPA/O-FAC) that are mandatory for being a company listed on the New York Stock Exchange (NYSE).

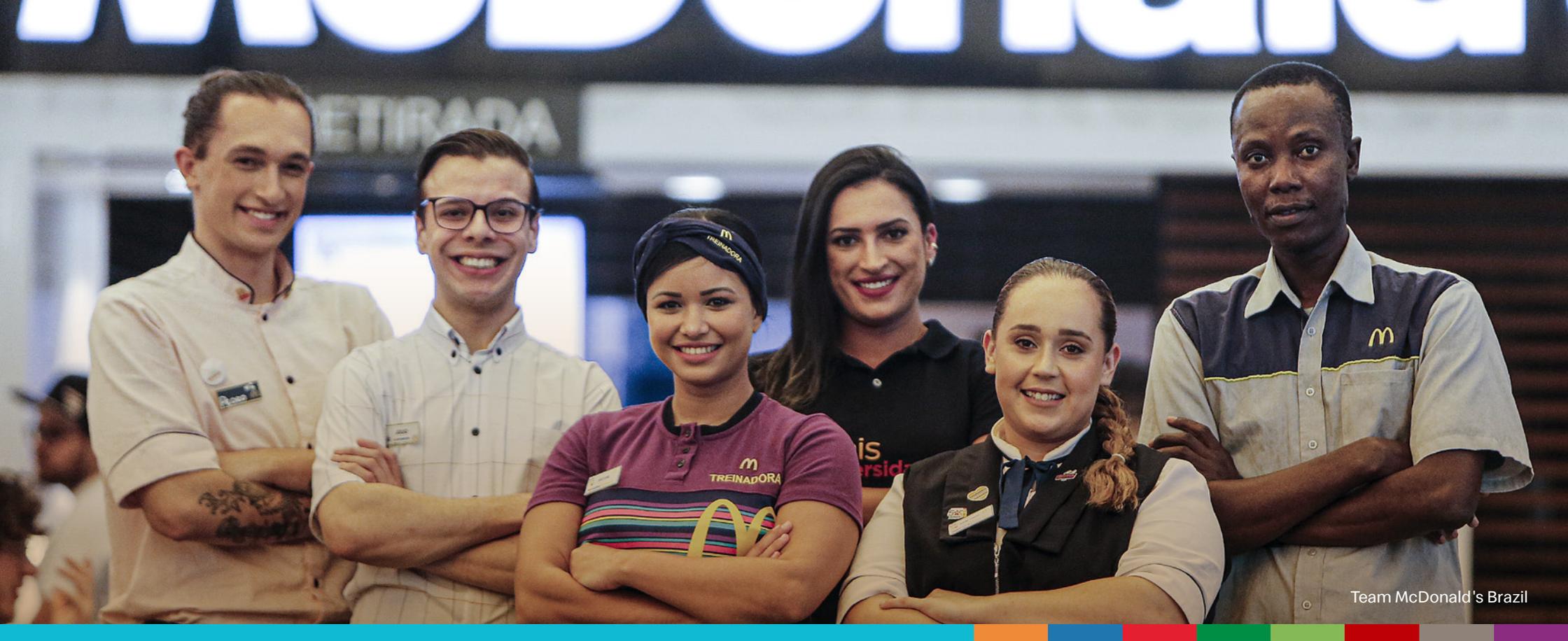
¹⁵https://www.arcosdorados.com/wp-content/uploads/2015/12/tandardsofBusinessConduct_ENG2.pdf



McDonald's Brazil Team

The company has an ethics line available to the general public, managed by an independent provider, through which, anonymously, our collaborators, business partners and third parties can report concerns related to ethics, compliance, corruption, harassment, abuse and Human Rights violations, among others.

Complaints can be made through three channels: by phone, to a free 0800 number in each country, available in the local language, through the website, www.resguarda.com or www.resguarda.com/arcosdorados and through a specific email in each country. The channels are published on the billboards of each office and crew room.



Team McDonald's Brazil

4. | Social Impact

ONE OF OUR MAIN VALUES IS OUR COMMITMENT TO OUR PEOPLE.

At Arcos Dorados, we promote diverse work teams and the development of a work environment that encourages respect and stimulates participation. We support and promote working with passion and innovation on a daily basis, in search of continuous improvement.

We are the largest generator of formal jobs for young people in Latin America and the Caribbean and we are recognized for providing the opportunity for thousands of people to have their first, formal work experience in the region.

+ 73,000 employees across the region.
68% are 24 years old or younger.
59% are women.

**We are committed to ethical
employment practices**
**We strive to offer a safe, healthy and
productive work environment.**

We have a strong commitment to our people:

- ▶ **We value their development and contributions**
- ▶ **We provide opportunities**
- ▶ **We promote talent**
- ▶ **We develop leaders**
- ▶ **We reward achievements**



Team McDonald's Brazil

4.1 | OUR PEOPLE

A culture of teamwork, respect, responsibility, ethics, inclusion, equal opportunity and meritocracy is continuously promoted across the Company.

These values, combined with our corporate culture and extensive training and career development programs, ensure that our people take pride in working for Arcos Dorados.

In addition, we offer our employees various benefits aligned with the best practices of each market¹⁶, such as:

- ▶ **Medical Coverage**
- ▶ **Life Insurance**
- ▶ **Company Car (for certain positions)**
- ▶ **Lunch (refund, snack tickets, discount card)**
- ▶ **Half-day Summer Fridays**
- ▶ **Wellness (gym in office, discount in gyms, etc.)**
- ▶ **Training (discounts, scholarships, agreements with educational institutions)**
- ▶ **Recognition (special dates, birthdays, births, marriages, etc.)**

In terms of workplace health and safety, we are working on the standardization of the measurement criteria and data recording in each market, in order to compile consolidated figures according to GRI standards, which we will then include in future reports. In the meantime, we should note that we are in full regulatory compliance with respect to workplace health and safety in all the countries where we operate.

¹⁶In all countries where we operate, we comply with current legal regulations related to collective bargaining with workers' representative organizations (unions). These collective bargaining agreements, which determine specific working conditions, are negotiated at the country level and vary according to the applicable local legislation.

Division	2020 [✓]	2019
Brazil (*)	30.568	33.407
Caribbean	10.000	10.037
NOLAD	9.864	10.764
SLAD	22.644	26.347
Corporate	362	300
Permanent	73.438	80.885

Gender	2020 [✓]	2019
Male	41,37%	47,75%
Female	58,63%	52,25%

Age Range - Gender ¹⁷	2020 [✓]	2019
<24 years old	49.979	72.499
Male	41,02%	57,33%
Female	58,98%	42,67%
>24 years old	23.459	8.386

STAFF BY CATEGORY

Category	2020 [✓]					2019
	Total	Men		Woman		Total
Management Board (*)	16	15	93,7%	1	6,3%	16
Staff (rest of staff, excluding Management Team)	1.625	834	51,3%	791	48,7%	2.396
Operations – Business/ Restaurant Manager and Management Team	12.281	5.709	46,5%	6.572	53,5%	12.060
Operations – Crewos	59.516	23.822	40,0%	35.694	60,0%	66.413
Total	73.438	30.380	41,4%	43.058	58,6%	80.885

(*) Management Board: EC, CEO, COO, CFO, CLC, DP Brazil, SLAD, NOLAD, Caribbean, VP of Development, Chief Marketing and Digital Officer, VP of Human Resources, VP of Corporate Communications, VP of Investor Relations, VP of Supply Chain, VP of Government Relations.

¹⁷GRI 405-1 the detail is provided for people younger and older than 24 years, since Arcos Dorados is focused on young people between 16 and 24 years old (instead of that requested by the indicator: under 30 years old, between 30 and 50 years old, over 50 years).

4.1 | OUR PEOPLE | TRAINING AND DEVELOPMENT

At Arcos Dorados, we encourage and promote the continuous training of all our employees, offering training activities in operational, academic and personal development topics. That is why we offer an extensive list of courses on our on-line learning McCampus platform, our tool for knowledge development.

+ 373,000 hours of training (“on-line” and in-person courses) in 2020

380 new “on-line” courses

+ 2,000,000 hours of “on-the-job” training

TRAINING HOURS PER EMPLOYEE ¹⁸ ✓

Training by category	On-line	In-person	Total	Average hs
Management Board (*)	14	-	14	1
Staff (rest of staff, excluding Management Team)	39.453	146	39.599	24
Operations – Business/ Restaurant Manager and Management Team	67.445	93	67.538	5
Operations – Crewos	265.419	494	265.913	4
Total	372.331	733	373.064	5

(*) Management Board: EC, CEO, COO, CFO, CLC, DP Brazil, SLAD, NOLAD, Caribbean, VP of Development, Chief Marketing and Digital Officer, VP of Human Resources, VP of Corporate Communications, VP of Investor Relations, VP of Supply Chain, VP of Government Relations.

¹⁸GRI 404-1: The data is presented without gender data because the training hours registration system does not track this variable.

With the goal of introducing new training tools, in 2020 we launched AD Chat, a new audio interview format to further learning and taking a deeper look into the key issues for our business, involving the Company’s main standard-bearers on each topic.

The Hamburger University (HU) is the center of our organizational culture and training. It offers a continuous education program to the entire value chain, turning knowledge into business results. Located next to our corporate offices in the city of Barueri, in the state of São Paulo in Brazil, HU is one of the leading corporate universities in the region, offering education and talent development for Arcos Dorados.

Every year, thousands of people attend specialized courses at HU, which is known for promoting its three pillars: leadership, performance and culture.

Given how much the global environment has changed, HU has increased the use of technology to the challenge of doing and delivering what is best for its students. Between the months of April and November, we published more than 50 topics specially-designed to continue promoting personal and professional development. We shared several tips on wellness and anti-stress tips, recommendations on the best television series, suggestions on books, interesting TED Talks and virtual tours of our restaurants.

HU offered quick and easy on-line courses addressing topics such as: finance, home office, time management, technology, and personal development.

VIRTUAL CORE CURRICULUM

As a consequence of government-imposed mobility restrictions, we adapted HU's Core Curriculum to continue offering ongoing education and support for the development of our people. The adapted curriculum had several benefits:

- **Resumption of quality training offerings in all our markets.**
- **Savings in travel-related expenses for participants and instructors.**
- **Travel time optimization.**
- **Efficient updating of course content.**
- **Innovation in learning through communication and interaction tools in virtual environments.**

Thanks to the adaptation of many courses to the virtual format, nearly 8,000 operations leaders graduated¹⁹ in 2020.

¹⁹ Managers, consultants, trainers and customer experience leaders.





Team McDonald's Chile

4.1

OUR PEOPLE | HU - HAMBURGER UNIVERSITY

HU SESSIONS

Innovation and, indeed, a paradigm shift were paramount to meeting the challenges we faced in 2020. We remained committed to supporting our people through this time of change, so we created and launched a new project. Through HU we offered conversations with internal and external experts on emotional skills, diversity and inclusion, the new normal, finance, sustainability, new consumer habits and communication.

**+ 7,000 people participated in
the 18 sessions held during the year**

This initiative, which was developed as a contingency plan, became a permanent benefit for all of Arcos Dorados and the communities we serve. Sessions are available to all employees at McCampus.

At the same time, we continued with “Agile Learning” through free, certificate-level, interactive courses that lasted up to 30 minutes and reflected the modern approach we applied to learning. Leadership, Digital Transformation, Self-Development and Customer Experience were among the topics addressed.

**+71,000 certificates granted
in self-learning courses.**

Together with our internal ADvance team, which is driving the digital transformation of Arcos Dorados, and consulting firm McKinsey, we launched our Digital Academy.

The Digital Academy is committed to providing knowledge about agility and trends of the digital age, supporting the digital and organizational transformation of Arcos Dorados. We offered webinars that addressed the topics of agility, digital trends in the global food industry, the era of ecosystems and digital in QSR.

**+700 people participated
of + 2,800 hours of training.**

HU + MICROSOFT + LINKEDIN ALLIANCE

Through this Alliance courses on the following topics were launched:

- The path to lay the building blocks for success.
- The best ways to jumpstart a career and take it to the next professional level, especially by increasing execution proficiency.
- Strategic proficiency and talent proficiency.

**+ 215 hours of multilingual training
became available to employees
through MCampus.**

The selection and promotion of our people is done through transparent procedures and processes. Our evaluations focus on job skills, abilities, vocation, performance assessment, ethical behavior and commitment to the interests of the Company.

In 2020, 100% of employees had a performance assessment according to the Performance Management Program

We want to empower our people so that each takes responsibility and leadership for their own development. For this reason, we redesigned and improved the Performance Management Program (PGD) with a fast, simple, friendly and very accessible tool:

- **In the real context of work, based on experience**
- **Through interaction with others**
- **Through formal learning, with training courses**

NEW MODEL OF PROFICIENCIES



This model provides a simpler and more agile approach to the assessment and feedforward process for all our people. It is an evolution in how we think about, evaluate and project business objectives and skills development. The redesigned process aims to provide a more comprehensive look at performance overall and more accurately evaluate individual employee performance.

OUR PEOPLE | WORK ENVIRONMENT

One of the greatest challenges facing organizations in the 21st century is fostering a work environment where employees feel comfortable and are able to develop and reach their full potential. Since, in most cases, work is where people spend most of their waking hours, we want all who work at Arcos Dorados to feel their voices are heard and valued, allowing them to express their identity and develop personally and professionally.

We want Arcos Dorados to continue being one of the best places to work in Latin America and the Caribbean. In our last employee satisfaction survey conducted in 2019 we had a participation of 95% and a satisfaction rate of 85%.

In 2020, we were unable to have a full employee satisfaction survey due to COVID-19, but we did conduct localized surveys designed to monitor the perception and feelings of employees regarding the changes that took place during the year as a result of the pandemic.



We are proud of the recognition we have received from third parties, for the outstanding effort and extensive work done by all of the Company's teams across many markets to make Arcos Dorados one of the best places to work.

URUGUAY

3rd Place in the ranking as the best company to work for
2nd Place of the best workplaces for women



MEXICO

2nd Place in the category for companies with more than 3,000 employees



BRAZIL

Top Employer Certification
Top Companies: One of the best employers of 2020 in the country





Team McDonald's Ecuador

4.2 | DIVERSITY & INCLUSION (D&I)

At Arcos Dorados, we are committed to diversity and equal opportunity. We respect uniqueness and consult diverse perspectives to develop and improve our relationships with guests and business partners.

We provide equal treatment and equal employment opportunity regardless of race, ethnicity, color, religion, sex, age, national origin, sexual orientation, military status or any other factor. This policy applies to our employees and to our employment decisions, including recruitment, hiring, placement, development, promotion, training, benefits, compensation and termination.

Women represent **55%** of Restaurant Managers as well as the Operations Management Team.

We employ more than **1.800** people with a disability.

We have a long history of working with non-governmental organizations to promote the inclusion of people with disabilities in the workplace and thus promote their integration into society.



We continue to increase the number of employees with disabilities, supporting their inclusion, training and promotions, including some who have ascended to Restaurant Manager in markets such as Mexico and Panama.

Our presence in 20 markets in Latin America and the Caribbean entails vast geographic, cultural and generational diversity. It also creates a responsibility for generating awareness of D&I issues and promoting an environment where our people feel comfortable, safe and valued.

We are committed to promoting and respecting individuality as a fundamental human value for life and work

DIVERSITY AND INCLUSION COMMITTEE - SOMOS

In 2018, we established the Arcos Dorados Diversity and Inclusion Committee to promote a workplace that allows all employees to achieve their full potential, regardless of gender, race, sexual preferences or generational differences. The Committee is composed of Company employees from restaurants and all levels of corporate staff, across the 20 markets where we operate.

The Committee is focused on four issues, sponsoring a series of programs throughout the company.



ISSUE	OBJECTIVE/GOAL	2020 INITIATIVES
Gender	Promote equal opportunities for women within Arcos Dorados by providing more visibility to and empowering female talent.	Women's Day: 400 women nominated and 59 selected to be recognized for their transformational leadership within Arcos Dorados. Talented women: to recognize women who are recognized by their teams for demonstrating high levels of excellence and commitment.
Inter-Generations	Enhance the Company's organizational culture in a way that builds an environment of trust by incorporating and valuing the diverse contributions of each generation.	Iniciamos um processo de levantamento de necessidades para construir o mapa das gerações na Arcos Dorados e criar experiências significativas para todas as pessoas constituindo esta grande organização. + de 900 pessoas de 20 mercados participaram deste processo.
Sexual Diversity	To demonstrate leadership and support of issues related to the diverse sexual identities that make up the Company's talent pool and the communities we serve. Identify opportunities for improvement in the employee and guest experience.	We prepared two initiatives for International LGBTQI+ Pride Day <ul style="list-style-type: none"> ● An awareness communication campaign: #OrgulloArcos ● An animated e-learning video to raise awareness about the value that diversity and inclusion bring to our business.
Health and Wellness	Promote more comprehensive well-being inside and outside the workplace, every day, throughout the year.	We made changes to the program content, but we remained focused on the three main topics: <ul style="list-style-type: none"> ● Preventive Health Exams ● Physical activity ● Healthy habits

AD WOMEN'S NETWORK

The Women's Network spans all our Latin American markets. Its goal is to raise awareness, increase visibility and promote and increase the number of women in leadership positions.

We seek to create a non-hierarchical, multidisciplinary and pan-regional Women's Network..

As part of these initiatives, as part of our celebration of International Women's Day we recognized 59 women from across the Company for demonstrating transformational leadership, promoting a more inclusive world, developing and supporting talent, and contributing to sustainable actions.

HU SESSIONS

LGBTQI+ PRIDE
693 Participants
Satisfaction rate: 94,64%

UNCONSCIOUS BIASES:
How do you manage things that are different to you?
686 Participants
Satisfaction rate: 95,54%

The Committee conducts a number of education programs on diversity and inclusion issues through our corporate Hamburger University (HU).

COMMITMENT TO EXTERNAL INITIATIVES

In addition to the internal work we do, we established alliances with non-governmental organizations, international organizations and governments in each country. Among these were:

GOVERNMENT OF COLOMBIA

We signed an agreement to be part of the Certification Program for Management Systems with Gender Equality, SGEG, of the Government of Colombia. We are in the process of adapting our practices to receive the GENDER EQUALITY SEAL.

GOVERNMENT OF CHILE

We signed an agreement to include the Company in the Good Labor Practices program that results in receiving the "Equal-Conciliation Seal" awarded by Chile's National Women's Service, SERNAM.

WOMEN'S EMPOWERMENT PRINCIPLES (WEPS)

At Arcos Dorados, we adhere to the program, coordinated by UN Women, called "WIN-WIN: GENDER EQUALITY MEANS GOOD BUSINESS" that seeks to promote gender equality through the private sector and increase the economic empowerment and leadership of women as the basis for sustainable, inclusive and equitable growth.

To continue making progress on this issue, we have made an explicit commitment by signing and supporting the Women's Empowerment Principles (WEPs) created by UN Women and the Global Compact in 2010, which are the platform for private companies and their representative organizations to implement explicit measures, deliberately adopt policies and invest in promoting gender equality in the workplace, market and community.



We signed agreements with the United Nations Program "UN Women" in Brazil, Colombia, Uruguay and Argentina. In 2021, we will add Mexico, Panama and Costa Rica.



Team McDonald's Brazil

Young people have always been a pillar of our business. We believe in youth, their entrepreneurial spirit and their ability to generate feel-good moments when they welcome our guests.

68% of our employees are 24 years old or younger. We are a leader in the industry and the largest job opportunity provider for youth in the region.

“Youth unemployment is a growing challenge in Latin America and, as a leading company in the region, we are committed to taking action using our scale to generate better opportunities and to support young people as they obtain important workplace skills that will server them throughout their professional lives. We are proud of programs we have implemented along with our global partners to positively impact millions of young people who are just beginning their careers”.



Gabriel Serber,
Director of
Social Impact and
Sustainable Development
of Arcos Dorados

Concept	2020	2019
Management Board members who started working in restaurants	28%	28%
Business managers who started working in restaurants	81,41%	80,41%

“Few people imagine that their first formal job will be that life-changing opportunity, but that’s what happened to me. In 1995, I started working in the McDonald’s kitchen at the Andino Mall and now I am proud to lead a talented, diverse and passionate team. This may be the opportunity for the next generation of Arcos Dorados leaders”.

Héctor Orozco, Managing Director of Arcos Dorados for Colombia and the Caribbean Subdivision.

**We achieved our commitment by 2020.
We reached +400,000 young people in Latin America.**

Through pre-employment skills development programs, direct employment, on-the-job training and alliances with NGOs. Our next milestone: reducing barriers to entry into the labor market for more than 2,000,000 young people by 2025.



13th Place within the Best Companies for Young Professionals

We positively impacted
+425.000
young people

We actively worked with
24
organizations and institutions

At Arcos Dorados, we are convinced that education, training and access to employment are fundamental factors of inclusion and social mobility. That is why, one of the pillars of our Social Impact and Sustainable Development Plan is the preparation and training of young people for the future workplace.



This vision is long-term and looks beyond current circumstances. Despite the challenging context of 2020, we maintained our commitment to young people and our strategic alliances.

Through alliances with world-renowned NGOs, we seek to impact thousands of young people between 16 and 24 years old, with education programs for employment, skills acquisition, transmission of values and development of good citizens. Our alliance with Junior Achievement in different countries allows us to reach thousands of young people between 15 and 17 years old through face-to-face and virtual programs, where they develop the

socio-emotional skills necessary for the 21st century: critical thinking, creativity, communication, collaboration, initiative and leadership.



Together with Junior Achievement, we helped 17 thousand students across the region.

As active mentors in programs such as "Learning to start" and "Partners for a day", we accompany students in their projects and the development of daily skills necessary for the workplace.

Through the Passport to Success (PTS) platform, made through an association between the **International Youth Foundation (IYF)** and McDonald's Corporation, and in alliance with Arcos Dorados, we seek to generate a space for knowledge, practice and reflection, through a dynamic and accessible model that leverages various mobile devices. We implemented this program through strategic alliances in Mexico, Panama and Costa Rica.



BARRIO 31 RESTAURANT IN ARGENTINA, A RESTAURANT OF OPPORTUNITIES

Committed to the development of the communities in which we operate, in 2020 we celebrated the one-year anniversary of our first restaurant in Latin America established to generate economic activity and employment opportunities for communities within an area undergoing urbanization.

▶ **The Barrio 31 restaurant employs about 100 young residents of the neighborhood, of which approximately 80 are gaining their first formal job experience.**

Aimed at promoting the social development of our employees and of the communities we serve, we provided financing, for the first and only time, so that the restaurant can be operated as a franchise by a member of the Arcos Dorados team.

Yermina Benítez is a resident of Barrio 31 and when she was 17 she started working in a McDonald's restaurant in the City of Buenos Aires. She started as a crew member, was promoted to Shift Manager and was later appointed Business Manager of the restaurant where she had always worked.

In all other cases, the sub-franchisee is responsible for obtaining the funds to invest in the equipment and décor package for a new restaurant opening,

but in the case of Barrio 31 we took an unprecedented step. We believe this restaurant should belong to a member of the local community. To ensure this would happen and that the new owner-operator would be a proven leader from our Company, Yermina Benítez became the first sub-franchisee with corporate financing from Arcos Dorados.

EIKON ARGENTINA AWARD

- ▶ **1st Place in the Press Relations category: Barrio 31**
- ▶ **3rd Place in the Social Sustainability category: Barrio 31**

As part of the preparations to open this new restaurant, we implemented the "Creating Your Future" program for the young people from Barrio 31. The program included on-line training and provided the necessary tools for the young people, who would later work in the restaurant, to perform their daily duties.

In March 2020, we issued the first diplomas to 48 graduates of "Creating Your Future" in Barrio 31, reinforcing our commitment to the inclusion of young people and the formal workforce.



Yermina Benítez, Barrio 31 Franchisee

4.4 | COMMUNITY

Through the years, we have supported and positively impacted families and communities in Latin America and the Caribbean through programs whose key elements are education, health, children's welfare, innovation, and natural disaster containment, among other topics.

We grew and continue to grow together with the communities where we operate. We listen to young people and we are a company where the values of equity, equal opportunity, diversity and inclusion are evident in our actions.

► **The challenging situation that we faced in 2020 reinforced our mission to use our scale for good, join forces and work together.**

In order to honor our long and proud tradition of giving back to our local communities, we take a responsible approach to all our social activity. To this end, we have a formal Donations Policy that guides the support we provide to our communities.



Team McDonald's Perú

Through hard work and by taking a creative approach to make the necessary adjustments, the 2020 edition of Gran Día²⁰ far exceeded our expectations.

▶ **Arrecadamos + de US\$ 5 milhões, que foram destinados a organizações sociais.**

We adapted this traditional campaign to the context of the pandemic through digital presales, we extended the period in which we could collaborate, and we reinforced sales through Drive-thru and McDelivery. In order to maintain the historically festive spirit of the day, we held virtual events with famous artists to support the fund-raising effort while observing all applicable health and safety protocols.

The funds raised were used to support the Ronald McDonald House Charities programs across the region, as well as partner organizations that work on providing opportunities for inclusion and job training for young people.

▶ **In the last three years, we donated the proceeds from the sale of +6 million Big Macs**

Evolution of Gran Día donations

	2020	2019	2018
Big Macs Sold	2.005.843	2.085.591	2.140.628

Close to families in the Ronald McDonald houses

Arcos Dorados, we support the work and programs of the Ronald McDonald House Charities (RMHC).

Having a presence in most of the countries where we operate, RMHC aims to support children who require long-term medical treatment, and their families, allowing them to stay together and close to the medical care they need.

Programs

27 Ronald McDonald Houses
33 Family Rooms
2 Pediatric Mobile Units

²⁰The philanthropic campaign reached 100% of our markets. The Gran Día campaign was organized in all countries, with the exception of Venezuela where the “A heartfelt thanks” campaign was developed (through the sale of “hearts”, the funds raised were donated to the Ronald McDonald House and the Amigos del Hospital San Juan de Dios Foundation). (✓)



Team McDonald's Ecuador

In 2020, we needed to rethink the way we engage with our smallest and most special guests, as well as their families.

- ▶ **We allied ourselves with all families to face the challenges of the pandemic.
We transformed the Happy Meal into Happy Home**

The Happy Meal App, which offers a variety of content for children to play with their favorite characters, added new platforms for the children to enjoy from their homes.

Parents were able to join their children in activities that put their creativity to the test; from on-line books, puzzles and crafts, to health care tips.

We launched two new digital books from the Treetop Twins Wilderness Adventures Series and we shared tips and educational recommendations for cleanliness and infection prevention.

- ▶ **Our Happy Meal App had +444 thousand downloads in 2020**

At the same time, we continue to offer new books in line with the commitment we made in 2013 to encourage reading and inspire the creativity of children.

- ▶ **We have distributed +20 million texts throughout Latin America since 2013**



COMMUNITY | WORKING WITH FOOD BANKS

In order to support the most vulnerable populations affected by Covid-19, especially during the first few months of the crisis, we developed contact networks with the managers of local food banks across many countries.

We formed local alliances with the network of organizations that work to recover food, especially non-perishable foods, and distribute them to charitable and social aid institutions that maintain close contact with the people who need it most.

**We donated 1,000 tons
of food and +14,000 combos**





Team McDonald's Perú

Since 2014, under our “Open Doors” transparency program, we have been conducting tours to show all interested parties the processes that take place behind the counter; from the ingredients used to the food safety and hygiene processes we implement to ensure the highest quality menu offerings.

In 2020, again we had to overcome the context of the pandemic to keep our Open Doors open. So we adapted our annual celebration of the International Open Doors Day and generated a new proposal: “Transparent Doors”.

On September 27, 2020 we celebrated the International Transparency Day” with our initiative of Transparent and virtual Doors!

We launched a special website offering virtual tours of our kitchens, showing how our favorite menu items are prepared.

There were more than 45,000 visits to the “Transparent Doors” website

We also accompanied the date with a digital campaign that included live tours with influencers and virtual Q&A with our operations teams. Through all these initiatives, we reached more than 1 million people.

4.5

NUTRITION & RESPONSIBLE MARKETING

NUTRITIONAL EVOLUTION OF OUR MENU

At Arcos Dorados, we are constantly looking for ways to adapt and evolve our menu, while maintaining the delicious characteristic flavor and the food safety associated with the McDonald's brand.

Under the "Clean Label Project", in 2020 we presented a new step in the evolution of our food, responding to changes in our guests' habits and prioritizing the quality of our products²¹.

We removed some artificial ingredients that were historically necessary in large-scale production for naturally-derived options.

We removed artificial colors and flavors in ingredients such as cheddar cheese, Big Mac sauce, ketchup, mustard and vanilla ice cream, among others. These changes have a direct impact on our most emblematic products such as burgers with or without cheese, the Big Mac, the Quarter Pounder; and Desserts, as well as the McNuggets and their respective sauces.

This initiative is part of our commitment to continue offering menu options containing the nutritional values suggested by the World Health Organization (WHO).

Our interactive tool, available on the McDonald's websites of each market, allows our guests to go through all the menus offered locally and calculate the nutritional values of what they consume and to what extent they cover their daily nutritional needs as determined by the WHO.

Milestones in the evolution of food and constant commitment to quality

2007	2011	2014	2019	2020
We eliminated trans fats from all our products.	We incorporated fruits and vegetables and adjusted the nutritional balances of the Happy Meal portions.	We incorporated a virtual nutrition calculator so that everyone can know the calories in the products and choose the menu depending on each need.	We reduced sodium, calories and fat; and removed the added sugar from the Happy Meal .	We announced the elimination of artificial colors and flavors and their replacement with naturally-derived ingredients .

Lettuce and tomato
Like those eaten at home

Made with 100% chicken breast

100% natural potato
Always crispy on the outside and tender on the inside

McNuggets
Made of 100% white meat

100% beef
Without any additive or preservative

Frying oil
100% free trans fatty acid

Cheddar cheese; ketchup, mustard; Big Mac sauce; Vanilla dairy mix; pickles and sauces from McNuggets that are part of our main menu; Big Mac, Quarter Pounder; McNuggets and ice creams.



*Argentinian nutritional calculator.
 To see your local calculator, go to the corresponding McDonald's site.

²¹In 2020, there were no identified cases of non-compliance with regulations or voluntary codes regarding the impacts on the health and safety of products and services.

Since 2011, we work to offer more nutritious and balanced Happy Meal options. We started with the incorporation of fruits and vegetables, and progressively we implemented changes such as reductions in sodium, fat and calories; as well as the elimination of added sugar, which were endorsed by recognized medical entities. In 2018, McDonald's set five ambitious goals to be achieved by the end of 2022 in all markets, in a global effort to increase families' access to fruits, vegetables and low-fat dairy and helping them to make informed decisions.

Global Happy Meal Goals

Goal

1

Offer balanced meals:

Ensure that at least 50% or more of the Happy Meal options listed on menus of each market meet McDonald's Global Happy Meal Nutrition Criteria.

Simplify ingredients:

Remove artificial flavors and added colors from all Happy Meal options. Reduce artificial preservatives in Happy Meal offerings where feasible without sacrificing the safety, taste, quality or value of our food.

Goal

2

Goal

3

Be transparent with Happy Meal Nutrition Information:

Make nutrition information available for Happy Meal options on McDonald's owned website and mobile apps used for ordering where they exist.

Responsible marketing to children:

All Happy Meal options advertised to children will meet McDonald's Global Happy Meal Nutrition Criteria and will continue to meet existing applicable local/regional advertising pledges with respect to marketing to children.

Goal

4

Goal

5

Increase purchase of products that contain recommended food groups:

Use innovative marketing practices to help serve more foods and beverages containing recommended food groups in Happy Meals.

NUTRITION & RESPONSIBLE MARKETING | MORE NUTRITIOUS OPTIONS - HAPPY MEAL

These goals are addressed in a clear and transparent manner. In this regard, we work with the Alliance for a Healthier Generation and an independent third party in order to develop an approach to measure and report progress every two years. This is consistent with the verification process, which was established with the Alliance for a Healthier Generation regarding the 2013 commitments.

We began to audit the progress towards the 5 major nutritional objectives in Brazil and Argentina: Global Happy Meal Goals

As a result of the progress verification conducted in 2020 for the Brazilian and Argentine markets, we measured significant progress in goals 1, 2 and 4 and continue seeing opportunities for goals 3 and 5.



Access this code to learn more about our progress report:





4.5

NUTRITION & RESPONSIBLE MARKETING QUALITY IN RESTAURANTS

GRI Contents 103-1, 103-2, 103-3, 416-1
SASB: FB-RN-250a.1, FB-RN-250a.2

As part of the food quality control and guarantee process, we constantly conduct validation processes in our logistics suppliers' distribution centers.

In turn, our quality testing extends to restaurant operations. Every day, before starting the work day, we conduct product tests to verify they comply with our industry-benchmark food safety standards and that our equipment is properly calibrated to prepare the food properly.

Thanks to these protocols, in 2020 we identified twenty cases of non-compliance with our quality standard and we recalled the products before they were used in our restaurants (stock recovery). These quality control processes are complemented by external audits conducted by specialized companies.

▶ **We work to ensure that our products are of the highest quality from when they are sourced, prepared and finally served to our guests.**

▶ **We have Gold Standards that our products must meet and that have become benchmarks in the region.**

To achieve this, we have a comprehensive Food Safety training program that consists of on-line courses and continuous learning in the workplace. At each stage, we address topics related to our menu items, ingredient origins, food handling and preparation.

▶ **The Food Safety and Nutrition course is mandatory for all new members of staff.**



5. | **Environmental Impact**

Supply chain management is an important element of our success and an essential factor in our **Recipe for the Future**.

QUALITY & FOOD SAFETY
ANIMAL WELFARE
RESPONSIBLE SOURCING

By operating in 20 markets, our Integrated Management System enables:

- the highest possible quality and food safety,
- competitive market prices that are predictable and sustainable over time,
- leveraging local, regional and global sourcing strategies to gain a competitive advantage.

To ensure that our suppliers are aligned with our values and way of operating, we require them to sign and certify the **Supplier Code of Conduct** that addresses issues such as Human Rights, Ethics and Sustainability, among others.

Our work focuses on the main supply chains²², which are distributed as follows:

78% of our spending corresponds to national suppliers

Number of suppliers per division

CATEGORY	Division				Total [Ⓢ]
	Caribbean	SLAD	NOLAD	Brazil	
PAPER & PACKAGING	6	25	10	16	57
FOOD	37	114	75	58	284
DISTRIBUTION CENTER	10	5	6	6	27
					368

Division	National* [Ⓢ]	Imported (%)
SLAD	77,5%	22,5%
NOLAD	57,6%	42,4%
CARIBBEAN ²³	74,1%	25,9%
BRAZIL	85%	15%
Total average	78%	22%

²² In the reported period, there have been no significant changes in our supply chain. [Ⓢ]
²³ Excluding Venezuela.

(*) Products that are produced and used in the same country or territory are classified as local.

5.1 | OUR SUPPLY CHAIN | QUALITY & FOOD SAFETY

Material Issue: Human Rights management
GRI Contents 103-1, 103-2, 103-3, 412-1, 416-1
SASB FB-RN-250a.3.

We serve quality food while generating delicious and accessible moments for everyone.

To accomplish this, we comply with all the policies and commitments established by McDonald's Corporation and we develop suppliers so that they can meet the high quality standards of the industry. We refer to the standards of the International Organization for Standardization (ISO), the standards of the British Retail Consortium (BRC) and others, which include cleanliness, consistency and punctuality of the product, meeting or exceeding all local food regulations²⁴.

As members of the **Global Food Safety Initiative (GFSI)**, we encourage our suppliers to adopt any standard under the GFSI umbrella that is recognized globally. We measure compliance through processing plant visits, supplier summits, regularly scheduled audits, and sensory evaluations.

We participate in the GFSI with the aim of improving food safety management practices, not only in our suppliers, but also in the food industry, generating greater confidence in consumers.

We also require our suppliers to comply with good labor practices, human rights, animal welfare and environmental management and business integrity in their operations. They are subjected to third party audits to ensure compliance.

The performance of our suppliers in these audits allows us to track and reinforce not only their environmental, social and labor performance, but also the continuity of the commercial relationship. Therefore, we work year after year so that, with the support of Arcos Dorados, our suppliers grow and become stronger

OUR SUPPLIERS MEET THE ESTABLISHED CRITERIA WITH REGARD TO THE FOLLOWING STANDARDS:

Social Workplace Accountability (SWA): Food, packaging, distribution and refrigeration suppliers.

Supplier Quality Management System (SQMS): Food suppliers.

Packaging Supplier Quality Management System Paper (PQMS): Packaging suppliers.

²⁴Over the course of 2020, we had no confirmed foodborne illness outbreaks in our restaurants in Latin America.

5.1 | OUR SUPPLY CHAIN | QUALITY & FOOD SAFETY

+100 suppliers were audited according to Supplier Workplace Accountability (SWA) criteria during 2020

AUDITS	2020	2019
Number of suppliers audited according to SWA - Supplier Workplace Accountability criteria	101	109
Number of suppliers audited according to SQMS - Supplier Quality Management System criteria	224	290
Suppliers that have passed selection filters according to PQMS - Packaging Supplier Quality Management System Paper criteria	53	71

In all our programs we have complied with the requirement to perform audits. Due to the challenges of the pandemic in 2020, some suppliers requested an extension of the term and completed their audit at the beginning of 2021.



HAZARD ANALYSIS AND CRITICAL CONTROL POINTS (HACCP)

The **HACCP** analysis system is an essential requirement to be part of our supply chain.

At Arcos Dorados, we require that our suppliers implement this analysis to identify specific hazards and take measures to control them in order to ensure food safety.

This instrument focuses on prevention and can be applied throughout the entire supply and food preparation chain, allowing us to ensure food safety and offer our guests excellent quality menu items.





5.2 | ANIMAL WELFARE

Material Issue: Animal welfare and health
SASB FB-RN-430a.2 , FB-RN-430a.3

Animal welfare is a fundamental part of a responsible and sustainable supply chain. We have an audit program designed for our animal protein suppliers, in order to guarantee good production practices, ensure humane treatment of all animals, monitor the application of antibiotics and adherence to other practices in accordance with the **Professional Animal Auditor Certification Organization (PAACO)** guidelines.

In 2020, we audited the animal welfare practices of 89 suppliers of beef, pork, poultry meat and egg-laying hens.

In line with our 2025 commitment to procure eggs from cage-free hens throughout Latin America, in 2019 Brazil announced that it started purchasing cage-free eggs. Since then, the initiative has become a priority within and outside the Company, as we not only seek to expand and strengthen our operations, but also use our scale to constantly influence our chain and our suppliers in Latin America and the Caribbean.

In addition, we are actively working with our pork suppliers, producers and other stakeholders to strengthen their commitment to limiting the use of gestation crates.

5.3 | SUSTAINABLE SOURCING

In line with our external commitments, we are working to **eliminate deforestation from our global supply chain by 2030**. The effort is focused on raw materials that we buy and where we can have the greatest environmental impact such as beef, chicken (including soy in feed), palm oil, coffee and fiber used in customer packaging.

**We promote animal welfare
and we procure ingredients produced
respecting the environment.**

5.3 | SUSTAINABLE SOURCING | DEFORESTATION-FREE BEEF – LEADING THE CHANGE

Forests play a vital role in the battle against climate change as they are sources of oxygen production and absorption of greenhouse gas (GHG) emissions. They are also fundamental elements of biodiversity and human development.

For this reason, we are committed to driving industry transformation and supporting deforestation-free supply chains at scale.

We protect biodiversity and local communities. We respect Human Rights and contribute to the sustainability of our business.

In 2020, we purchased 2,700 tons of certified sustainable beef.

Within the framework of McDonald's Deforestation-Free Beef Procurement Policy²⁵ launched in 2018 and our Commitment on Forests, we implemented new initiatives for the development of our beef supply chain, in line with our global sustainability strategy.

Within the regions where we operate, the Gran Chaco biome (Argentina, Paraguay), Amazonas and Cerrado (Brazil) were identified as being among the key geographic areas most at risk for deforestation globally by 2030.

In Brazil, since 2016 we have been working to monitor the risk of deforestation for the Amazon and the Cerrado biomes.

We are the only company in the sector that has satellite monitoring of its beef supply chain through Agrotools company.

In 2020, we implemented the project in Argentina as well. Together with our suppliers, local leaders in the livestock sector, and in collaboration with **Fundación Vida Silvestre Argentina**, we included the Gran Chaco biome in the satellite monitoring map.

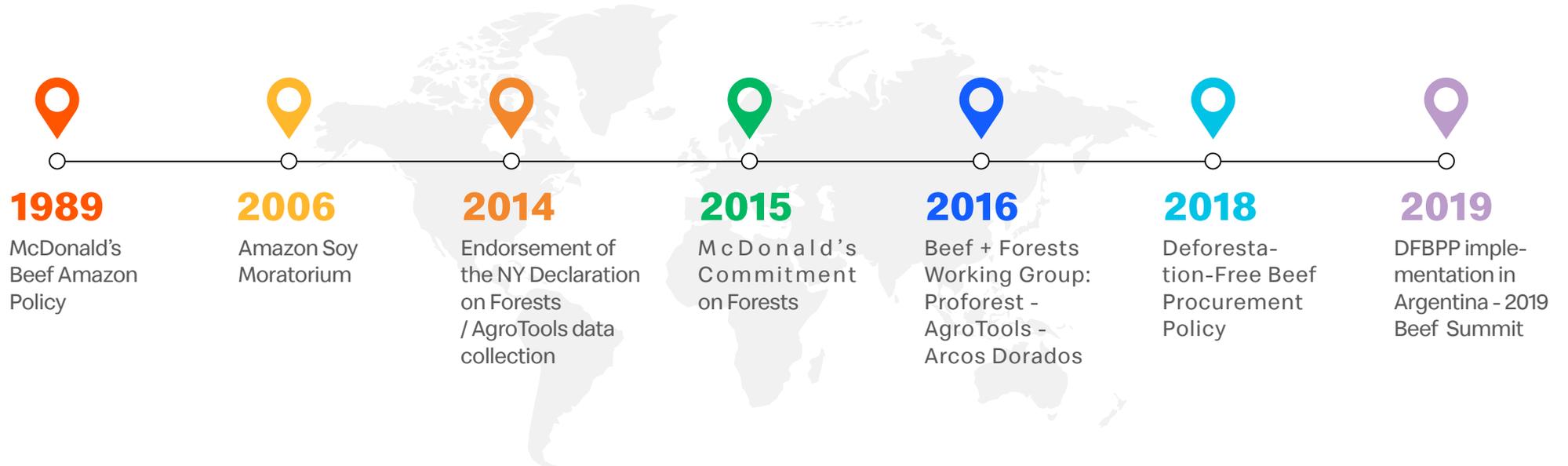
We were able to monitor + 7.5 million hectares = 6,741 farms located in high-risk areas in the Cerrado, Amazonas and Gran Chaco biomes. In accordance with the criteria of the Deforestation-Free Beef Procurement Policy, 100% of the farms were monitored during 2020.



²⁵Scope: it includes all Arcos Dorados beef suppliers and their raw material suppliers. McDonald's requires that all beef raw material from high priority regions be verified to meet the criteria outlined in McDonald's Deforestation-Free Beef Procurement Policy. This applies to cattle acquired from the last farm or feedlot before slaughter tracing back to Brazil, Paraguay, Argentina and Australia. Exclusions: beef used as a secondary ingredient in McDonald's products, for example, as a flavoring in a sauce.

5.3 | SUSTAINABLE SOURCING | DEFORESTATION-FREE BEEF – LEADING THE CHANGE

To increase the ability to monitor our beef supply chain and assist our suppliers in implementing their actions, we established a valuable working group with Proforest and the Brazilian agricultural technology company AgroTools (Certified Company B).



Collaboration for Forests and Agriculture

Since 2019, we have been partners with the international initiative Collaboration for Forests and Agriculture ²⁶(CFA), which analyzes the importance of developing a supply chain free from deforestation and conversion.

With the support of the REVER consultancy, in 2020 we conducted a comprehensive diagnosis of our beef and soy suppliers' management practices, identifying our strengths and areas for improvement, which served as the basis to advance our improvement implementation plan for the next few years and achieve our goal by 2025.

²⁶Collaboration For Forests and Agriculture

We support and promote beef production based on sustainable practices that are environmentally safe, protect the health and welfare of animals, and reward farmers and the community.

As one of the largest buyers of beef in the region, we are committed to working with the value chain to achieve transformative change. To this end, we hold strategic positions in organizations that work to guarantee sustainable livestock.

We participate both in the governing bodies, as well as in spaces for dialogue and debate on technical issues, such as the revision of the Brazilian Roundtable on Sustainable Livestock (Grupo de Trabalho da Pecuária Sustentável – GTPS) that seeks the continuous improvement of the performance of sustainability in the beef supply chain. The objective was to achieve the adoption of this Guide, to make its use universal and expand its scope to small producers.

More information on our approach to sustainable beef: <https://recetadelfuturo.com/blog/carne-sustentable/>

²⁷Global Roundtable for Sustainable Beef



“Arcos Dorados has been an important catalyst in our Latin American network, and is currently on the board of directors of the roundtables in Brazil and Argentina. With the launch of our global goals for beef sustainability in 2021, we look forward to active participation from member companies that have already established Science-Based Goals to help us measure progress in achieving those goals”.

Ruaraidh Petre - Global Roundtable for Sustainable Beef
Executive Director

5.3 | SUSTAINABLE SOURCING | CERTIFIED RAW MATERIALS

- 92% of fiber-based primary consumer product packaging comes from a certified COC²⁸ or certified third-party recycled sources where no deforestation occurs.

- 93% of our direct suppliers are FSC certified and 5% PEFC (Programme for the Endorsement of Forest Certification).

<https://recetadelfuturo.com/blog/protegiendo-los-bosques-certificado>

In 2020, 80% of our coffee came from certified sources.

In Argentina, Brazil, Chile, Uruguay, Costa Rica, Mexico and Colombia, 100% of the coffee is Rainforest **Alliance certified**.

<https://recetadelfuturo.com/blog/cafe-certificado/>



100% of the fish sold in 2020 in Costa Rica, Puerto Rico and the US Virgin Islands is MSC (Marine Stewardship Council) certified.

While **we do not use palm oil in our cooking processes**, we work with our suppliers to guarantee that they use oil certified under the Roundtable on Sustainable Palm Oil (RSPO) standards.



**CERTIFIED
RAW
MATERIALS**



Arcos Dorados supports responsible soy production through the purchase of RTRS credits for the chicken feed in our chicken products", covering 100% of the soy footprint sourced from priority areas.

²⁸ Chain of Custody

5.4 | SUSTAINABLE RESOURCE MANAGEMENT

Material Issues: Waste, Water consumption, Supplies,
Energy consumption, GHG emissions (Climate change)
SASB FB-RN-130a.1

**We are committed to sustainable business management.
We participate in international initiatives aimed at caring for the environment, the responsible use of natural resources and the mitigation of environmental impacts.**

Accordingly, each year we incorporate new performance indicators that help us measure our actions and focus on the indicators with room for improvement.

As a leading company and one of the largest employers of young people in the region, we implement awareness campaigns and training workshops to ensure our employees deliver on our daily commitment to the environment.

Our management is focused on, although not limited to, efficient water management, reduction of energy consumption and emissions, waste separation, and the promotion of the circularity of our packaging.

5.4 | SUSTAINABLE RESOURCE MANAGEMENT | ENERGY EFFICIENCY

Our operations are electric energy-intensive, making it our largest generator of greenhouse gas emissions. Accordingly, we are working on standardizing and improving consumption registration procedures, improving processes, and incorporating, as much as possible, energy-efficient equipment.

Concept	2020 ²⁹ ✓
FUEL CONSUMPTION³⁰	
Diesel/Gasoline/Ethanol (liters)	1.550.459
GPL(T)	1.793
Natural gas (m3)	2.430.421
ELECTRIC ENERGY CONSUMPTION (MWH)	395.396
Concept	2020 ✓
ENERGY CONSUMPTION INTENSITY (MWH / THOUSAND USD)³¹	0,21

We have a 4% supply of renewable energy, mainly from photovoltaic sources which cover part of our energy matrix in the region

Earth Hour

Once again, on March 28, 2020 we joined the Earth Hour, a worldwide initiative of the World Wildlife Fund (WWF) and we turned off the external lights in our restaurants for 60 minutes.

This year, the day had a double objective. On the one hand, raise awareness about global warming and on the other, engage the population in environmental conservation.



²⁹ Markets reached: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico and Uruguay.

³⁰Fuel consumption is indicated according to the units of measurement available at the data collection points.

³¹The energy intensity ratio is calculated as Total energy consumption (MWh) 395,396 divided by Sales in thousands of USD 1,894,618.

5.4 | SUSTAINABLE RESOURCE MANAGEMENT | CARBON FOOTPRINT

We understand that surveying and reporting the generation of greenhouse gas (GHG) emissions from our operations is the first step to then continue with the planning of mitigation and compensation actions regarding our carbon footprint.

In 2020, we performed our 2nd GHG inventory

Reporting on our GHG inventory is a reinforcement of the commitment we made in 2019, when we established corporate reduction goals and a complement to the work we do with our value chain through the Carbon Disclosure Project (CDP).

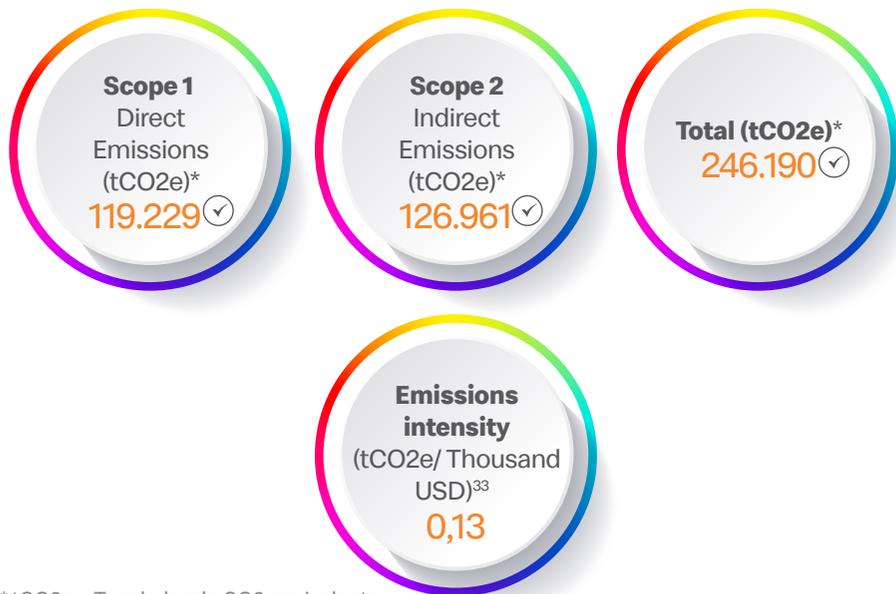


5.4 | SUSTAINABLE RESOURCE MANAGEMENT | CARBON FOOTPRINT

CARBON FOOTPRINT MEASUREMENT (TCO2E)

In 2019, we took a big first step and began to calculate the emissions generated by our operations. In 2020, we measured and published our emissions again and expanded the scope of the operations.

2020³²



* tCO2e = Toneladas de CO2 equivalente

³²Markets included: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guadeloupe, Martinique, Mexico, Panama, Peru, Puerto Rico, Uruguay.

³³The emissions intensity ratio is calculated as Total emissions (tCO2e) 246,190 divided by Sales in thousands of USD 1,894,618.

CDP – Carbon Disclosure Project

For the fifth consecutive year, we are part of the Carbon Disclosure Project (CDP) Supply Chain Program, as well as the CDP corporate report as Arcos Dorados in Latin America and the Caribbean.

CDP is a non-profit charitable organization that manages the global disclosure system for investors, businesses, cities, states and regions to manage their environmental impacts.

In 2020, we invited + 200 suppliers to participate in the program



	2020 INVITED SUPPLIERS
CDP Climate	211
CDP Water	208
CDP Forests	116

Arcos Dorados plays a leading role among the members of CDP Latin America, achieving the best rates of commitment from its suppliers in answering the Program's questionnaires.

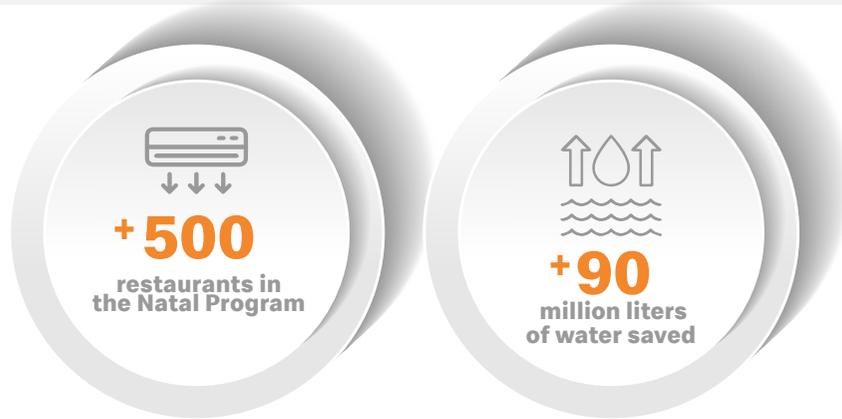
In 2020, 99% of our suppliers responded to the questionnaire.

	2018	2019	2020	Average among world members
CDP Climate	95%	95%	99%	70%
CDP Water	87%	94%	99%	69%
CDP Forests	83%	95%	99%	58%

5.4 | SUSTAINABLE RESOURCE MANAGEMENT NATAL PROGRAM

In our restaurants, we implement the Natal Program that aims to minimize waste and reuse water condensation from restaurant air conditioning units to wash Drive-Thru lanes, irrigate plants, etc.

Given its relevance and impact, the Natal Program became a priority item in new restaurant builds, being incorporated directly into the design of these projects where feasible.



In terms of water consumption, we are working on the unification of the measurement criteria and data recording in the different markets where we operate, in order to be able to report on this material issue in a consolidated manner and aligned with GRI standards in future reports.

5.4 | SUSTAINABLE RESOURCE MANAGEMENT SUSTAINABLE RESTAURANTS

Arcos Dorados has implemented a sustainable restaurant construction policy. This means that all new projects incorporate the best technologies and designs that allow efficiency in the use of energy, water, recycled materials, and the ability to recycle the waste generated.

For this reason, each type of restaurant complies with a certain number of sustainable initiatives defined in the Arcos Dorados sustainable restaurant design policy. The new freestanding format restaurants can have up to 25 sustainable initiatives, in-store restaurants can have up to 17 and mall and food court restaurants can have up to 9 initiatives of this type. In the 2020 projects, we managed to include 79% of the possible initiatives and in 2021 our goal is to exceed 90%.



The Arcos Dorados Sustainable Development Program (SDP) is an initiative of the Social Impact and Sustainable Development team guided by the 17 United Nations Sustainable Development Goals.

In line with the Company's global strategy of leveraging its size and scale to generate positive impacts on society and the environment ("Scale for Good"), this program uses existing and established initiatives such as Open Doors, Good Neighbor and Service Coolture, including items related to Sustainable Development.

The topics addressed by the program include the conscious consumption of water, energy, greenhouse gas emissions accounting, waste separation and education for sustainable development for both our collaborators and guests.

The Sustainable Development Program continued adding restaurants in its second year of implementation. With this increase in participants, our goal of transforming Arcos Dorados restaurants into educational centers for sustainable development for the community begins to materialize.

In 2020, we achieved the participation of over 1,000 restaurants in the Sustainable Development Program.

SDP PARTICIPATING RESTAURANTS

Brazil	826
Caribbean	75
NOLAD	52
SLAD	122

Our goal is to implement the Sustainable Development Program in 100% of our restaurants by 2025.

SDP contents



Sustainable Development in Focus

The on-line course "Sustainable Development in Focus", free and open to the general public, aims to disseminate basic knowledge of sustainability and raise awareness in the community about the relevance of this issue.



At Arcos Dorados, we work to reduce the impact of waste generation, add value to waste generated that would otherwise be discarded, and promote circular solutions in our operations.

Plastic Reduction

At Arcos Dorados, we have proposed to work intensively on reducing plastic usage. Our goal is to guarantee that 100% of our packaging comes from renewable, recycled or certified sources by 2025.

In 2020, we removed 1,468 tons of single-use plastic from our restaurants. Over the last 3 years, we have successfully removed 40% of the total single-use plastic used in restaurants.

We understand that recycling infrastructure, regulations and consumer behaviors vary from city to city and country to country, but we plan to be part of the solution and help influence powerful change.

Our strategy focuses on certain priority lines of work such as: reducing the amount of materials used in packaging through design innovation; shifting supplies towards the achievement of objectives and increasing circularity through the use of recycled materials.

Plastic reduction initiatives



Straws Upon Request: in 2018, we started this initiative and have now eliminated plastic straws in almost all markets. Elimination of lids on hot and cold beverages served in restaurants and replacement of plastic lids in other markets.



Redesign of utensils (the spoon delivered with desserts was redesigned to reduce plastic per unit by 40%) or replacement with fiber-based material.



Plastic salad bowls and breakfast containers were replaced with 100% biodegradable cardboard containers.



Sustainable trays: in 2020, we partnered with UBQ Materials, a company that has patented a technology that turns household waste into a climate-positive bio-based thermo-plastic, and we implemented a pilot test to replace plastic trays. With the use of UBQ in the manufacture of trays, 1,221 kg of waste have already been diverted from landfills.



Packaging & Recycling

We understand that eliminating or minimizing the use of packaging through design innovation is an effective strategy to help reduce waste. Accordingly, we worked on replacing non-essential product packaging with wrappers, which allowed a considerable reduction in this type of waste.

We reduced 1,000 tons of fiber waste between the end of 2019 and 2020.

Considering that 82% of our packaging weight is based on fiber materials, it is important to ensure that our fiber suppliers support deforestation-free supply chains with responsible forest management. In this regard, we highlight that 98% of our suppliers are chain-of-custody certified (93% are certified by the Forest Stewardship Council (FSC) and 5% are certified by the Programme for the Endorsement of Forest Certification (PEFC)).

As part of the initiatives implemented in 2020, is a reverse logistics project with Axionlog in Colombia. Through this project, we recovered for recycling 54.3% of the cardboard sent to the restaurants (45.5 tons) in the year. Based on the encouraging results, we plan to expand the scope of this project to other markets where the same logistics company operates.

In 2020, we maintained our waste disposal best practices. This includes used vegetable oil that is collected to be converted into biodiesel and soap in a number of our markets.

Over the next few years, we will implement a reverse logistics project Axionlog through which we will collect all used oil from restaurants for recycling.

In 2020, we collected over 2,000 tons of used vegetable oil, guaranteeing its proper disposal or recycling.





6. | **About This Report**

This Arcos Dorados' 2020 "Social Impact and Sustainable Development Report" covers the period between January 1 and December 31, 2020 (annual periodicity) and has been prepared in accordance with the GRI Standards (Global Reporting Initiative), "Essential" option and considering the Sustainability Accounting Standards Board (SASB) standards for the Restaurant sector.

To reaffirm the commitment to transparency and accountability of the reports we publish, in this Report, Ernst and Young (EY) carried out a verification of the indicators that are marked with ✓ and are listed in its independent Limited Assurance report. To learn about the details of the external verification, please refer to Chapter 7 - External Verification.

The information contained in this document includes the activities of the Company and its subsidiaries, but does not include data on the operations of our sub-franchisees. There have been no significant modifications and changes during the period covered, in terms of the size, structure and ownership of the organization, as well as no significant effects on the reformulation of the information ✓ respect to previous years. No restatement of information from previous reports was made. Quantitative data from the previous year are included for comparison purposes. The last report published was the "2019 Social Impact and Sustainable Development Report".

Similarly, issues raised in external evaluations conducted by independent organizations such as Sustainalytics and Morgan Stanley Capital Investment (MSCI) were considered, in which a comprehensive evaluation of the company was conducted on topics related to social and environmental management, as well as corporate governance.

For comments, suggestions or queries regarding the Report or its content, contact our Social Impact and Sustainable Development team at: sustenable@br.mcd.com



6.1 | STAKEHOLDERS AND MATERIALITY | STAKEHOLDERS

GRI Contents: 102-21, 102-40, 102-42, 102-43, 102-44, 102-47

An essential part for sustainable management and accountability process is the definition of stakeholder groups and the identification of material issues. Based on the Accountability AA1000SES series of standards, and through an analysis that covers certain dimensions (for responsibility, influence, proximity, dependence and representation), we have defined Arcos Dorados stakeholders “map”.

STAKEHOLDERS ✓	COMMITMENT ASSUMED	MEDIA/DIALOGUE
Shareholders, commercial partners, sub-franchisees, financial entities	Act with total transparency in the best interests of our shareholders and business partners.	Shareholders’ Meeting Financial Statements, Form 20-F, Quarterly reports Investor Outreach Social Impact and Sustainable Development Report Arcos Dorados website Recipe for the Future website
Governments and regulatory bodies	Compliance with all applicable laws and regulations, including legislation on Human Rights, workplace safety, compensation and employee treatment.	Financial Statements, Form 20-F Social Impact and Sustainable Development Report Arcos Dorados website
Employees (staff and restaurant crew)	Support and promote working with passion and innovation on a daily basis and in search of continuous improvement.	Work climate surveys Arcos Dorados Digital AD Weekly Corporate social network Yammer AD Podcasts AD Meetings Mailings Open Doors – Transparent Doors Social Impact and Sustainable Development Report Arcos Dorados and Recipe for the Future websites McProtected (Protocols, Posters, Trainings)
Suppliers and distributors	Develop strong relationships with our suppliers and distributors, who share our values.	Supplier meeting Supplier Portal Open Doors Social Impact and Sustainable Development Report Arcos Dorados and Recipe for the Future websites
Guests	Offer an exceptional experience, with a commitment to serving quality food, providing the best service and ensuring cleanliness.	Tell us how we did Open Doors Social Impact and Sustainable Development Report Customer Service Line Arcos Dorados website Recipe for the Future website McProtected (Posters)
Local communities	Develop an active role in the welfare of our neighbors and our community.	Tell us how we did Open Doors Social Impact and Sustainable Development Report Arcos Dorados website Recipe for the Future website

6.1 | STAKEHOLDERS AND MATERIALITY | MATERIALITY

The Global Reporting Initiative (GRI) makes available to organizations a series of principles designed to be used in combination, in order to define the content and the quality of the report.

REPORTING PRINCIPLES FOR DEFINING REPORT CONTENT

STAKEHOLDER INCLUSIVENESS
SUSTAINABILITY CONTEXT
COMPLETENESS
MATERIALITY

REPORTING PRINCIPLES FOR DEFINING REPORT QUALITY

BALANCE
COMPARABILITY
ACCURACY
TIMELINESS
CLARITY
RELIABILITY

To identify the potential topics that will be included in the report, we have considered, among others, the impacts, risks and opportunities observed by different experts and companies in the industry, for which the following process was addressed:

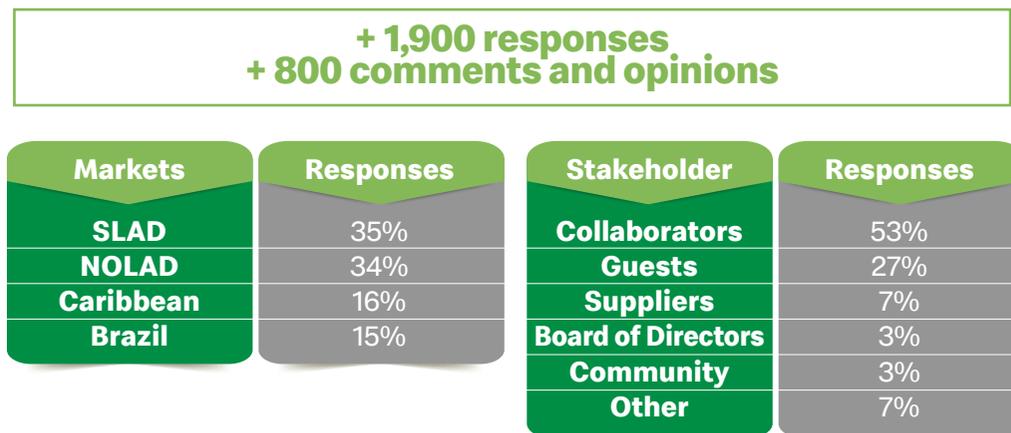
i) Identification of impacts, risks and opportunities, including:

- Material issues identified by leading companies in the industry around the world (S&P Global Yearbook).

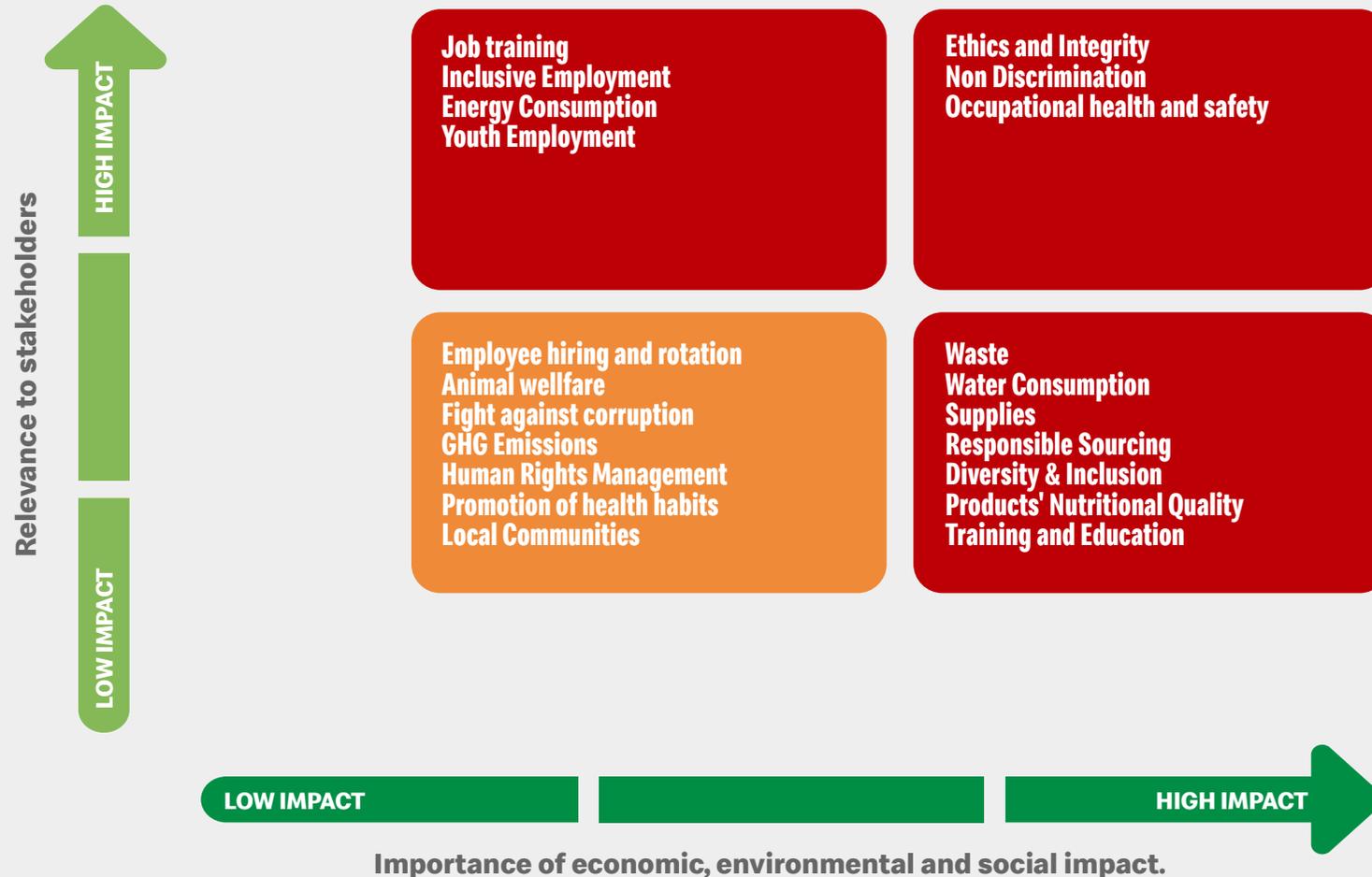
- Aspects arising from the Global Reporting Initiative Standards.
- SASB (Sustainability Accounting Standards Board) standards and Materiality Map for the restaurant industry.
- Material issues identified by other companies in the industry.
- Suggested topics in the dialogue process with the main stakeholders.

ii) Based on the identification of “potential” material issues, through on-line surveys of our main stakeholders, the most relevant issues were prioritized to be included in the sustainability report.

Main results of the surveys conducted for the materiality analysis of the "2020 Social Impact and Sustainable Development Report".



All material issues, as well as the main comments and opinions, were submitted by the Social Impact and Sustainable Development Committee to the Company's Board of Directors.



6.1 | STAKEHOLDERS AND MATERIALITY | MATERIALITY

#	MATERIAL ISSUE 	CHAPTER	IMPACT ON BUSINESS			Coverage *	
			Revenue	Costs	Risk	Internal	External
1	Ethics and integrity	3	✓		✓	✓	✓
2	Nondiscrimination	4			✓	✓	
3	Health and Safety at Work	4		✓	✓	✓	
4	Waste	5		✓		✓	
5	Water consumption	5		✓		✓	
6	Supplies	5		✓	✓	✓	
7	Responsible sourcing	5		✓	✓		✓
8	Diversity and inclusion	4			✓		
9	Nutritional quality of the products	4			✓		
10	Training and education	4		✓			
11	Job training	4		✓			
12	Inclusive employment	4		✓			
13	Energy consumption	5		✓			✓
14	Youth employment	4			✓	✓	
15	Employment (Hiring and turnover of employees, benefits, etc.)	4		✓		✓	
16	Animal welfare and health	5			✓		✓
17	Fight against corruption	3	✓	✓	✓	✓	✓
18	GHG emissions (Climate change)	5	✓	✓	✓	✓	✓
19	Human Rights management	4			✓		✓
20	Promotion of healthy lifestyle habits	4	✓		✓		✓
21	Local communities	4			✓		✓

* Issue coverage: where the main impacts of material issues occur, inside (internal) or outside (external) the organization.



Team McDonald's Argentina

7. External Verification



Pistrelli, Henry Martín y Asociados S.R.L.
25 de mayo 487 - C1002ABI
Buenos Aires, Argentina

Tel: (54-11) 4318-1600/4311-6644
Fax: (54-11) 4510-2220
ey.com

INDEPENDENT LIMITED ASSURANCE REPORT

(English translation of the report originally issued in Spanish.)

To the Directors of
ARCOS DORADOS HOLDINGS INC.

1- Introduction

We have been engaged by Arcos Dorados Holdings Inc. ("the Company") to issue a limited assurance report over certain indicators contained in the Social Impact and Sustainable Development Report 2020 ("the Report"), signposted with reference "🔍" for the year ended December 31, 2020 and considered to be the most relevant by the Management of the Company to the fulfilment of the expectations of their stakeholders and in line with Global Reporting Initiative (GRI) Standards guidelines.

2- Board of Directors' responsibilities

The Board of the Company is responsible for preparing and presenting the Report in accordance with GRI Standards. This includes establishing the bases and criteria for the preparation of the Report as well as defining, adapting and maintaining the management systems and internal controls from which the information is obtained.

3- Responsibilities of the independent auditor

Our responsibility is to express a limited assurance conclusion on the GRI Standards indicators mentioned in item 1 and included in the Report, based on our independent assurance engagement.

4- Professional work

Our professional work was developed in accordance with standards for other assurance engagements laid down in section V.A., second part of Technical Resolution No. 37 issued by the Argentine Federation of Professional Councils of Economic Sciences ("RT 37"), which is based on the international standard ISAE 3000 established by the International Federation of Accountants. These standards require that we comply with ethical requirements, as well as that we plan and execute the assignment in order to obtain limited assurance, in what is a matter of our competence, about whether the indicators included in the Report identified in item 1 and signposted with reference "🔍" have been prepared, in all their significant aspects, in accordance with GRI Standards guidelines. Likewise, in accordance with these standards, a limited assurance



Building a better
working world

Pistrelli, Henry Martin y Asociados S.R.L.
25 de mayo 487 - C1002ABI
Buenos Aires, Argentina

Tel: (54-11) 4318-1600/4311-6644
Fax: (54-11) 4510-2220
ey.com

engagement provides less assurance than a reasonable assurance engagement, due to differences in nature and length of procedures applied by the auditor to gather evidence that allows him to issue his conclusion.

Consequently, our work included the review, on a selective basis, of the evidence obtained regarding compliance by the Company with the guidelines of the GRI Standards mentioned in item 1 and the application of other procedures that we consider necessary in accordance with the circumstances. We believe that the evidence we have obtained provides an appropriate basis for our conclusion.

The procedures mentioned in the previous paragraph have been applied to the records and documentation provided to us by the Company. Our task was based on the fact that the information provided is accurate, complete, legitimate and free from fraud and other illegal acts, for which we have considered its appearance and formal structure.

5- Conclusion

Based on the work performed and described in item 4, nothing has drawn our attention to make us believe that:

- a) The GRI standards reviewed and included in the Report (mentioned in item 1 and marked with the reference "⊗"), are not prepared, in every significant aspect, in accordance with the GRI Standards guidelines.
- b) The self-statement made by the Company upon its adequacy to the GRI Standards "essential" option, does not meet, in every significant aspect, the Global Reporting Initiative criteria.

Buenos Aires City,

June 7th, 2021

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. T°1 F°13

DARÍO G. LEISNER
Partner
Public Accountant- U.N.L.Z
C.P.C.E.C.A.B.A. T° 215 F° 138



Team McDonald's Martinica

8. | GRI & SASB Content Index

GRI Standard	Content	Page or Reference	Omissions	SDG	Targets
GRI 101- FOUNDATION (2016)					
GRI 102- GENERAL DISCLOSURES (2016)					
1. Organizational Profile					
102-1	Name of the organization	Page 6			
102-2	Activities, brands, products and services	Page 6			
102-3	Location of headquarters	Our head offices are located in the city of Montevideo, Uruguay.			
102-4	Location of operations	Page 6			
102-5	Ownership and legal form	Page 6			
102-6	Markets served	Page 6			
102-7	Scale of the organization	Page 6			
102-8	Information on employees and other workers	Page 6		8 - 10	8.5 - 10.3
102-9	Supply chain	Page 59			
102-10	Significant changes on the organization and its supply chain	Page 59			
102-11	Precautionary Principle or approach	Page 59			
102-12	External initiatives	Page 10			
102-13	Membership of associations	Page 10			

8.1 | GRI CONTENT INDEX

GRI Standard	Content	Page or Reference	Omissions	SDG	Targets
2. Strategy					
102-14	Statement from senior decision-maker	Page 3			
102-15	Key impacts, risks, and opportunities	Page 3			
3. Ethics and integrity					
102-16	Values, principles, standards, and norms of behavior	Page 6		16	16.3
102-17	Mechanisms for advice and concern about ethics	Page 6		16	16.3
4. Governance					
102-18	Governance structure	Page 26			
102-19	Delegating authority	Page 26			
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 26			
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 79		16	16.7
102-22	Composition on the highest governance body and its committees	Page 26		5 - 16	5.5 - 16.7
102-23	Chair of the highest governance body	Page 26		16	16.6
5. Stakeholder engagement					
102-40	List of stakeholder groups	Page 79			
102-41	Collective bargaining agreements	Page 33		8	8.8
102-42	Identifying and selecting stakeholders	Page 79			
102-43	Approach to stakeholder engagement	Page 79			
102-44	Key topics and concerns raised	Page 79			

8.1 | GRI CONTENT INDEX

GRI Standard	Content	Page or Reference	Omissions	SDG	Targets
6. Reporting practice					
102-45	Entities included in the consolidated financial statements	Page 78			
102-46	Defining report content and topic Boundaries	Page 78			
102-47	List of material topics	Page 78			
102-48	Restatements of information	Page 78			
102-49	Changes in reporting	Page 78			
102-50	Reporting period	Page 78			
102-51	Date of most recent report	Page 78			
102-52	Reporting cycle	Page 78			
102-53	Contact point for questions regarding the report	Page 78			
102-54	Claims of reporting in accordance with the GRI Standards	Page 78			
102-55	GRI context index	Page 87			
102-56	External assurance	Page 78			
GRI 200- ECONOMIC DISCLOSURES					
PROCUREMENT PRACTICES					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	Page 59			
103-2	The management approach and its components	Page 59			
103-3	Evaluation of the management approach	Page 59			

8.1 | GRI CONTENT INDEX

GRI Standard	Content	Page or Reference	Omissions	SDG	Targets
GRI 204- PROCUREMENT PRACTICES THEMATIC CONTENTS (2016)					
204-1	Proportion of spending on local suppliers	Page 59		8	8.3
ANTI-CORRUPTION					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	Page 30			
103-2	The management approach and its components	Page 30			
103-3	Evaluation of the management approach	Page 30			
GRI 205- ANTI-CORRUPTION THEMATIC CONTENTS (2016)					
205-2	Communication and training about anti-corruption policies and procedures	Page 30		16	16.5
GRI 300- ENVIRONMENTAL DISCLOSURES					
MATERIALS					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	Page 75			
103-2	The management approach and its components	Page 75			
103-3	Evaluation of the management approach	Page 75			
GRI 301- MATERIALS THEMATIC CONTENTS (2016)					
301-2	Recycled input materials used	Page 75		8 - 12	8.4 - 12.2 - 12.5

GRI Standard		Content	Page or Reference	Omissions	SDG	Targets
ENERGY						
GRI 103- MANAGEMENT APPROACH (2016)						
103-1	Explanation of the material topic and its Boundary		Page 70			
103-2	The management approach and its components		Page 70			
103-3	Evaluation of the management approach		Page 70			
GRI 302- ENERGY THEMATIC CONTENTS (2016)						
302-1	Energy consumption within the organization		Page 70		7 - 8 - 12 - 13	72-73-84-122-131
302-3	Energy intensity		Page 70		7 - 8 - 12 - 13	73-84-122-131
WATER AND EFFLUENTS						
GRI 103- MANAGEMENT APPROACH (2016)						
103-1	Explanation of the material topic and its Boundary		Page 73			
103-2	The management approach and its components		Page 73			
103-3	Evaluation of the management approach		Page 73			
GRI 303- WATER AND EFFLUENTS MANAGEMENT APPROACH (2018)						
303-1	Interactions with water as a shared resource		Page 73		6 - 12	63-64-6A-6B-124
GRI 303- WATER AND EFFLUENTS THEMATIC CONTENTS (2018)						
303-3	Water withdrawal			(*)	6	64
EMISSIONS						
GRI 103- MANAGEMENT APPROACH (2016)						
103-1	Explanation of the material topic and its Boundary		Page 71			
103-2	The management approach and its components		Page 71			
103-3	Evaluation of the management approach		Page 71			

8.1 | GRI CONTENT INDEX

GRI Standard		Content	Page or Reference	Omissions	SDG	Targets
GRI 305- EMISSIONS THEMATIC CONTENTS (2016)						
305-1	Emissões diretas de GEE (escopo 1)		Page 71		3 - 12 - 13 - 14 - 15	3.9-12.4-13.1-14.3-15.2
305-2	Emissões indiretas de GEE ao gerar energia (escopo 2)		Page 71		3 - 12 - 13 - 14 - 15	3.9-12.4-13.1-14.3-15.2
305-4	Intensidade das emissões de GEE		Page 71		13 - 14 - 15	13.1-14.3-15.2
WASTE						
GRI 103- MANAGEMENT APPROACH (2016)						
103-1	Explanation of the material topic and its Boundary		Page 75			
103-2	The management approach and its components		Page 75			
103-3	Evaluation of the management approach		Page 75			
GRI 306- WASTE MANAGEMENT APPROACH (2020)						
306-1	Waste generation and significant waste-related impacts		Page 75			
306-2	Management of significant waste-related impacts		Page 75			
GRI 306- WASTE THEMATIC CONTENTS (2020)						
306-4	Waste not destined for disposal		Page 75			
GRI 400- SOCIAL DISCLOSURES						
GRI 103- MANAGEMENT APPROACH (2016)						
103-1	Explanation of the material topic and its Boundary		Page 33			
103-2	The management approach and its components		Page 33			
103-3	Evaluation of the management approach		Page 33			
GRI 401- EMPLOYMENT THEMATIC CONTENTS (2016)						
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Page 33		3 - 5 - 8	32-54-85

8.1 | GRI CONTENT INDEX

GRI Standard	Content	Page or Reference	Omissions	SDG	Targets
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	Page 33			
103-2	The management approach and its components	Page 33			
103-3	Evaluation of the management approach	Page 33			
GRI 403- OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT APPROACH (2018)					
403-1	Occupational health and safety management system		(*)	8	8.8
TRAINING AND EDUCATION					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	Page 33		8	8.8
103-2	The management approach and its components	Page 33		3 - 8 - 16	3.6-3.9-8.8-16.1
103-3	Evaluation of the management approach	Page 33		3 - 8 - 16	3.3-3.4-3.9-8.8-16.1

8.1 | GRI CONTENT INDEX

GRI Standard	Content	Page or Reference	Omissions	SDG	Targets
GRI 404- TRAINING AND EDUCATION THEMATIC CONTENTS (2016)					
404-1	Average hours of training per year per employee	Page 33		4 - 5 - 8 - 10	43-44-45-51-82-103
404-2	Programs for upgrading employee skills and transition assistance programs	Page 33		8	82-85
404-3	Percentage of employees receiving regular performance and career development reviews	Page 33		5 - 8 - 10	51-85-103
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	Page 33			
103-2	The management approach and its components	Page 33			
103-3	Evaluation of the management approach	Page 33			
GRI 405- DIVERSITY AND EQUAL OPPORTUNITY THEMATIC CONTENTS (2016)					
405-1	Diversity of governance bodies and employees	Pages 26 and 33		5 - 8	51-55-85
NON-DISCRIMINATION					
GRI 103- MANAGEMENT APPROACH (2016)					
103-1	Explanation of the material topic and its Boundary	Page 33			
103-2	The management approach and its components	Page 33			
103-3	Evaluation of the management approach	Page 33			
GRI 406- NON-DISCRIMINATION THEMATIC CONTENTS (2016)					
406-1	Incidents of discrimination and corrective actions taken		(*)	5 - 8	51-88

(*) We are working on unifying the criteria for measuring and recording data in the different markets where we operate, in order to inform this material topic in accordance with the GRI standards in a consolidated manner, in successive reports, but we can guarantee regulatory compliance associated with this topic in all countries where we have operations.

8.1 | GRI CONTENT INDEX

GRI Standard		Content	Page or Reference	Omissions	SDG	Targets
LOCAL COMMUNITIES						
GRI 103- MANAGEMENT APPROACH (2016)						
103-1		Explanation of the material topic and its Boundary	Page 49			
103-2		The management approach and its components	Page 49			
103-3		Evaluation of the management approach	Page 49			
GRI 413- LOCAL COMMUNITIES THEMATIC CONTENTS (2016)						
413-1		Operations with local community engagement, impact assessments, and development programs	Pages 46 and 49			
CUSTOMER HEALTH AND SAFETY						
GRI 103- MANAGEMENT APPROACH (2016)						
103-1		Explanation of the material topic and its Boundary	Pages 54 and 57			
103-2		The management approach and its components	Pages 54 and 57			
103-3		Evaluation of the management approach	Pages 54 and 57			
GRI 416- CUSTOMER HEALTH AND SAFETY THEMATIC CONTENTS (2016)						
416-1		Assessment of the health and safety impacts of product and service categories	Pages 54 and 57			
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 54 and 57		16	16.3

8.2 | SASB CONTENTS INDEX (*)

CODE	ACCOUNTING METRIC	Page or Reference
Energy Management		
FB-RN-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Page 69
Water Management		
FB-RN-150a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Page 75
Food & Packaging Waste Management		
FB-RN-250a.1	(1) Total amount of waste, (2) percentage food waste, (3) percentage diverted	Page 57
FB-RN-250a.2	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, (3) percentage that is recyclable, reusable, and/or compostable	Page 57
FB-RN-250a.3	Número de ocorrências confirmadas de doenças transmitidas por alimentos, porcentagem que resulta na investigação dos Centros para Controle e Prevenção de Doenças dos Estados Unidos (CDC).	Page 60

(*) Sector: Food and Beverages, Industry: Restaurant, version 2018 this theme in all the countries where we have operations.

8.2 | SASB CONTENTS INDEX

CODE	ACCOUNTING METRIC	Page or Reference
Nutritional Content		
FB-RN-260a.1	(1) Percentage of meal options consistent with national dietary guidelines, (2) revenue from these options	Page 54
FB-RN-260a.2	(1) Percentage of children's meals options consistent with national dietary guidelines for children, (2) revenue from these options	Page 55
FB-RN-260a.3	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	Page 55
Supply Chain Management & Food Sourcing		
FB-RN-430a.1	(1) Percentage of food purchased that meets environmental and social sourcing standards, (2) percentage of food purchased that is certified to third-party environmental and/or social standards	Page 68
FB-RN-430a.2	(1) Percentage of eggs that originated from a cage-free environment, (2) percentage of pork that was produced without the use of gestation crates	Page 63
FB-RN-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Page 63
ACTIVITY METRICS		
CODE	ACTIVITY METRIC	CODE
FB-RN-000.A	(1) Number of company-owned restaurant, (2) number of franchise restaurants	Page 6
FB-RN-000.B	(1) Number of employees at company-owned locations, (2) number of employees at franchise locations"	Page 6



Thank you!

Social Impact and Sustainable Development Report

2020 LATIN AMERICA AND THE CARIBBEAN

