



Social impact and sustainable development Report 2023





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Welcome message

Since the beginning of Arcos Dorados, we have always maintained a business conduct aligned with our values and beliefs. Ten years ago, when socio-environmental issues were still incipient on the strategic agenda of companies, we decided to start organizing and voluntarily reporting all the initiatives and commitments we had with the planet, and for the development of people and their communities.

Supported by our deep sense of transparency and, above all, guided by the purpose of "Making every day an opportunity to feed people and build dreams," we share in this, our tenth report, concrete and audited data of everything we did throughout the year 2023 to make a real difference in society at large, while continuing to inspire others by example.

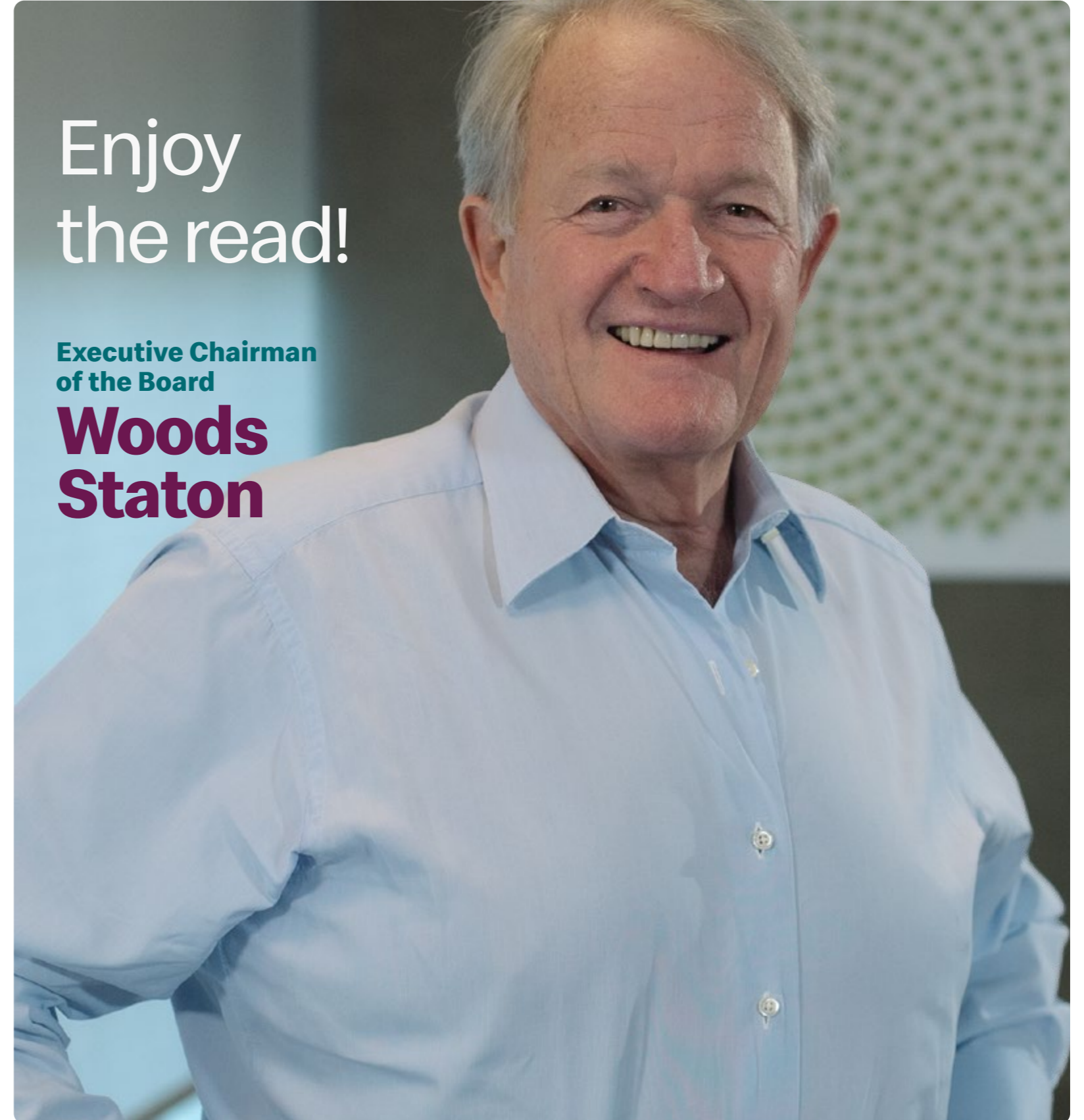
In 2023, as in previous years, we achieved significant progress in our Recipe for the Future. Among them, and one that we are proud to highlight for its direct impact on people's lives, was continuing to prepare young people in the region for their future. We generated more than 67 thousand job opportunities, increased average training hours for our employees by 32%, and trained our strategic leaders in environmental, social, and governance issues, among several other initiatives.

Additionally, we consistently advanced in the other pillars of our socio-environmental strategy by promoting the development of local suppliers and thus contributing to regional and national economies while deepening circular economy actions and managing our climate impact. A clear demonstration that it is possible to expand operations sustainably and responsibly.

These milestones were possible thanks to the daily dedication of the over 100 thousand highly talented employees of Arcos Dorados who represent the great diversity of Latin America. Their differences enhance the best in each one of us and all of us as a team, enriching us, uniting us, and empowering us to achieve all the goals we set for ourselves.

When I look back on the last ten years and review what we have been doing to impact the evolution of society, assuming and fulfilling commitments that positively contribute to our employees and the communities near our restaurants, I am filled with pride.

But, I am even more excited and motivated to know that we are prepared as a company for everything that lies ahead on this important and endless journey.



Enjoy
the read!

Executive Chairman
of the Board

**Woods
Staton**



About this Report





This is our 10th Social Impact and Sustainable Development Report, representing Arcos Dorados' commitment to transparency and accountability.



Standard guidelines

The report has been elaborated in accordance with the Global Reporting Initiative Universal Standards 2021. Additionally, the Sustainability Accounting Standards Board (SASB) Materiality Map was used to report the relevant indicators related to the restaurant industry.

This year represents a significant milestone for Arcos Dorados as we proudly present our 10th Report. It encapsulates the journey of our sustained efforts and highlights the strides we've taken to integrate responsible practices into our operations — a reflection of a decade of progress and commitment to transparency and sustainability.

The Report covers activities from January 1 to December 31, 2023. During this period, the company did not undergo relevant organizational changes that affect comparability. The company has established an annual reporting period for its reports. The previously released report corresponds to the 2022 fiscal year. Ernst and Young (EY) conducted a verification of specific indicators throughout the report.

Regional scope

Our Report covers the operations of our three geographic divisions:

BRAZIL

SOUTH LATIN AMERICAN DIVISION (SLAD)

Argentina, Aruba, Curaçao, Chile, Colombia, Ecuador, Peru, Trinidad & Tobago, Uruguay, Venezuela

NORTH LATIN AMERICAN DIVISION (NOLAD)

Costa Rica, French Guiana, Guadeloupe, Martinique, Mexico, Panama, Puerto Rico, St. Croix, St. Thomas.




Stakeholder engagement

Stakeholder engagement is a cornerstone of our commitment to responsible business practices. By embracing open and transparent communication, we strengthen relationships, enhance our social license to operate, and ultimately contribute to a more sustainable and resilient business model.

Engaging with stakeholders is a strategic imperative. By actively involving our stakeholders in the decision-making processes, we gain valuable insights, identify potential risks and opportunities, and build trust. This collaborative approach ensures that our actions are aligned with the expectations of those who are directly or indirectly affected by our operations.

We conduct an internal process to identify and select our stakeholders based on interaction criteria and business impact. We have dialogue mechanisms to encourage each stakeholder group's participation.

Stakeholder 	Engagement purpose	Engagement mechanisms
Shareholders, financial entities	Transparent results reporting, at least quarterly, and collection of feedback regarding our performance.	Annual General Meeting. Financial Statements. Form 20-F Annual report. Form 6-K Quarterly reports. Investor Outreach & Events. Equity research analyst outreach. Social Impact and Sustainable Development Report. Arcos Dorados website. Social media channels. Recipe for the Future website. Materiality Assessment.
Subfranchisees	Transparent results reporting, at least quarterly, and collection of feedback regarding our performance.	Annual General Meeting. Financial Statements Form 20-F Annual report. Form 6-K Quarterly reports. Investor Outreach & Events. Equity research analyst outreach. Social Impact and Sustainable Development Report. Arcos Dorados website. Recipe for the Future website. Social media channels. Materiality Assessment.
Guests	Offering the best menu and restaurant experience.	Tell us how we did. Open Doors. Social Impact and Sustainable Development Report. Customer Service Line. Arcos Dorados website. Recipe for the Future website. Social media channels. Materiality Assessment. Digital channels such as the App
Arcos Dorados personnel	Building the best place to work.	Work climate surveys. Local Instagram channels. Corporate social network. Meetings. Mailings. Open Doors. Social Impact and Sustainable Development Report. Recipe for the Future website. Social media channels. Materiality Assessment.
Supplier or distributor	Developing a responsible value chain.	Audits. Supplier meetings. Supplier Portal. Open Doors. Social Impact and Sustainable Development Report. Arcos Dorados website. Recipe for the Future website. Materiality Assessment.
Community (neighbor or NGO representative)	Giving back with opportunities for development and growth.	Tell us how we did. Open Doors. Social Impact and Sustainable Development Report. Arcos Dorados website. Recipe for the Future website. Social media channels. Materiality Assessment.
Government entities	Transparent results reporting and building partnerships that contribute to sustainable development.	Government Relations. Public/Private partnerships. Financial Statements. Form 20-F Annual report. Form 6-K Quarterly reports. Social Impact and Sustainable Development Report. Arcos Dorados website. Social media channels. Materiality Assessment.



Materiality Process

In accordance with the 2021 Universal Standards of the Global Reporting Initiative, the contents of this report reflect our most significant impacts on the economy, environment, and society.

To identify the material topics for our organization, we draw insights from the materiality exercise conducted in 2022.

#	Material topic 
1	Youth employment
2	Packaging and recycling
3	Food safety
4	Diversity and inclusion
5	Responsible digital experience
6	Health and safety of our people
7	Culture and work environment
8	Nutrition and responsible marketing
9	Human Rights and fair labor practices
10	Responsible resource management
11	Responsible sourcing
12	Supporting the local community
13	Climate change
14	Ethics, integrity and the fight against corruption
15	Sustainable and deforestation-free livestock raising

Recipe for the Future pillar

Youth Opportunity

Circular Economy

Commitment to Families

Diversity and Inclusion

Commitment to Families

Youth Opportunity

Diversity and Inclusion

Commitment to Families

Youth Opportunity

Climate Change

Sustainable Sourcing

Commitment to Families

Climate Change

Governance

Sustainable Sourcing





Who we are





Our Purpose

Big news! In 2023, we've got a whole new vibe! We introduced our updated purpose, pushing us to go the extra mile while staying true to our roots. Since 2007, we've held the master franchise rights for McDonald's across 20 Latin American and Caribbean countries.

This fresh purpose shines a spotlight on our top priority: Making things happen, serving quality products and keeping a keen eye on the entire value chain, from farm to table.

But we're also expanding our horizons, generating opportunities every day. At Arcos Dorados we make things happen by making room for development, allowing people to forge more prosperous paths for themselves, the Company and the environment.

**Our purpose is
to make every day
an opportunity to
feed people and
build dreams.**





Let's break down our purpose into four juicy parts:

Making

This is a carefully chosen word, because we are convinced about our responsibility to make the right things happen to help transform our communities and transform people's lives. We have a unique opportunity to continue making this happen, and we will.

Every day

Every moment is a chance to learn, act, and evolve into the best version of ourselves. It's innovation and evolution, one step at a time.

Feeding people

We're not just serving meals; we're crafting unforgettable experiences for millions of guests on a daily basis. It's about going beyond a meal and making each bite an adventure.

Building dreams

Our vision, talent, and teamwork are the secret sauce to our ongoing historical journey. Arcos Dorados isn't just a company; it's a huge family of employees, franchisees, and suppliers, each with their own stories and dreams, all converging in a shared purpose.



Recipe for the Future

We're turning this purpose into a recipe for a brighter tomorrow. Scale and leadership are our secret ingredients, and it's said that with great power comes great responsibility. That's why we've come up with a special recipe for success, our Environmental, Social, and Governance (ESG) platform — the Recipe for the Future. Six action-packed pillars and 13 commitments, all designed to let our impact sizzle and pop in the most positive way possible.

Our focus goes beyond the day-to-day of the business; it's about creating harmony between people, and the planet. We take the lead in ensuring community well-being, serving up not just food, but nutritional menus for families. And because we believe in the power of dreams, we're creating opportunities for young people, fostering a sustainable supply chain, and minimizing our environmental footprint.

[Recipe for the Future Website](#)

The pillars of our strategy

1

YOUTH OPPORTUNITY

We offer thousands of young people the opportunity to train for their future careers and gain their first formal job experience.



2

COMMITMENT TO FAMILIES

We serve menu options to meet evolving needs and support initiatives that improve families' quality of life.



3

DIVERSITY AND INCLUSION

We foster a diverse workplace that encourages respect and welcomes the participation of all people.



4

SUSTAINABLE SOURCING

We promote animal welfare among our suppliers and procure ingredients produced with responsible environmental practices.



5

CLIMATE CHANGE

We implement initiatives to reduce the impact of our operations on the environment.



6

CIRCULAR ECONOMY

We seek solutions that eliminate or reduce waste and maximise the recycling of materials in our value chain.





Our value chain

From the origin of the products to the communities near our restaurants, our Recipe for the Future commitments reach every link of the value chain. And we do it with the same purpose: making every day an opportunity to feed people and build dreams.

1 — Suppliers

Food

Our menu's main ingredients:

- Beef
- Chicken
- Potatoes
- Bakery
- Coffee
- Dairy products
- Vegetables

224

suppliers



Paper and packaging

Materials for delivering, transporting, and caring for the food we serve our guests.

63

suppliers

Distribution centers

Sites where our logistics partners store and distribute products for the restaurants.

28

distribution centers



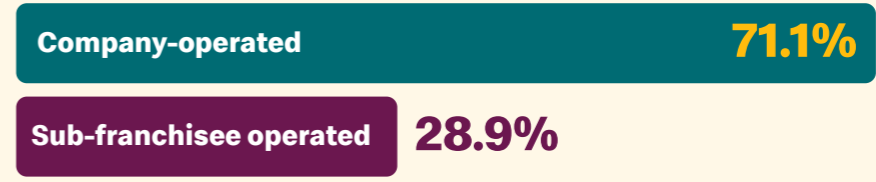
2 — Operations

Restaurants

Safe and comfortable spaces to choose and enjoy people's favorite meal.

2,361

restaurants
49+ vs 2022



Team

People who turn each day into an opportunity to feed others and build dreams.

100,795
employees
+7.5% vs 2022

Women **56%**

Men **44%**

3 — People

Guests

For individuals or families choosing our menu in-store, for drive-thru, delivery, or through our digital platforms.

+4 million
guests per day

Menu

High-quality and iconic items: Hamburgers, Chicken sandwiches, Happy Meal, Beverages, Fries and side dishes, Desserts, McCafé.

USD

4.3
billions
in total revenue
+19.7% vs 2022

Community

Going beyond our guests: our commitment also extends to the people living near our restaurants.




559,781
training opportunities
and first time
formal jobs
Created in 2023





ESG ratings

We track assessments from ESG rating agencies to stay abreast of changing industry standards. This helps us assess the effectiveness of our existing programs and devise ongoing improvement strategies. Each agency examines our initiatives, determining the level of risk we face, our ability to respond, and our progress toward sustainable development.

RANKING	DESCRIPTION	SCORE
 SUSTAINALYTICS	Measures a company's exposure to industry-specific material ESG risks and how well they manage them.	28.4
 MSCI	Measures a company's management of financially relevant ESG risks and opportunities.	B
 CDP DISCLOSURE INSIGHT ACTION	Assesses and scores across four consecutive levels, which represent the steps a company takes as it progresses toward environmental stewardship.	<p>Forest Program</p> <p>B- Cattle products B- Soy products</p> <p>B Timber products</p> <hr/> <p>Climate Change Program</p> <p>B-</p> <hr/> <p>Water Security Program</p> <p>C</p>

Leading industry players

Tackling our industry's challenges requires a unified and coordinated effort. That's why we participate in collaborative forums, providing a platform to exchange success stories and align initiatives with industry peers. As staunch advocates, we proudly lend our support and active participation to various initiatives, including:

- Argentine Roundtable for Sustainable Beef (MACS), Argentina
- Brazilian Roundtable on Sustainable Livestock (GTPS), Brazil
- Uruguayan Roundtable for Sustainable Beef (MUCS), Uruguay
- Business Commitment for Recycling (CEMPRE), Chile
- Business Commitment for Recycling (CEMPRE), Uruguay
- Business Council for Sustainable Development (CEADS), Argentina
- Carbon Disclosure Project (CDP)
- Companies for Sustainable Development (DERES), Uruguay
- Extended Producer Responsibility (ANDI), Colombia
- Vision 30/30 (ANDI), Colombia



Sustainability Linked Bond

In April 2022, we took a big step toward achieving our environmental commitments by issuing the first sustainability-linked bond (SLB) for a restaurant company in Latin America, setting a higher standard for our entire value chain.

With this SLB, we achieved a regional milestone, becoming the first Latin American company in our industry to align its financing strategy with sustainable development goals aimed at reducing carbon emissions across our operations and supply chain.

These types of bonds are financial instruments designed to hold issuers accountable for meeting specific Environmental, Social and Governance targets, assessed through key performance indicators. Our bond is structured with two sustainability performance targets): a 15% absolute reduction in greenhouse gas emissions for scope 1 and 2 by 2025 and a 10% reduction in greenhouse gas emission intensity across our supply chain by 2025, both compared to our 2021 baseline.





Corporate governance guidelines

Arcos Dorados' corporate governance is shaped by the directives of our Board of Directors and adhered to by our Leadership Team.

From the top down we're committed to pursuing our purpose.

The Board of Directors plays a pivotal role in overseeing both the strategic trajectory and management of Arcos Dorados. Assuming direct responsibility for economic, environmental, and social decision-making, the board seeks counsel and support from various committees. Comprised of eleven members, including seven independent directors, the Board reflects diverse disciplines, industries, and backgrounds.

Tasked with the management and representation of the Company, our Leadership Team comprises seventeen skilled professionals. This cohesive team boasts extensive expertise spanning product development, real estate development, supply chain management, operations, finance, environmental sustainability, social responsibility, governance, marketing, legal affairs, human resources, communications, information technology, and training, among others..

Many team members bring years of experience in the food industry, with a significant number having a longstanding association with Arcos Dorados and McDonald's operations in Latin America and the Caribbean. The Vice President of Social Impact and Sustainable Development, a key member of the Leadership Team, assumes executive-level responsibility for environmental and social matters, a role reinforced by his approval of this report.





Board of Directors committees

Audit Committee

Composed of three independent directors, it assists the Board of Directors in external auditing, internal control, financial information, and communications to third parties.

Compensation and Nomination Committee

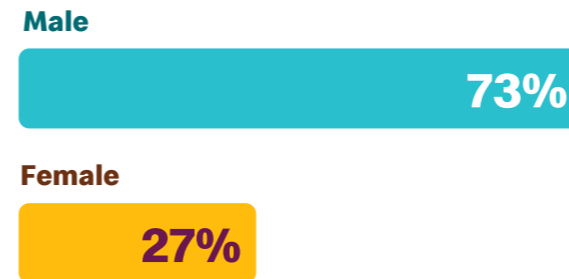
Composed of three directors, it assesses and approves corporate goals and objectives related to remuneration, executive performance, long-term incentive components of compensation, and executive compensation.

Finance Committee

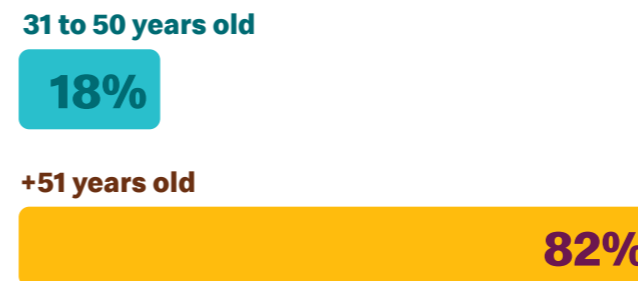
Composed of three directors, it assists the Board of Directors in fulfilling its responsibility to shareholders concerning best practices, policies, and strategies related to Arcos Dorados's financial affairs, among others.

Board of Directors composition

DISTRIBUTION BY GENDER



DISTRIBUTION BY AGE

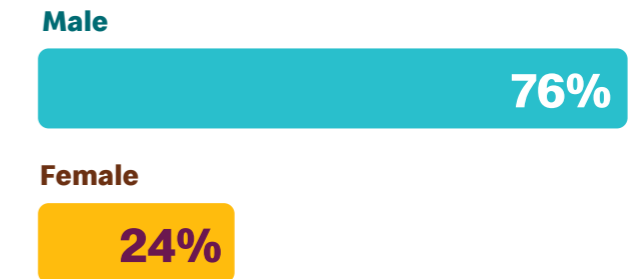


DISTRIBUTION BY REGION

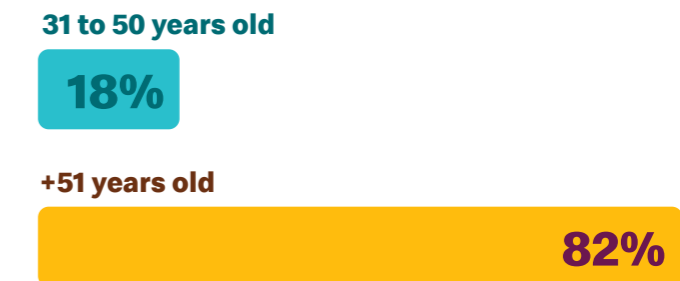


Leadership Team composition

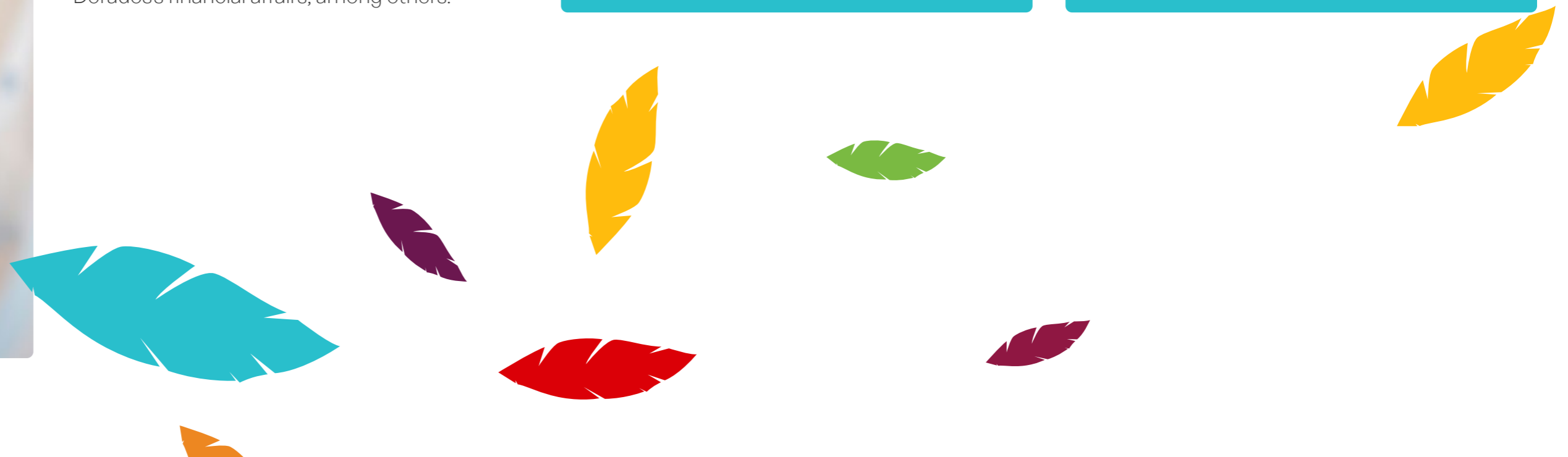
DISTRIBUTION BY GENDER



DISTRIBUTION BY AGE



DISTRIBUTION BY REGION





Responsible business conduct

Our primary reference for guiding responsible business behavior among all Arcos Dorados employees is the Standards of Business Conduct. Approved and adopted by the Board of Directors of Arcos Dorados Holdings Inc., this document applies universally: all the way from employees with temporary contracts to Company Directors. These standards serve as a compass for our legal obligations and ethical commitments, embodying fundamental principles of conduct that reflect our policies. They offer explicit guidance to assist us in making sound decisions on a day-to-day basis.

The Ethics Committee is responsible for overseeing the enforcement and adherence to these standards, defining disciplinary measures, and addressing complaints and potential risks. This oversight is supported by the Corporate Internal Audit and Legal Departments, which provides counsel on all matters related to the standards.

We are dedicated to upholding ethical and equitable business practices for the benefit of our guests, employees, suppliers, and the community.

The Standards of Business Conduct function as benchmarks for our interactions, commitments, and due diligence processes concerning our stakeholders. Regarding our guests, we are resolute in delivering safe, high-quality products and practicing responsible marketing. The standards articulate a commitment to respecting human rights, fostering diversity and inclusion, and ensuring a safe workplace. Ultimately, they emphasize our duty to contribute positively to our communities.

These commitments are reinforced by a comprehensive set of policies that engage each of our stakeholders. In this Sustainability Report, we provide information on the progress and results of the commitments made in those policies.

Throughout the reporting period, we evaluated our operations for corruption-related risks. Ernst & Young (EY), an external auditing firm, audited the company's controls, as disclosed in its Form 20-F. In 2023, there were no reported incidents of corruption, and the company faced no legal actions related to anti-competitive behavior, anti-trust, or anti-monopoly legislation.

¹ Document for internal use.

Corporate policies

ARCOS DORADOS' POLICIES

- **Standards of Business Conduct**
- **Safe and Respectful Workplace Policy**
- Safety and Health Policy¹
- Information Security Policy¹
- Social Media Policy¹
- Donation Policy¹

MCDONALD'S CORPORATE POLICIES WE ADHERE TO

- **Supplier Code of Conduct**
- Deforestation-Free Beef Procurement Policy¹
- **Global statement of principles against discrimination, harassment, and retaliation**
- **Global statement of principles on workplace violence prevention**

[More Policies here](#)

Conflicts of interest

We prioritize the long-term well-being of Arcos Dorados, acting with a focus on collective benefit. Employees are obligated to abstain from exploiting opportunities, driven by personal gain, that arise when utilizing corporate assets and information or leveraging their positions within the company.

Every member of the Arcos Dorados team bears the responsibility of promptly disclosing any existing or potential conflict of interest and adhering to specified conditions designed to manage or eliminate potential conflicts. Our Ethics Line serves as the point of contact to report this type of incident. These conditions may necessitate actions such as relinquishing involvement in decision-making for Arcos Dorados or disengaging from external interests that give rise to conflicts.



Business conduct training

Every year, we complete the online Standards of Business Conduct course, created with the aim of keeping our Staff and Leadership Team updated on the standards and values we promote at Arcos Dorados.

The main topics covered in the course include our Standards of Business Conduct, anti-corruption, and anti-money laundering, specifically those laws (FCPA/OFAC) mandated for a company listed on the New York Stock Exchange (NYSE). We also presented the Annual Certification of Business Conduct Standards, which serves as a declaration that we must adhere to these standards as a public company. The course and the certification are mandatory.

Our company also implemented the Brand Standards Program to ensure the ethical conduct of all our team members. It is mandatory for all our employees and must be completed within the first 3 months after joining the company. It consists of three courses: “Building a safe, respectful and inclusive workplace,” providing employees with tools to promote a diverse and inclusive environment free from discrimination, harassment, and retaliation; “Unconscious biases,” educating employees on various biases and their impact on decisions and business outcomes; and “Workplace violence prevention,” aimed at training employees on key topics to protect them, customers, and the McDonald’s brand from workplace violence.

STANDARDS OF BUSINESS CONDUCT’S COURSE AND CERTIFICATION

	CORPORATE		SLAD		NOLAD		BRAZIL	
	Q	%	Q	%	Q	%	Q	%
Leadership Team	16	100%	-	-	-	-	-	-
Staff ¹	426	92%	780	83%	558	76%	744	84%

BRAND STANDARDS PROGRAM SCOPE

Brand Standards	CORPORATE		SLAD		NOLAD		BRAZIL	
	Q	%	Q	%	Q	%	Q	%
Leadership Team	16	100%	-	-	-	-	-	-
Staff	377	81%	866	92%	720	98%	689	78%
Operations-business/ restaurant manager & management team	-	-	4,205	90%	3,947	97%	5,334	86%
Crew members	-	-	33,870	88%	21,343	96%	26,761	89%
Total	-	-	38,941	88%	26,010	96%	32,784	88%

¹ Excluding Leadership Team.





Upholding human rights

The Standards of Business Conduct underscore our commitment to upholding and respecting fundamental human rights for all individuals. Through our policies and initiatives, we ensure the adherence to this principle across three pivotal stakeholders: employees, suppliers, and communities.

Safeguarding human rights and fostering respectful workplaces are key to preserving our brand's integrity and our employees' well-being. We are aligned with McDonald's Corporation's Human Rights Policy, based on the Universal Declaration of Human Rights and with the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the principles articulated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Ensuring a safe and respectful workplace, where individuals feel at ease and protected, is crucial for the success of our business. **That's why we have developed a mandatory e-learning program** aimed at addressing harassment, discrimination, and violence within our restaurants. This course facilitates safe interactions by drawing on real-life scenarios, providing tools for engaging with guests, and offering techniques for managing incidents of violence within our restaurants and offices. All new employees are required to complete this training, and once concluded, they must sign a certification form indicating their understanding of the topics addressed.

We also take responsibility for the goods and services we procure. **To ensure our suppliers align with our values and operational standards, they are required to sign and adhere to the Supplier Code of Conduct. This document outlines our core values and principles of conduct related to human rights, encompassing freedom of association, employment practices, fair treatment, and anti-discrimination.**

Consequently, we subject all our food, packaging, distribution, and some marketing suppliers to the Social Workplace Accountability (SWA) audit, which includes a module on Human Rights and Labor Standards, covering issues such as involuntary, prison, forced, and underage labor.

In all contracts with non-governmental organizations (NGOs) involved in our community programs, we incorporate a Human Rights clause. This clause encompasses, among other elements, the right to freedom of association, the absence of child and forced labor, and a commitment to avoiding distinctions, exclusions, restrictions, or preferences based on gender, race, religion, or age.

100%
of new suppliers
signed the
Supplier Code
of Conduct

253
suppliers
were audited
with SWA





Ethics Line

The Ethics Line serves as an impartial and formal means of reporting potential fraud or corruption. Its objective is to facilitate internal communication regarding possible irregularities while maintaining the confidentiality of information and the anonymity of the complainant.

Resguarda, a third-party provider, manages and oversees the complaint process. It handles the reception and monitoring of all allegations through the Company's website, facilitating investigations by the Internal Audit Department to ensure a proper resolution to the complaints. The Ethics Committee is promptly informed of every potential irregularity.

 resguarda.com/arcosdorados

 **0-800 free by country**

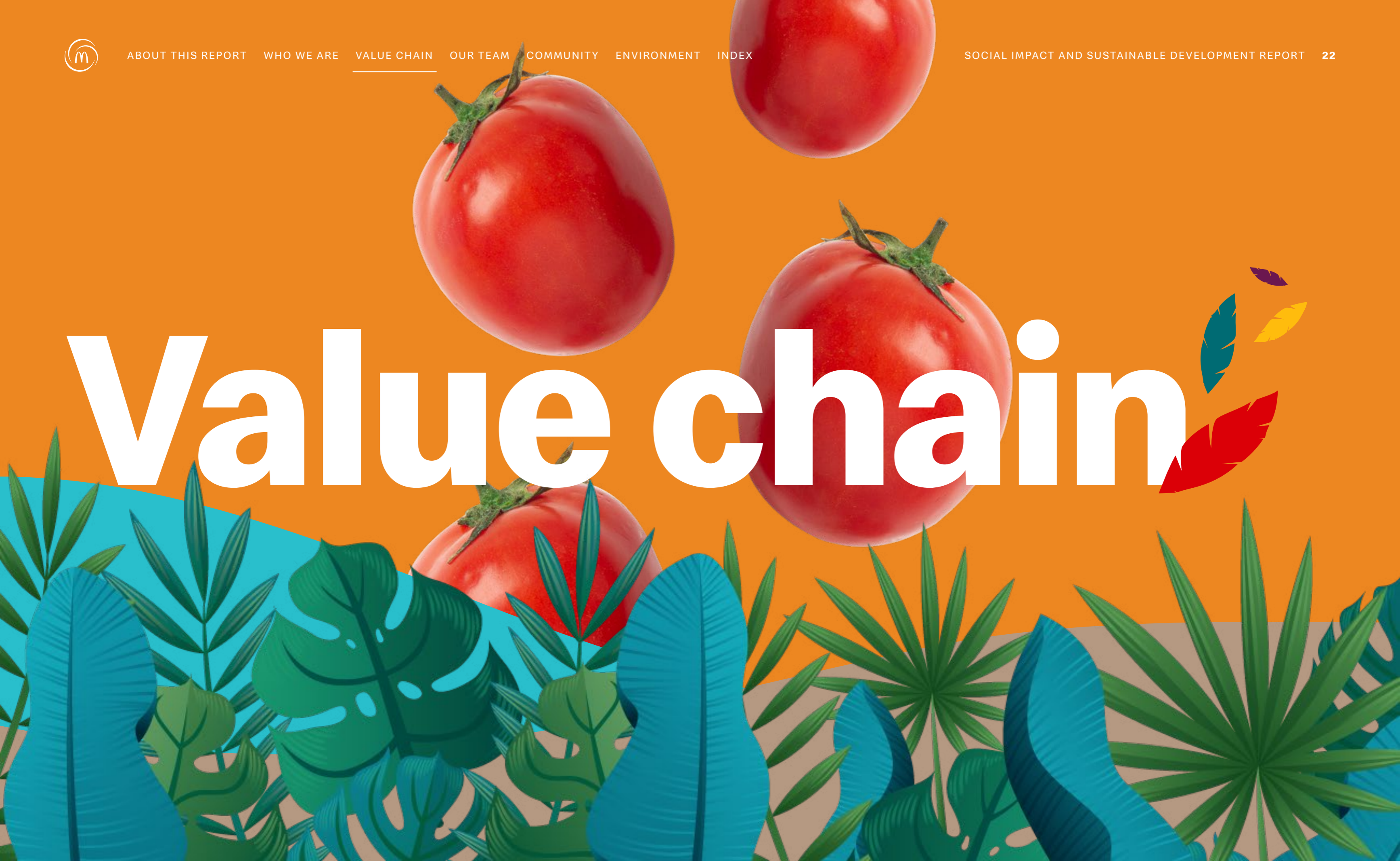
 **country-customized**



Honoring human rights isn't just an ingredient in our recipe; it's the special seasoning in our purpose to feed people and build dreams.



Value chain





Open Doors

To provide transparency and share insights into our culinary processes, Arcos Dorados has opened the doors for everyone to step behind the scenes and explore our kitchens—it's Open Doors season!

Open Doors aims to showcase the meticulous preparation of the world's most famous menu, shedding light on the quality of our ingredients, their origins, and the dedicated efforts of our restaurant team. It's an opportunity for guests to gain a comprehensive understanding of the work that goes into ensuring the safety, hygiene, and exceptional quality of the ingredients used in our iconic dishes.

50,195
guests
completed the
satisfaction survey after
visiting our kitchens

98%
of guests reported a significant
improvement in their perception
and evaluation of the brand
after the visit



From source to experience

From the origin of our ingredients to our digital experiences, we consistently strive for excellence.

We prioritize quality in everything we do, offering safe, great-tasting food, which begins with the care we put into managing our highly localized supply chain. We trace the origins of our main ingredients, prioritizing the use of fresh and local products. All processes within our supply chain are aligned with our core values and either meet or exceed international best practices.

Our Integrated Management System in the supply chain ensures the highest standards for quality and food safety. It also empowers us to implement local and regional sourcing strategies for a competitive edge. The Supply Chain team plays a crucial role in managing the environmental and social responsibilities of our suppliers.

Contributing to the socioeconomic development of the region, we actively promote local supply chains whenever possible. The development of local suppliers fosters employment, innovation, and the improvement of good agricultural and

manufacturing practices. This, in turn, contributes to the growth of local economies, industries, and standards, optimizing the potential of our local suppliers.

Every day, we create opportunities and weave new stories into the fabric of the communities we serve, mobilizing development prospects that lead to prosperity for people and their environments.

Our value proposition adapts to the evolving expectations and preferences of our guests. We are dedicated to offering a nutritious menu that promotes the well-being of families through responsible, enjoyable, and authentic dining experiences.





Reaching the source

315

suppliers operating

Distribution by type



224
Food

63
Paper and packaging

28
Distribution centers

Local purchase¹ ✓



BRAZIL



SLAD



NOLAD



¹ Guadeloupe and Martinique: products received from France are considered as local. USVI and Puerto Rico: products received from the United States are considered as local.



Supply chain compliance

We actively participate in and supervise our supply chain, cultivating excellence through our holistic approach to production and service management.

To guarantee that our suppliers act in alignment with our values and operating standards, we require them to annually agree to and sign the Supplier Code of Conduct (CoC), a commitment designed and shared with McDonald's Corporation. Managed on a platform provided by McDonald's Corporation, it incorporates our core values and principles of conduct in four fundamental areas:

HUMAN RIGHTS

Outlines the guidelines based on the UN Declaration of Human Rights, covering freedom of association, employment practices, fair treatment, and anti-discrimination, among others.

WORKPLACE ENVIRONMENT

States that suppliers shall ensure that all workers receive communication and training on emergency planning and safe work practices.

ENVIRONMENTAL MANAGEMENT

Specifies that suppliers are responsible for managing, measuring, and minimizing the environmental impact of their facilities.

BUSINESS INTEGRITY

Covers performance reviews, anti-bribery, confidentiality, among others.

We adhere to McDonald's Corporation policies and standards, promoting supplier development in quality and food safety. Complying with the International Organization for Standardization (ISO), the standards of the British Retail Consortium (BRC), and local regulations, we're members of the Global Food Safety Initiative (GFSI) encouraging global standards adoption.

Suppliers undergo third-party audits for compliance, enhancing environmental and social performance. In 2023, we introduced monthly Scorecards for Supply Chain-managed suppliers to track and improve their performance in diverse areas. In the period covered by this report, 41 audits revealed non-compliance. 12 were resolved through action plans and re-audits. At the end of this report, the other 29 were undergoing audit processes.



"We don't want to, nor can we, transform the world alone. As a Coca-Cola team, we understand that to fulfill our purpose of refreshing the world and making a difference, we need to multiply our efforts, and that is only possible when we come together. That's why working hand in hand with Arcos Dorados strengthens our aspiration to be a positive force in the region and the world. Together, we can reach all the unstoppable Latin Americans who strive every day for a more sustainable future. So, the invitation is to continue building together, thinking globally and acting locally to bring true magic to every corner where we operate."

Sergio Londoño
VICE PRESIDENT OF PUBLIC AFFAIRS, COMMUNICATIONS, AND SUSTAINABILITY
Coca-Cola Latin America



"At Martin Brower, we are excited to have the opportunity to collaborate with our client, Arcos Dorados, on global projects that significantly amplify ESG principles. These projects encompass initiatives ranging from carbon footprint reduction and social projects to reverse logistics strategies, contributing to the building of a more sustainable and responsible future. In 2023, we undertook projects together that had a positive impact, such as the pilot project for reverse logistics of uniforms, ensuring a circular economy for these products; donation of 77 tons of food and social actions such as the Charity Golf Tournament and the Ronald McDonald Institute Gala Dinner. Additionally, at Arcos' most sustainable store, we made deliveries using 100% electric vehicles. This partnership not only reinforces our commitment to logistic efficiency and the entire supply chain but also demonstrates the essential role of sustainable innovation in our strategy."

Alessandro Rios
MANAGING DIRECTOR
Martin Brower, Brazil



Business audits required of our suppliers

SOCIAL WORKPLACE ACCOUNTABILITY (SWA)

Focusing on food, packaging, distribution centers, marketing, and uniform suppliers, it mandates an annual online self-assessment. McDonald's Corporation determines third-party audits based on the prior year's result. It covers business integrity, human rights, labor standards, workplace environment, and environmental management. No critical human rights incidents have been recorded in the last three years. This applies to all Arcos Dorados countries except for Venezuela.

SUPPLIER QUALITY MANAGEMENT SYSTEM (SQMS)

Outlines McDonald's food safety and quality compliance expectations. The annual audit assesses a supplier's implementation of food safety management systems, ensuring high-quality food production with proper documentation. Applies to all food suppliers.

GOOD MANUFACTURING PRACTICES AUDIT (GMP)

Ensures good manufacturing practices among high-risk suppliers. It evaluates food production, processing, and storage to ensure safe and sanitary conditions. This unannounced annual audit is conducted with external auditing firms.

PACKAGING QUALITY MANAGEMENT SYSTEM (PQMS)

Sets McDonald's expectations for packaging supplier quality management, aligned with the BRC standard. This program evaluates all aspects of product quality and safety, including facility and personnel management, through an annual external audit.

DISTRIBUTION QUALITY MANAGEMENT PROGRAM (DQMP)

Assesses the distribution centers' ability to follow proper storage practices, ensuring compliance with defined requirements and all applicable laws and regulations. This program undergoes an annual evaluation conducted by external auditing firms.



FACILITIES & AUDITS

	Audits		Opportunities found		Improvements agreed		Terminated relationships		New audits	
	Q	%	Q	%	Q	%	Q	%	Q	%
SWA	253	100	39	15,4	10	25,6	0	-	12	100
SQMS	237	100	0	0	0	0	0	-	19	100
PQMS	65	100	0	0	0	0	0	-	0	-
GMP	102	100	0	0	0	0	0	-	0	-
DQMP	27	100	2	7,4	2	100	0	-	0	-

*Excludes Venezuela, which is considered an exception market



Priority commodities

We prioritize sustainably sourced raw materials, applying international certifications for traceability, responsible production, and socio-environmental management. Our direct suppliers trace their raw material suppliers for sustainable sourcing and compliance. Chicken and beef suppliers sign an affidavit declaring the origin of raw materials, aligning with our commitments. All suppliers sign an affidavit disclosing if they use palm oil as a direct ingredient. In the event they do, the oil must carry the proper Roundtable on Sustainable Palm Oil (RSPO) certificates.



Beef

100% of beef purchased in Argentina and Brazil from direct supplies is monitored to ensure compliance with the McDonald's Deforestation-Free Beef Procurement Policy (DFBPP) and McDonald's Commitment on Forests.

Countries with regions currently identified as high-deforestation priority regions for beef include Argentina (Chaco biome), Brazil (Amazon and Cerrado biomes). In 2023, just 0.13% of beef did not meet these policies and those suppliers were removed from our supply chain.



Soy (as chicken feed)

100% of soy included in chicken feed, whose origin is declared to be outside the USA, is in scope with the Round Table on Responsible Soy (RTRS) requirement.

Countries with regions currently identified as high-deforestation priority regions for soy include Argentina (Chaco biome), Brazil (Amazon and Cerrado biomes) and Paraguay (Chaco biome).



Palm oil

100% of palm oil used as an ingredient by suppliers is certified under the Roundtable on Sustainable Palm Oil (RSPO) standards.

We do not use palm oil in our restaurants as frying oil, except in Venezuela. We work with our direct suppliers to guarantee that if they use palm oil (declared as a primary ingredient in core products) it is certified under the RSPO standards. Exclusions: Palm oil, palm kernel oil or their derivative used as secondary ingredients in McDonald's products.



Coffee

100% of coffee is certified under the Rainforest Alliance certification, the Fair Trade USA certification, or the Fair Trade International Certification.

Includes all ground and whole bean coffee, including decaffeinated coffee.



Fish

100% sourced from sustainably raised fish stocks. Fish suppliers are responsible for responsibly managing fish stocks, minimizing the impact of fishing and conserving the environment.



Fiber used in primary guest packaging

100% of our suppliers carry Forest Stewardship Council® (FSC) certification or PEFC certification.

Primary fiber-based packaging refers to products that are used to package guest food on premises at McDonald's restaurants. When raw fiber comes from countries with a high risk of deforestation (Argentina, Cambodia, China, Indonesia, Laos, Malaysia, Russia, and Vietnam.), it must be FSC certified exclusively. In Argentina, it must be FSC certified or FSC controlled wood sources with full chain of custody certification.





We participated in the annual RTRS conference

The Round Table of Responsible Soy (RTRS) ensures responsible practices among soy producers, from labor rights to environmental protection. Actively engaged with the origin of soy used in chicken feed, we support responsible soy production through the purchase of RTRS credits.

We took part in the Annual International Conference organized by the RTRS in Brazil. During the conference session we led with one of our chicken suppliers, we addressed the need for transparency throughout the entire supply chain and highlighted the key role played by certification schemes like RTRS.

This approach on soy contained in chicken feed, assures end consumers that they are making a responsible choice. Additionally, we emphasized the importance of responsible production in fostering strong ties with producers.



“At McCain, we believe that the best business is one that incorporates sustainability from its roots. Our purpose of producing food responsibly with the planet means putting agronomy at the forefront of everything we do to ensure healthier soil that leads to more sustainable food sources. It means reducing our climate impact and supporting the communities where we operate. Over the years, we have worked hand in hand with Arcos Dorados to unite forces and bring our commitments towards a common agenda: the development of regenerative agronomic practices to improve crop yields and quality through soil restoration and health, the preservation of biodiversity, and the reduction of the environmental impact of our activities. Sustainability is a collective effort; we are not alone. We are on a journey with our people, our customers, and our farmers towards a sustainable future, so that we can all live on a better planet.”

Diego Peña
MANAGING DIRECTOR SOUTH CONE
McCain

Micaela Uberti
LATAM SUSTAINABILITY MANAGER
McCain





Our commitment to animal health & welfare

Ensuring the health and welfare of animals across our supply chain remains our top priority. We take responsibility by collaborating with our value chain, suppliers, and producers to transition towards a science-based and outcome-driven production model.

We perform audits on 100% of our protein suppliers through our Animal Health & Welfare program (AHW), ensuring adherence to good husbandry practices, and responsible antibiotic use. This program guarantees the humane treatment of animals in accordance with Professional Animal Auditor Certification Organization guidelines. Through annual third-party audits of direct protein suppliers and slaughterhouse facilities, we identify and address potential issues, ensuring the appropriate implementation of animal welfare policies. All audits have been successfully completed.

Arcos Dorados is aligned with McDonald's antibiotic stewardship policy, following World Health Organization (WHO), World Organization for Animal Health (WOAH), and other recognized health entities' guidelines. Our efforts are outlined in McDonald's 2017 Vision for Antibiotic Stewardship, emphasizing responsible antibiotic use across chicken, beef, and pork. In Brazil, we successfully eliminated Highest Priority Critically Important antibiotics from chicken in 2018. Additionally, we actively contributed to McDonald's Antibiotic Policy for Beef, outlining expectations in compliance with local regulations.

With regard to chicken, we adopt an outcome-based, holistic approach to sustainability, placing a strong emphasis on animal well-being while also considering factors such as environmental impact. In Brazil, our largest revenue market, all our chicken is sourced from BRF, one of the world's leading protein suppliers. BRF products adhere to the global **Animal Welfare Made in BRF program**.

As for pork, even though it plays a minor role in our menus, we collaborate with suppliers and producers to develop plans aimed at reducing the use of gestation stalls for sows and promoting alternative group housing.

COMMITMENT

PILLAR

Sustainable Sourcing

Eliminate the use of antibiotics classified as critical to human health (HPCIA) by the WHO from all chicken served in Brazil.

PROGRESS

100%
achieved

Our Animal Health & Welfare program (AHW) standards

76
slaughterhouses
audited

100%
successfully
completed

Protocols	Beef	Chicken	Pork
Animal Health & Welfare Audit Standards	✓	✓	✓
Good Manufacturing Practices	✓	✓	✓
Hazard Analysis Critical Control Point Standard (HACCP)	✓	✓	✓
Traceability Requirements	✓	✓	✓
Bovine Spongiform Encephalopathy (BSE) Firewalls	✓		



Cage-free shell eggs

Cock-a-doodle-doo! Time to rise and shine. And what better way to do it than with a delicious breakfast at our restaurants? It's the only menu that's eggstra special, among other tasty ingredients. We whip it up with our Recipe for the Future, pledging to source 100% cage-free shell eggs by 2025.

In 2023, we achieved a cage-free system for shell eggs in the **Brazil, Costa Rica, Colombia, and Peru markets**. The rest of the countries are just in the process of catching up—talk about a glow-up, showing significant progress in just one year!

Transitioning to cage-free shell eggs is a commitment to improving husbandry of laying hens at farm level. We support improving the health and welfare of farm animals in our supply chain, with enough space to show their natural behaviors, such as dust bathing and perching, among others. That's the kind of egg-cellence we're all about!

4
countries boast
sourcing of 100%
cage-free shell eggs

COMMITMENT

PILLAR
Sustainable Sourcing

Transition to sourcing cage-free shell eggs by 2025.

PROGRESS

16.1%



The Deforestation-Free Beef Procurement Policy in action

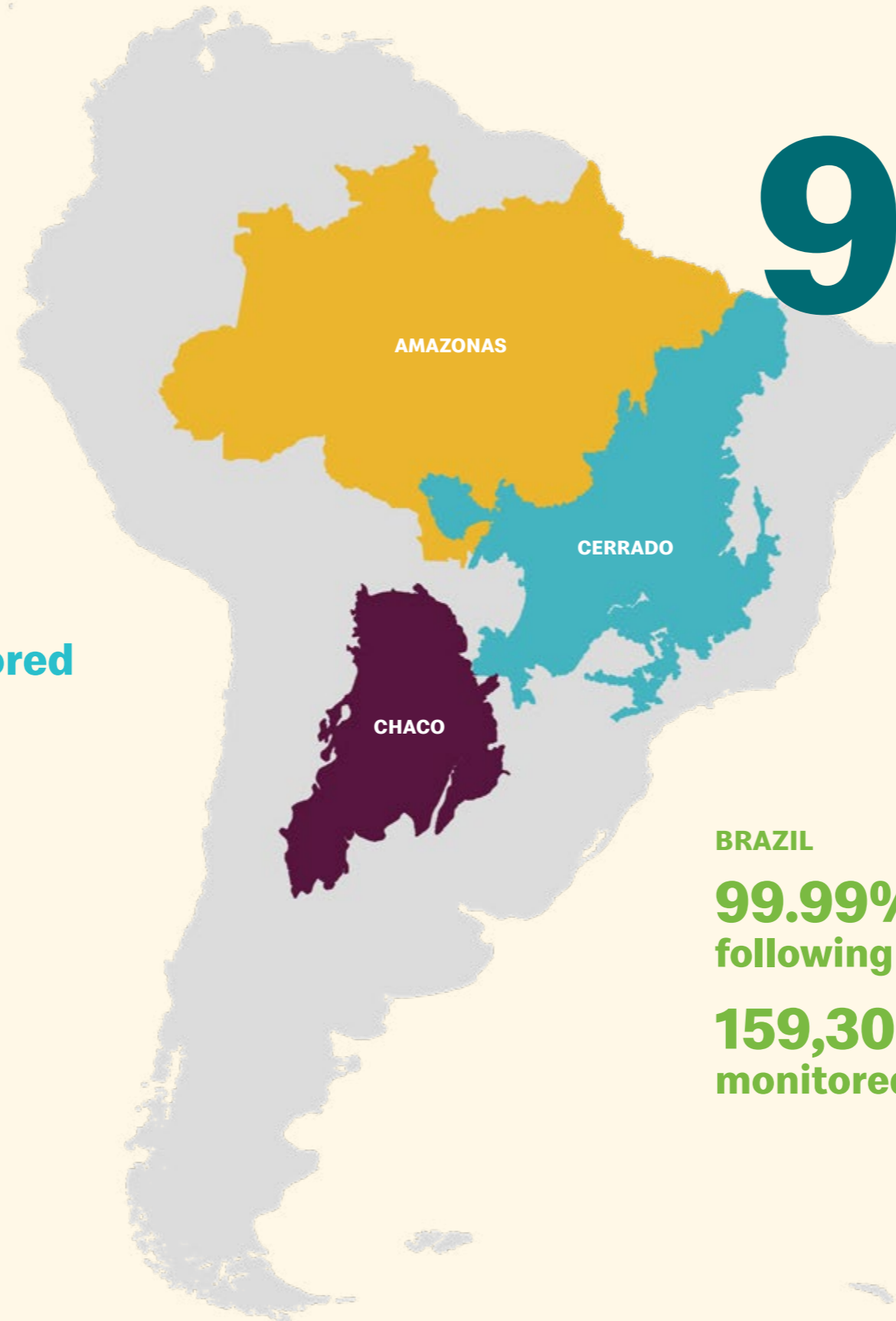
99.87%

beef sourced from Argentina and Brazil complied with McDonald's Deforestation-Free Beef Procurement Policy

229,111.49 km²
monitored

19,061
thousand farms monitored

4,943,414 M
animals monitored



BRAZIL

99.99%
following the policy

159,304.42 km²
monitored

ARGENTINA

99.4%
following the policy

69,807.07 km²
monitored



In harmony with forests

Beef takes the spotlight on our menus, spanning a complex livestock chain. We're ALL IN when it comes to leading the industry and championing deforestation-free supply chains.

McDonald's stands tall as the sole Quick Service Restaurant (QSR) company crafting and executing a Deforestation-Free Beef Procurement Policy (DFBPP). This policy meticulously evaluates deforestation, safeguards indigenous and conservation lands, enforces environmental embargoes, and champions Human Rights.

Its scope extends to high-deforestation priority countries like Argentina and Brazil, where the policy adapts to local conditions and operating context. Our beef suppliers lead the change to ensure their operation and supply chain align with our policies.

In these countries we rigorously trace 100% of our beef from direct suppliers, showcasing our unwavering social and environmental responsibility, always in compliance with McDonald's Deforestation policy. As pioneers in the sector, we employ remote and/or satellite monitoring in beef origin areas, supported by environmental organization Proforest, geospatial company Agrotools, and other stakeholders.

Our leadership extends to stakeholder conversations at national roundtables for sustainable beef. Our mission? To drive continuous development, endorsing sustainable practices and science-based production that champions the environment while nurturing human and animal health in the beef supply chain. In Argentina, we actively participate in the Steering Committee of the **Argentine Roundtable for Sustainable Beef (MACS)**, and in Brazil, we are integral to the board at the **Brazilian Roundtable on Sustainable Livestock (GTPS)**. In 2023, we participated in the release of the **Uruguayan Sustainable Meat Table (MUCS)**. These strategic moves contribute significantly to the **Global Roundtable for Sustainable Beef (GRSB)**.



"A year of engagement and strengthening of commitments to McDonald's Deforestation-Free Beef Sourcing Policy, which involved significant participation from multiple areas of Arcos Dorados and its suppliers. Training sessions and immersions were conducted for various audiences with all suppliers, ensuring a broad understanding of the norms, objectives, and procedures of the Policy (DFBPP). All this concerted effort, coordinated by Arcos Dorados, resulted in better indicators which, in turn, meant more protection for forests and a more sustainable supply chain. For Agrotools, it is immensely satisfying to participate from the beginning of this journey, contributing know-how, technology, and data intelligence to support compliance with the most relevant policy in the global beef chain, on a massive scale. The Arcos Dorados team is an example of leadership, dedication, and quality in the pursuit of the best results."

Breno Felix
CHIEF PRODUCT OFFICER AND CO-FOUNDER
Agrotools



The policy on the field

We've teamed up with Agrotools, a tech-savvy organization offering real-time monitoring solutions for our beef supply chain. In 2023, we held training sessions in Brazil and Argentina with our suppliers and their supply chain, addressing the policy, social, and environmental topics. After each session, participants signed commitment letters. Agrotools experts also visited our operations in Argentina and Brazil, discussing their solution features and progress, fostering collaboration on the policy implementation.

In June, our company executives and franchisees from Brasil undertook a purpose-driven journey to Cuiabá, Mato Grosso, focusing on sustainability. This immersive visit encompassed cattle ranches that are key suppliers of our meat, as well as Marfrig's slaughterhouse and plant. The primary objective was to gain comprehensive insight into the entire livestock process, from pasture to plate, with a strong emphasis on conservation efforts, animal welfare practices, and strict adherence to our zero-deforestation policy.

Our leadership's dedication to animal welfare, sustainability, and zero deforestation is unwavering. They recognize the critical importance of ethical treatment of animals, ensuring their well-being throughout every stage of production. Our zero-deforestation policy underscores our pledge to protect valuable ecosystems and mitigate the impact of deforestation on global climate change. These core values guide our actions and drive our continuous efforts towards a more responsible and sustainable future.



24
training sessions
completed with suppliers
in Brazil and Argentina

350+
people participated in
our policy awareness
sessions

100%
of suppliers
trained in the policy

2,730
hours spent with suppliers
to address issues such as
Policy and Monitoring



Food Safety and Restaurants

Serving safe and quality food in every market — each and every day — is our top priority and a long-standing commitment at Arcos Dorados.

Strict food safety standards and protocols are ingrained in every aspect of our operations, from food sourcing and menu development to packaging, distribution, and restaurant management. Leveraging technology and collaborating with suppliers and experts, we strive to maximize efficiency and reduce risk.

As members of the Food Safety Risk Management Team led by McDonald's Corporation, we actively assess and strategize to mitigate risks across the supply chain, incorporating input from staff and suppliers based on surveys about primary food safety risks.

Regular meetings with global Food Safety and Quality leaders ensure we stay informed and aligned with operational performance. McDonald's Corporation maintains ongoing communication about food safety matters and market strategies.

In our restaurants, we enforce strict controls and protocols, overseeing various aspects such as temperatures, ingredient receiving, refrigerators, freezers, cooking temperatures, and secondary shelf-life. These measures are complemented by annual Restaurant Food Safety Audits, conducted by external auditors. Our annual work plan provides a comprehensive overview, detailing changes to the audit program and operational guidelines.

Committed to leading in food safety, we provide training for suppliers and auditing companies. Each market is accountable for compliance, monitoring the audit program's progress monthly.



2,328
Restaurant Food
Safety Audits

0
incidents of foodborne
illness outbreaks
associated with our
restaurants

100%
of our restaurants



Balanced bites, happy families

As one of the most frequented restaurants in the region, we feed millions of people every day, focusing on offering families the choices they love. We are attentive to our customers' feedback and continuously assess our menu to identify ways to enhance our offerings while preserving the great taste people know and love.

Our nutrition strategy is grounded in goals related to our Happy Meal, recognizing that focusing on kids and families is where we can have the most significant impact, as we've learned from parents and stakeholders. Parents are seeking menu choices they can feel good about when feeding their kids.

That's why we've been making balanced meals more accessible to families worldwide, providing options that contribute to recommended food groups such as fruits, vegetables, and low-fat dairy. All our meal options adhere to applicable national dietary guidelines.

We provide a diverse array of choices to our customers, fostering family togetherness and creating lasting memories.

COMMITMENT

PILLAR

Commitment to families

Remove all artificial flavors, colors, and preservatives wherever possible.

PROGRESS

100%
achieved

Maintain transparency by ensuring nutritional information is easily available to our guests.

PROGRESS

100%
achieved

Follow responsible marketing practices.

PROGRESS

100%
achieved





Nutrition Calculator

Clear nutrition information is crucial in helping consumers make the right choices. Many of our markets employ various methods to provide this information, including printed brochures, nutrition labeling on selected food packaging, and innovative use of our mobile apps.

In support of this mission, we've introduced a nutritional calculator. This valuable interactive tool is available on the websites and mobile apps in 100% of our markets. It enables customers to review all locally offered menus, understand the nutritional values of their selected meals, and assess how well they align with their daily nutritional requirements, as outlined by the World Health Organization.

The calculator breaks down information on calories, carbohydrates, and other essential nutritional components, reinforcing our commitment to transparency and customer well-being.

Our Happy Meal goals

Our focus is on creating meals for children that are not only delicious but also nutritious. This commitment is exemplified by our iconic Happy Meal, which underwent significant nutritional improvements since 2011.

Through a thoughtful adaptation process, we modified the Happy Meal's ingredients to be aligned with evolving consumption trends and meet the nutritional needs of our younger guests. This included adding fruits and vegetables, reducing sodium and saturated fat content, eliminating added sugar, and, in 2021, removing artificial colors and flavors — changes endorsed by the World Health Organization.

These adjustments align with McDonald's 2030 Happy Meal Goals to increase families' access to fruits, vegetables, and low-fat dairy, promoting informed decisions. Working with the Alliance for a Healthier Generation, we measure, audit, and report progress every two years in key markets: Argentina, Brazil, and Mexico.

In 2023, an audit of our marketing and nutritional standards, regarding our partnership with the Walt Disney Company, confirmed that all Happy Meal menus met Disney's Nutrition Standards. The process involved evaluating our use of self-service kiosks and menu offerings to ensure compliance not only with Disney's standards but also with McDonald's nutritional commitments. This way we ensure a quality and healthy dining experience for our customers.



ACHIEVED

Offer Balanced Meals
50% or more of Happy Meal Bundle Offerings presented on menus meet McDonald's Global Happy Meal Nutrition Criteria.

Latest report: Jan–Dec 2022

ACHIEVED

Simplify Ingredients
Artificial flavors and added colors from artificial sources were removed from all Happy Meal Offerings, without sacrificing the safety, taste, quality or value of the food.

Latest report: Dec 2022

ACHIEVED

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

Latest report: Jan–Dec 2022

ACHIEVED

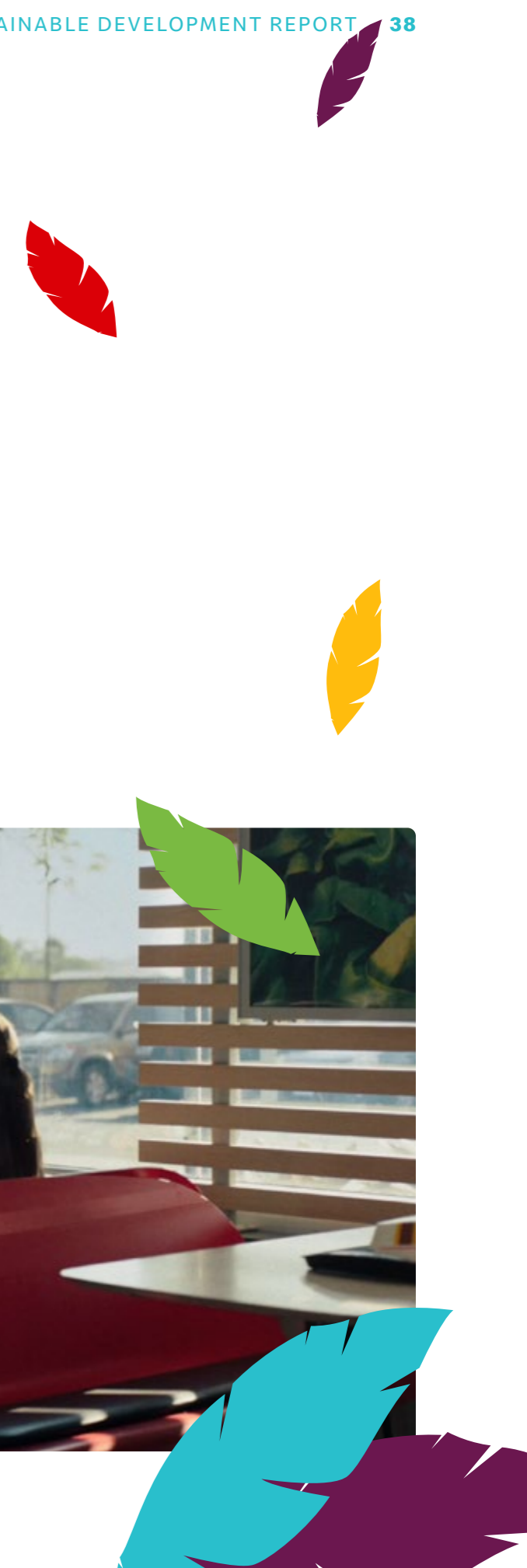
Be Transparent with Happy Meal Nutrition Information
Nutrition information is available for all Happy Meal Offerings on McDonald's websites and mobile apps.

Latest report: Q4 2022

IN PROGRESS

Increase Purchase of Items Containing Recommended Food Groups
Leverage innovative marketing to help increase the purchase of foods and beverages that contain recommended food groups in Happy Meals.

Latest report: 2018–2022





The digital factory

In our ever-evolving world we strive to pioneer digital transformation, delivering millions of daily guests with convenient and enjoyable moments. In 2020, we launched ADvance, Arcos Dorados's digital factory, aiming for continuous improvement through tech innovation and a profound understanding of our customers. Our goal is not just to improve guest digital experiences but also to transform internal processes to become a more data-driven company.

ADvance prioritizes our guests, addressing needs with digital solutions. Integrating data and technology, it seamlessly merges the physical and digital realms using agile methodologies. By deeply understanding customer preferences, we enhance their experience, providing increasingly efficient and personalized services.

Our digital factory, a key business pillar, drives around 40% of company sales in Latin America through various digital channels, including delivery services, the McDonald's app, and self-service kiosks. The app's hyper-personalization feature tailors discounts to match individual preferences, strengthening our connection with customers.

We are fortifying our strategy to elevate all sales channels, providing increasingly convenient and delightful experiences through our 3Ds Strategy: Digital, Delivery, and Drive Thru.

DIGITAL

Further solidify our digital leadership by establishing our App as the primary digital link with our guests.

DELIVERY

Continue to be the foremost brand in our consumers' minds, cultivating new moments of consumption, and enhancing the overall guest experience.

DRIVE THRU

Elevate our Drive Thru leadership across all Latin American markets.

2023 achievements

Customer Lifecycle design.

Personalized offers through CRM.

Mobile Order and Pay (MOP) across all channels, including promotional engines.

Identification through self-service kiosks.

Loyalty program.

Worked on Recurrence, Retention, Speed, and Return on Advertising Spend (ROAS).

Improvements made to our in-house delivery service (McDelivery).

Developed third-party strategic relationships (delivery apps).

Continue improving operational performance digital presence.

Marketing calendars and direct investment in awareness & performance activities.

Recovered Drive Thru relevance for families by mimicking the restaurant experience.

#1
downloaded restaurant app in Latin America

115M+
downloads in our app

4.8
(out of 5) rating of our app

19.2+
active users in our app

1,936
restaurants with McDelivery

20%
of Drive Thru sales originate in our App



Cybersecurity and data privacy

Ensuring the highest level of cybersecurity across all operational environments is a primary focus, aligning with our commitment to act as a business enabler while mitigating risks. Safeguarding our brand reputation, fostering customer trust, and ensuring the online safety of our employees are integral components of our cybersecurity strategy.

Trust forms the foundation of our relationship with guests. All information they provide is managed responsibly to enhance guest experience and bolster our value proposition. We only collect identifiable information voluntarily submitted by users, such as names, addresses, and emails, and it is used exclusively by Arcos Dorados. Our Terms and Conditions detail all uses of personal data, and data providers have the right to access, rectify, and delete their data.

We uphold the highest standards and security protocols to safeguard all our digital platforms. For our App, we adhere to guidelines for SOC 2 compliance, defining criteria for managing customer data based on trusted service principles: security, availability, processing integrity, confidentiality, and privacy.

Our proactive approach includes continuous employee education to recognize and thwart common online scams. We conduct cybersecurity crisis management exercises with senior leadership to foster a collective understanding of response protocols. Actively contributing to the naming of a Corporate Data Protection Officer (DPO) and Information Risk Management functions solidifies our commitment to comprehensive cybersecurity measures. Our dedicated cybersecurity team permanently monitors platform health, successfully achieving 0 leaks, thefts or losses of customer data in 2023.

Welcome to McDonald's Land

Together with Roblox, the popular online platform allowing users to create and play in various virtual worlds, we launched McDonald's Land—a new digital experience where players can enjoy diverse and entertaining games.

McDonald's Land features five "islands" within the platform, each hosting mini games for users to engage in a variety of activities. By overcoming various challenges, players can earn exclusive rewards like virtual accessories for their characters and other surprises.

The new McCombo Pro menu, designed for consumers aged 13 and older, inspired the creation of McDonald's Land. It aims to captivate those who enjoy participating in significant challenges. Additionally, by scanning the QR code and ordering through the McDonald's app, users can unlock an exclusive "skin" to customize their avatars in the game.





Our team





A new Service Coolture

At Arcos Dorados, we're all about people. We're dedicated to supporting individuals, no matter where they come from, fostering inclusivity and paving the way for new opportunities. Our commitment is to cultivate an exceptional work environment, giving the +100,000 people who work with us the chance to learn and grow.

We're on a mission to provide workplaces where everyone feels the love, gets the same opportunities, and can unleash their inner superhero. Our **Safe and Respectful Workplace policy** sets the stage for a healthy, diverse, and inclusive space where everyone feels safe, secure, and respected.

Now, about our "Coolture" — it's the secret sauce that makes our teams rock! From restaurants to the staff, we're taking service to a whole new level. Back in 2016–2017, our first Coolture wave made customers and employees super happy. In 2023, we relaunched it, riding the wave of change within our company. The idea was simple: sharpen everyone's skills, offer top-notch solutions, and let every employee shine. That way, everyone feels awesome, performs like a rockstar, and wows our customers.

Thanks to teamwork, we relaunched the Service Coolture across all of Arcos Dorados. It's built on three pillars:

PURPOSE
Every day is an opportunity to feed people and build dreams.

PRINCIPLES
Generosity, humility, service, inclusion, and agility.

IDENTITY
Keeping it simple, together, and with passion.

Wondering how we evaluate our performance? We conduct an annual survey to gauge our team's engagement with our Coolture and identify areas for improvement. Each country sets specific goals, and our leaders are committed to creating vibrant and welcoming workplaces. Additionally, our accomplishments are recognized by international rankings.

90.9%
satisfaction rate Employee Satisfaction Survey 2023

Great Place To Work®

BRAZIL

#1
Large Companies | Barueri and Region

URUGUAY

#1
Young people

ARGENTINA

#1
Caring companies



MEXICO

ESR® Recognition

Cemefi & AliaRSE

#8
Large Companies

#3
Large Companies

#1
Young people

#4
Women



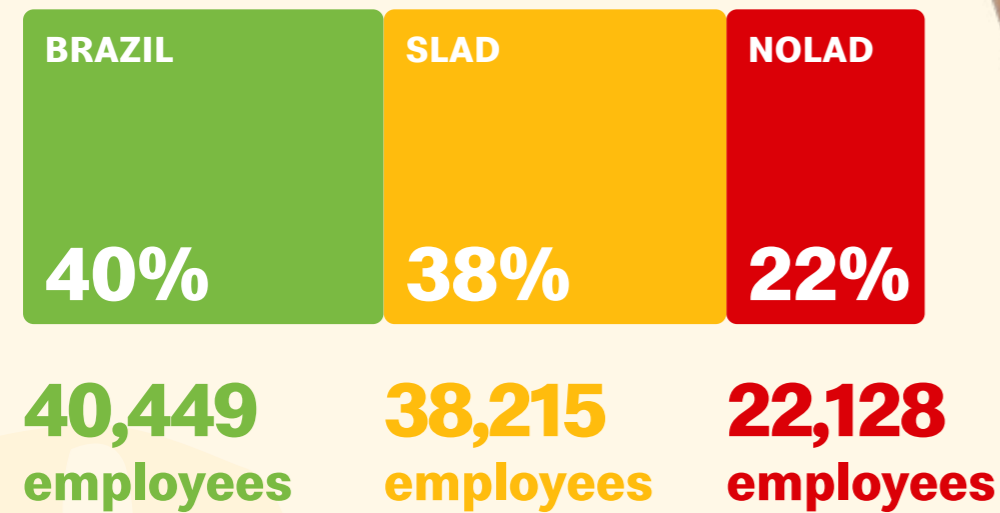


Team figures

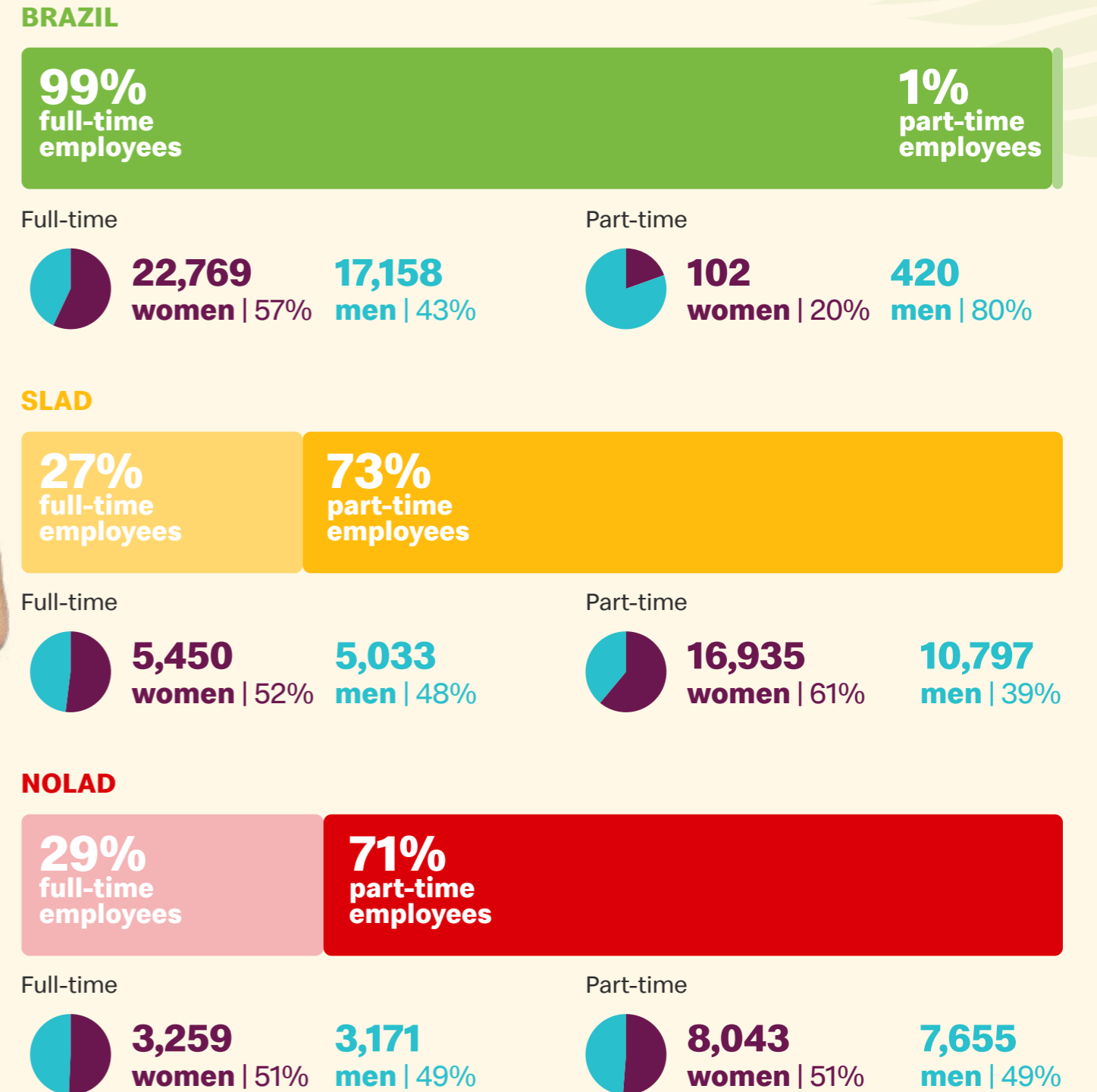
100,795 employees



Distribution by region



Distribution by type of contract





Talent and benefits

Our value proposition is designed to enhance the well-being and work-life balance of our team, supporting their families and creating positive moments for all. Complemented by our robust corporate culture, comprehensive training, and career development programs, these values instill pride in our team members.

A key focus in shaping our value proposition is talent retention. Given the ongoing challenge of employee retention, especially in our industry, we work to minimize turnover through initiatives such as flexible schedules, educational support, and various other forms of engagement. Our benefits proposal aligns with regional best practices and is adapted to the local context of each operation.

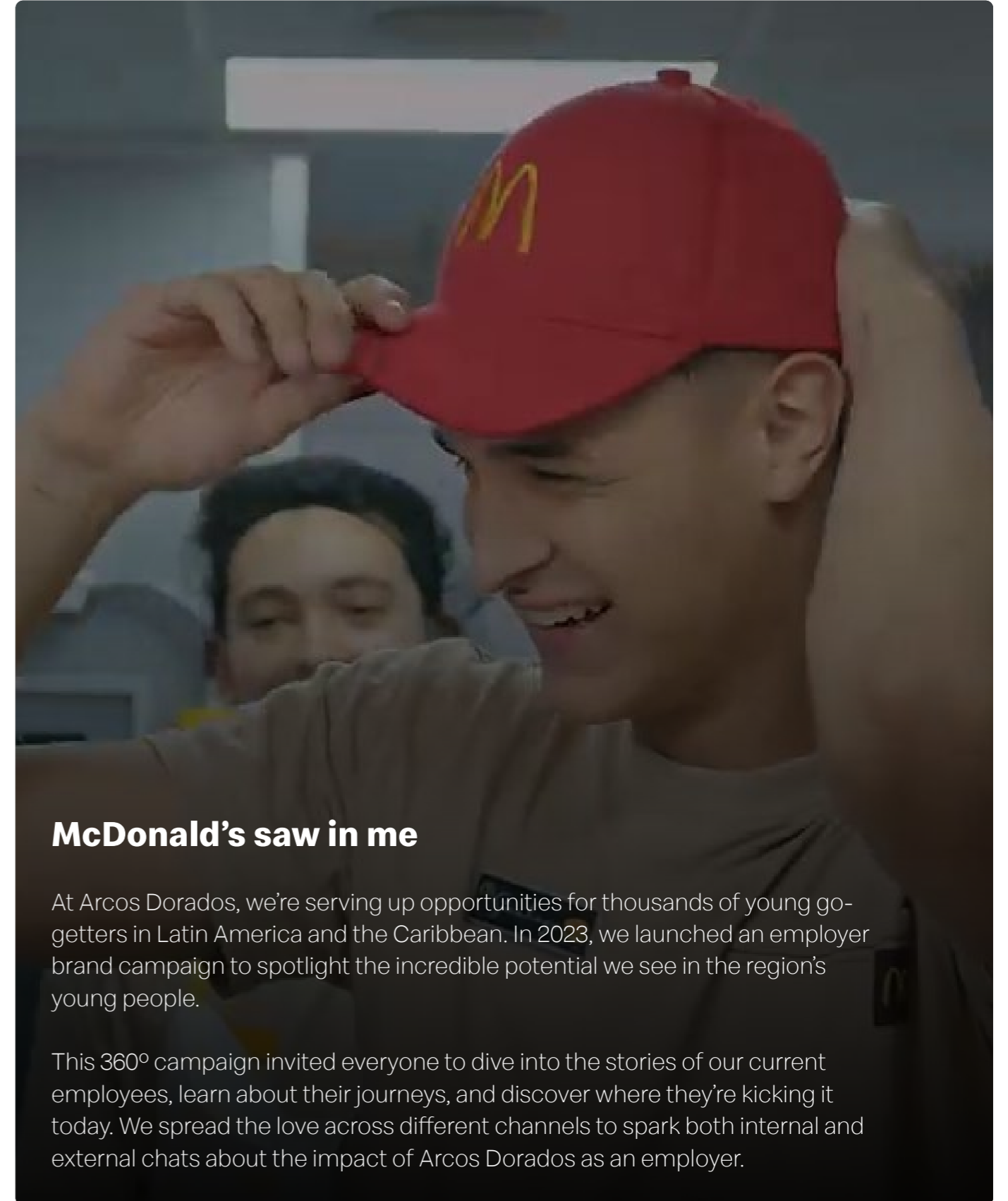
An example of our benefits are:

- Life insurance
- Healthcare assistance
- Coverage for disability and invalidity
- Wellness programs
- Parental leave
- Flexible working hours
- Short workday
- Lunch coverage
- Free meals and uniforms
- Motivation and recognition programs
- Recognition for special occasions, like birthdays or marriages
- Training opportunities, including deals, scholarships, and agreements with educational institutions
- Performance bonuses
- Additional vacation days (In some markets)
- Language programs (In some markets)
- Office gym (In some markets)

We adhere to all legal obligations concerning negotiations with workers' representative organizations in every country where our operations take place. These agreements, determining specific working conditions, are discussed on a national scale and vary based on applicable local laws.

We evaluate team performance through our Performance Management Program (PMM). This straightforward, quick, and user-friendly tool aids us in appraising job capabilities, skills, career inclination, performance evaluation, ethical conduct, and dedication to the Company's interests openly and transparently.

100%
of our team members
had their performance
evaluated



McDonald's saw in me

At Arcos Dorados, we're serving up opportunities for thousands of young go-getters in Latin America and the Caribbean. In 2023, we launched an employer brand campaign to spotlight the incredible potential we see in the region's young people.

This 360° campaign invited everyone to dive into the stories of our current employees, learn about their journeys, and discover where they're kicking it today. We spread the love across different channels to spark both internal and external chats about the impact of Arcos Dorados as an employer.



Lesson time!

We are committed to providing individuals with essential tools to enhance their knowledge, discover vocational interests, and expand opportunities in the professional world. This commitment is brought to life at our Hamburger University (HU), a global training center dedicated to developing individuals' skills and knowledge in business development and restaurant operations.

We've rolled out a new training system with significant enhancements to the digital experience, introducing a groundbreaking era in technical and functional training for restaurant teams.

A key feature of this transformative initiative was consolidating all training content into a single, easily accessible digital platform. All materials are now 100% digital, offering a more intuitive, visual, and interactive learning experience for team members, positively impacting them and our valued guests.

In line with this vision, six distinct Development Programs have been successfully implemented across the 20 Arcos Dorados markets. These programs cater to various roles within the restaurant, addressing specific needs and skill sets. Additionally, four new in-person courses have been introduced, catering to a wide range of leadership levels. Key topics covered in these courses include emotional intelligence, feedback mechanisms, coaching strategies, time management, strategic planning, and business development.

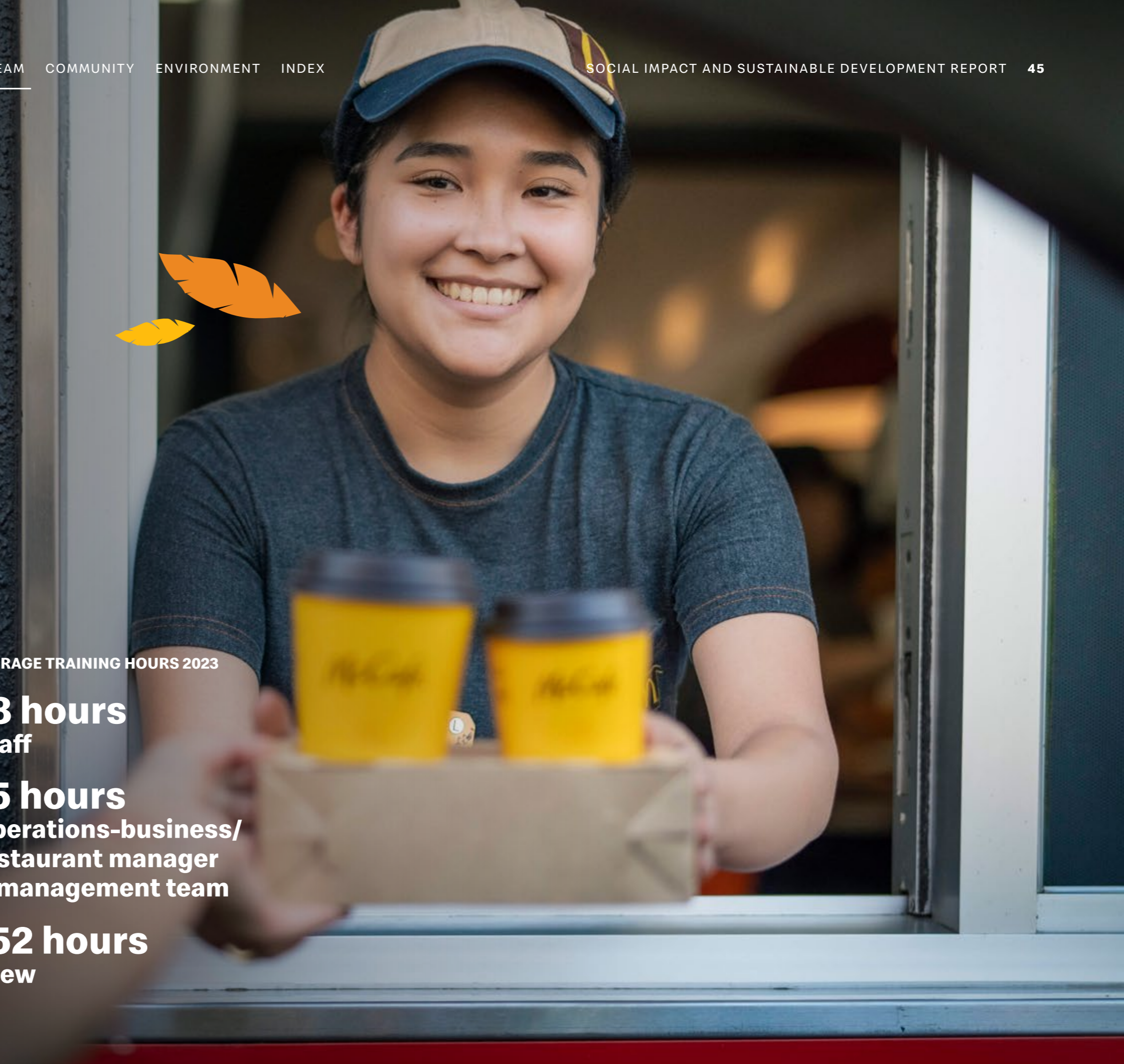
817,000+
total hours of training

AVERAGE TRAINING HOURS 2023

18 hours
Staff

15 hours
**Operations-business/
restaurant manager
& management team**

152 hours
Crew





Performance and Customer Excellence (PACE)

PACE embodies McDonald's dedication to excellence in both customer and employee experiences. Our Hamburger University has been instrumental in training consultants and operations leaders, ensuring the effective rollout of PACE in our restaurants. We conduct annual instructional consulting sessions for PACE-focused training, collaborating with operations development and training teams to achieve desired outcomes.

Leadership Sessions

The Leadership Sessions offer reflective moments for in-depth exploration. It's a supplementary initiative for continuous development, led by Hamburger University facilitators. The virtual meetings cover crucial topics for transformative leadership, including leading change, transparency, empathy, emotional intelligence, and relationship management.

ESG for Arcos Dorados Leaders

The ESG course for Arcos Dorados Leaders, in collaboration with Uniandes - Universidad de Los Andes, centered on making decisions benefiting both business and the environment. It merged academic expertise with practical business knowledge, generating real life projects and laying conceptual foundations to boost our Recipe for the Future.



443
individuals trained
in processes, tools,
and skills for PACE
management

2,000+
participants

53
strategic
leaders reached

100%
Leadership
Team reached

Strategic Competence Workshop

The workshop, facilitated by senior leaders at Arcos Dorados during the Operations Meeting, focused on diagnostic capability, strategic thinking, financial indicator management, strategy implementation, and management analysis. Operations leaders engaged in the ideation, design, and implementation of a business strategy within a secure environment, using a simulator for a more realistic learning experience. We leveraged this initiative to align with the Management Board, fostering a culture of continuous learning to identify and capitalize on opportunities for sustainable business growth.

56
operations
leaders engaged

MCampus

In a year of achievements, MCampus has been a cornerstone in our success journey, serving as a key e-learning platform for training everyone across our 20 markets, from restaurant teams to partners. Offering special access to various topics for continuous improvement, MCampus covers everything from onboarding to refining interpersonal skills with just a click.

+1700
active contents

+650,000
hours of education

263
new courses





Crafting a secure workplace

We strongly believe in the shared responsibility of safeguarding the health and safety of our employees and all guests in our restaurants. Aligned with our purpose, we are dedicated to crafting secure work environments for our crew and staff while ensuring reliable experiences for our guests.

To mitigate risks and hazards in the workplace, we establish performance improvement goals and regularly assess the success of all health and safety programs. Additionally, we actively work to reduce occupational diseases and injuries in our operations by fostering a safety culture that benefits all parties involved in every company process.

The health and safety of our workers are a big priority at Arcos Dorados.

This not only supports the well-being of our team but also positively impacts the company's productivity. By identifying and addressing health risks, we prevent diseases and accidents, contributing to lower turnover and reduced absenteeism.





Training season

We prioritize health and safety in our restaurants, guiding employees to make informed choices for their own well-being. Each employee receives the Health and Safety Policy and related instructions. Training is woven into their journey, starting with candidates being introduced to basic concepts and regulations.

The cycle includes M-Campus certification in Prevention of occupational hazards. Operational Training Guides layer in health and safety elements as well. Initiatives align with employee needs. In Peru, the Health and Safety Committee is formed through worker elections, meeting monthly for to analyze statistics, contributions, and training.

In Chile, Joint Hygiene and Safety Committees, elected by workers, ensure active employee participation in choosing representatives for health and safety matters.

102,814
people obtained the
Prevention of occupational
hazards certification 



Occupational health and safety management

Our Occupational Health and Safety Management System aligns with local legislation in the countries where we operate, covering all employees. The People & Culture and Occupational Safety teams proactively manage programs to anticipate and monitor tasks and risks, conducting on-site audits. This is reinforced by a risk table for hazard identification, risk assessment, and incident investigation. Ongoing monitoring tools like AGravO in Brazil and the Risk Table in Colombia enhance our vigilance. Moreover, periodic restaurant inspections help identify and address potential risk conditions.

In the reporting period, we identified incidents such as falls, object collisions, and contact with hot surfaces. Upon identification, we assess alternatives to mitigate hazards and risks, involving engineering and administrative reviews and implementing controls, including the need for personal protective equipment. Our technical team consistently follows up with relevant departments to ensure the effective implementation of solutions.

Measures to prevent and mitigate health and safety impacts related to our operations are implemented continuously. These actions include regular training on Health, Safety, and Work topics, along with campaigns incentivizing safe practices, such as 'Local Mas Seguro' in Peru.



Diversity and Inclusion

Operating across 20 markets in Latin America and the Caribbean with a workforce of over 100,000 people, we take pride in our rich geographic, cultural, and generational diversity. With different backgrounds, languages spoken, sexual orientations, abilities (physical and mental), gender identities and nationalities represented in our markets, our workplace reflects and celebrates the richness of human diversity.

The Diversity and Inclusion Committee, established in 2018, aims to cultivate a work culture that values different perspectives and encourages creativity to help the company thrive and allow our employees to reach their fullest potential, regardless of gender, race, or age. Comprised of individuals from diverse disciplines and hierarchical levels across our 20 markets, our D&I Committee, is sponsored by the Executive Chairman of Arcos Dorados.

The Committee's 5 pillars of work: Gender Diversity, Inter-generational Diversity, Sexual Diversity, Health and Well-being, and People with disabilities were established in response to areas of concern identified through employee questionnaires.



COMMITMENT

PILLAR

Diversity and inclusion

Train all company employees on sexual diversity, especially focusing on our restaurant teams by 2021.

PROGRESS

100%
achieved

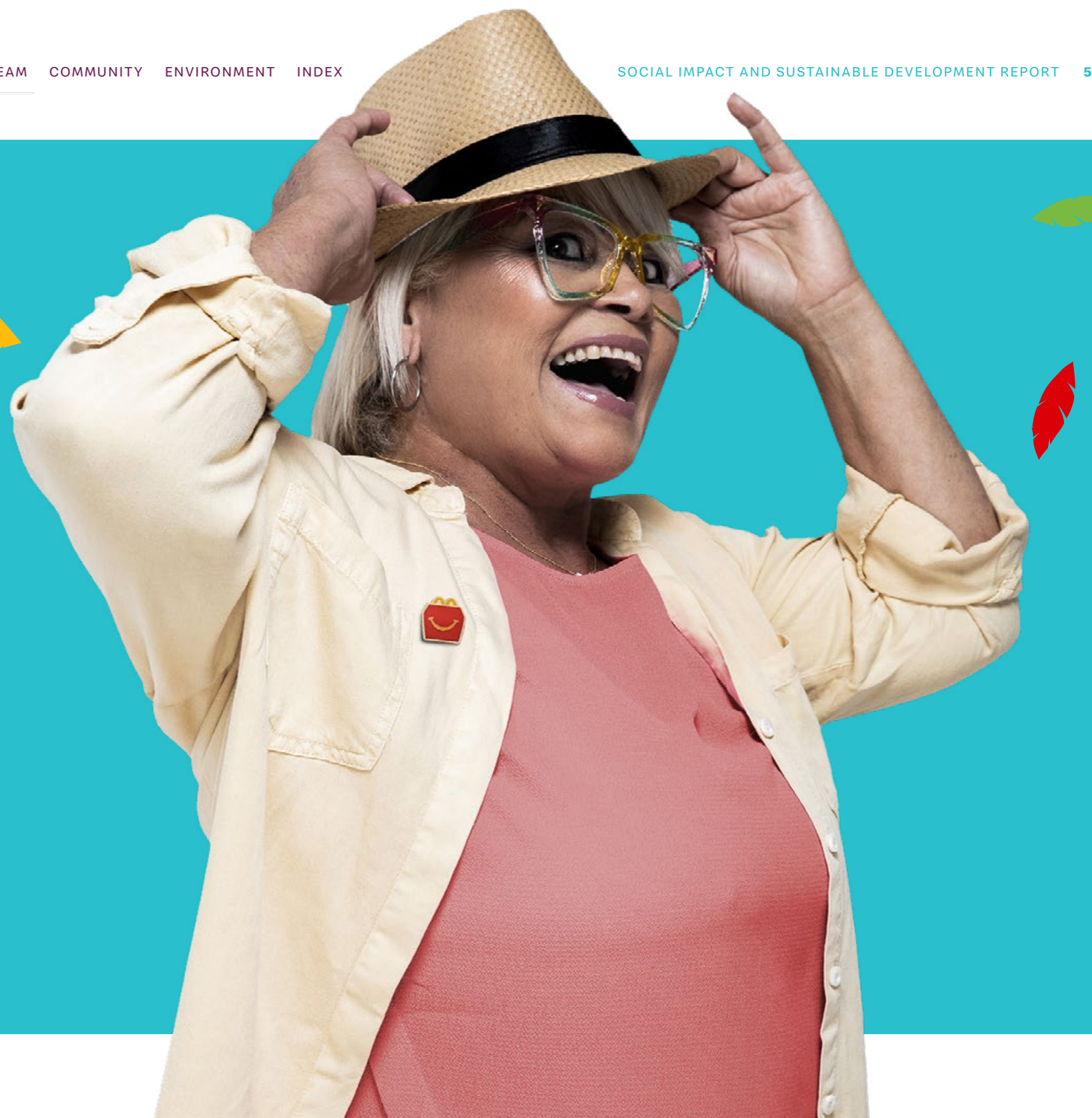


Getting to know our people better

In 2023, we conducted a Census in the 20 markets where we operate. More than 80% of our employees responded to the questionnaires, and their answers helped us paint a portrait of the specific needs and characteristics of our workforce. We learned about their demographic profile, access to food, exposure to violence, health, professional mobility and perceptions of diversity and inclusion.

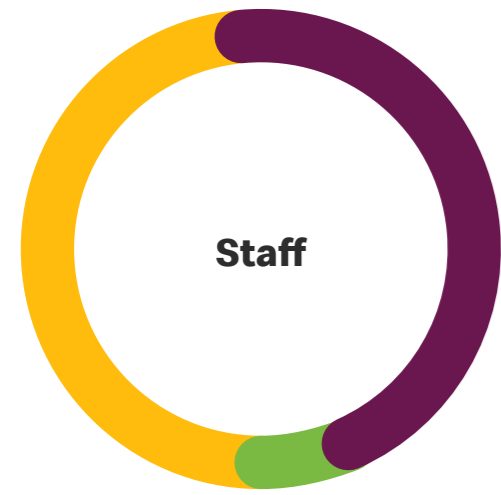
The results gave us a more precise understanding of our workforce and helped us design strategies to make a positive impact on their lives.

81,000+
survey respondents





Age and gender distribution



48.49%
- 30 years old

44.7%
31 - 50 years old

6.7%
+50 years old



48.57%
Male

51.42%
Female



67.49%
- 30 years old

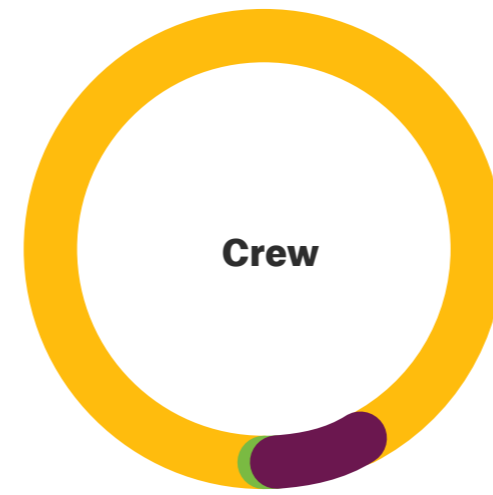
31.55%
31 - 50 years old

0.97%
+50 years old



42.80%
Male

57.20%
Female



92.93%
- 30 years old

6.67%
31 - 50 years old

0.94%
+50 years old



43.75%
Male

56.25%
Female

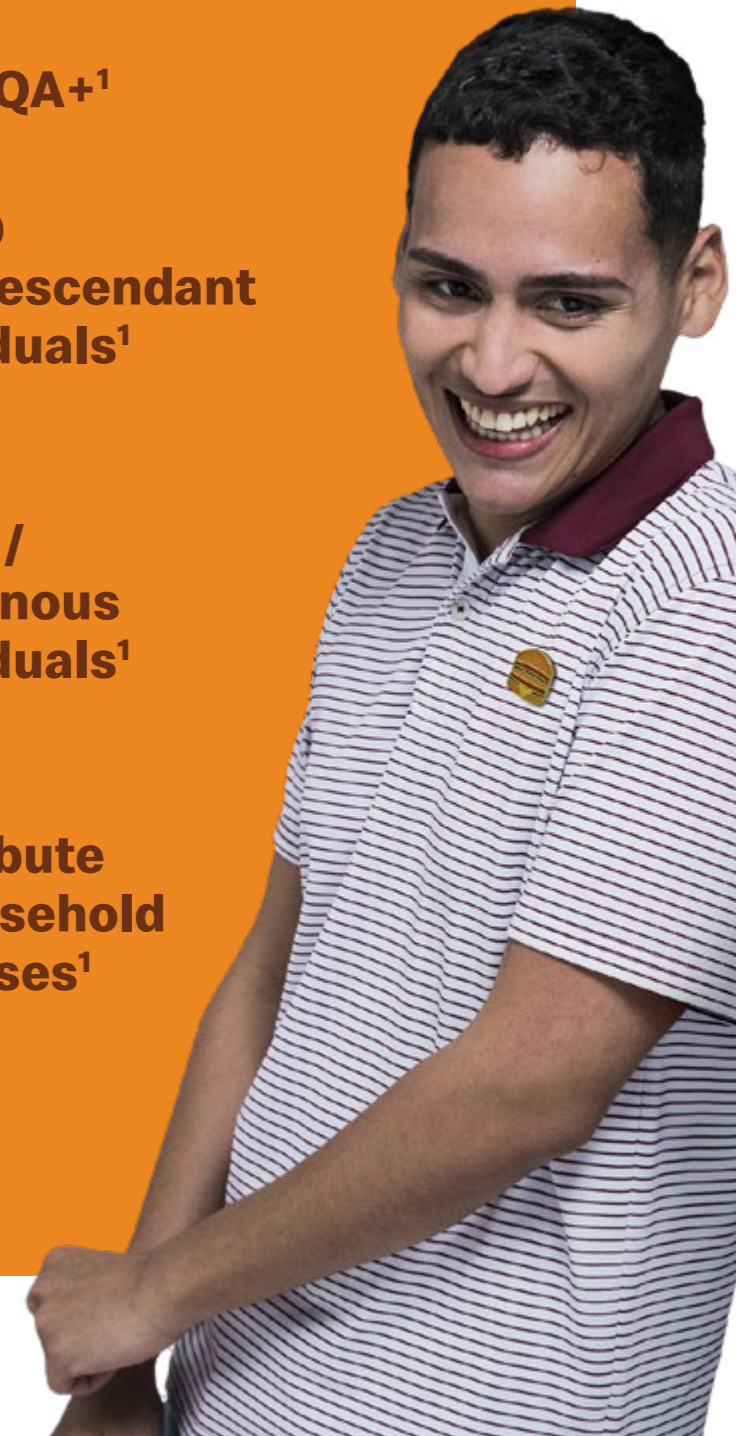
2,400+
individuals
with disabilities

18%
LGBTIQA+¹

33%
afro-descendant
individuals¹

13%
mixed /
indigenous
individuals¹

41%
contribute
to household
expenses¹



¹ Source: 2023 Census based on 81,000+ responses.



D&I achievements

Gender Pillar

SELF-DIAGNOSES BY UN WOMEN

We conducted self-diagnoses of the state of our gender policies in the 20 countries where we operate with the tools provided but the United Nations UN WOMEN Program.

FEMALE REPRESENTATION IN THE UPPER ECHELONS OF THE COMPANY LADDER

Our leadership team is composed of 24% women.

UNSTOPPABLE WOMEN PROGRAM

We identified potential female leaders of the future, showcased their talent and coached them in leadership and managerial abilities.

SAFE SPACE DESIGNATION

We obtained the “Safe Space” seal from the Government of Costa Rica, as part of a new program that we will implement in the rest of the region, aimed at training our restaurant and office employees to offer effective help to women in risk situations.

BEST PLACE TO WORK FOR WOMEN

We have been recognized in several countries as the Best Place to Work for Women and as a company that takes the most care of the needs of its staff.

Intergenerational Pillar

REVERSE MENTORING

We have trained our younger employees on organizational learning integrated into agile practices, in which younger workers are responsible for guiding and providing new knowledge to senior workers.

ESTABLISHMENT OF THE INTERGENERATIONAL NETWORK

We created the “Ambassador” figure to conduct a one-on-one session in every country to help us delve into the level of employee involvement.

TRAIN THE TRAINERS

With the expertise of consulting firms in intergenerational diversity issues, we created various spaces for awareness and training on intergenerational differences.

People with Disabilities Pillar

DISABILITY GUIDE

We developed a guide to explain the different types of disabilities, highlight the contributions of employees with special needs, and provide training on the best ways to interact and positively impact the work environment at all levels of the company.





Sexual Diversity Pillar

SEXUAL DIVERSITY GUIDE

We launched the 2023 edition of the Sexual Diversity guide, to help employees understand and respect one another. The Guide was published in the company's four languages: Spanish, Portuguese, English, and French.

LOCAL PARTNERSHIPS

We established local partnerships with recognized LGBTIQ+ organizations in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, and Uruguay.

GENDER-INCLUSIVE UNIFORMS

We introduced gender-inclusive uniforms in 2022 and extended the program to all markets in 2023.

GENDER-INCLUSIVE RESTROOMS

We expanded the Gender-Inclusive Restroom policy in collaboration with the Development and People & Culture departments for both customers and employees.

Health and Well-being Pillar

EXPANDED MEDICAL COVERAGE

We expanded the online medical service and psychological support to employees via video call or WhatsApp.

PARTNERSHIP WITH GYMPASS

We made agreements with a network of gyms and recreational centers, offering discounted membership fees to our employees.

PREGNANCY COURSE IN BRAZIL

We offered pregnancy courses focused on well-being and health for young mothers during pregnancy.

WELLNESS AMBASSADORS IN ARGENTINA

We extended the Well-being Ambassador Program. A WhatsApp Ambassadors Chat was implemented for constant and easy access of information on well-being programs offered by Arcos Dorados.





Community





Nourishing dreams and communities

At Arcos Dorados, we don't just serve millions of meals every day; we create opportunities to nourish people and build dreams. Our commitment goes beyond the golden arches — we empower young minds and enhance the well-being of families. We believe in tangible results, and that's why we're dedicated to supporting our restaurant communities with opportunities and care, fostering equity and inclusion across our business.

Our social impact programs are the cornerstone of our contribution to the region's socio-economic development. We understand that a thriving community contributes to the success of any enterprise. Our core focus is on youth, offering them avenues for personal and professional growth through employment and training opportunities. Additionally, we champion the well-being of families by providing nutritious menu options and helping them make balanced choices that are not only delicious but also convenient and accessible.

In 2023, we implemented a cutting-edge system, supported by Salesforce Inc., to measure and evaluate the impact of our social projects. The Key Performance Indicators dashboard allows us to consolidate information, make informed decisions, and collaborate effectively with the social organizations we partner with and with our People & Culture team.

Every day is an opportunity to feed people and build dreams, making a lasting impact on the communities we proudly serve.





The power of an opportunity

Youth opportunities are at the heart of what we do. It goes beyond just providing jobs; it's about empowering young people. Whether it's through formal employment, soft skills training for our team members, or participation in MCampus Community and educational programs with our NGO partners, we're making a difference.

Our commitment is impactful. The unemployment rate for young people in Latin America and the Caribbean is around 20%, according to market estimates. This is three times higher than adults and double the overall regional average. Over 10 million young people are struggling to find employment. Those who do, often end up in the informal economy in poor working conditions with no rights.

We're not just serving meals, we're serving opportunities that can shape a brighter future.

At Arcos Dorados, we see this as an opportunity to make a difference. As one of the largest first-time employer of young people in Latin America and the Caribbean, we're fostering social mobility. In 2023, young adults under 24 made up over 64% of our workforce. For many of them, their job with us marked the beginning of their professional journey. Last year, 95% of new hires were under 24 years old.

Recognizing education as a key to gaining formal employment, we're preparing young people for the future. By opening the doors of our training center, Hamburger University, to the entire community, and partnering with NGOs all across Latin America, we're providing young people with the skills they need for a successful career journey.

559,000+

opportunities created for young people in 2023

67,900+ new hires

179,100 employees trained through HU in soft skills

312,000+ people reached through inclusion and/or training opportunities by Arcos Dorados - supported organizations via donations, HR, or MCampus Comunidad

COMMITMENT

PILLAR
Youth Opportunity

Increase access to the formal labor force for more than 2 million young people by 2025.

PROGRESS

100%
achieved





McCAMPUS ComunidAD

— Expand your potential

At M-Campus Comunidad, we're on a mission to transform young minds into workplace experts by offering skills that are as good as our world-famous French fries. In 2023, this platform spread its magic across 12 countries, with over 125,000 eager learners engaged in our free online courses that focus on skills the job market can't resist.

We received over 125,000 registrations just two years after releasing this knowledge platform.

With an interface so friendly, it practically hands out high-fives. M-Campus Comunidad speaks the language of success in both Spanish and Portuguese. It offers 26 courses, teaming up with global partners like CISCO, the tech maestro, and PDA, the experts in talent management solutions.

The best part? All our courses come with the official seal of approval from the Hamburger University, McDonald's very own corporate university.

125,000+
total registrations on the platform

56,000+ in 2022

69,000+ in 2023

12,427
hours of training

100%
remote and free

46%
women

64%
of the people who enrolled in the courses were unemployed

81%
are secondary or university students



Most requested training courses

- Personal finance
- Digital marketing
- Emotional intelligence

Youth builders

We are refocusing our projects geared toward a unique audience – the NEET (not in education, employment, or training) youth. In line with this, in 2023 we shaped the project in Brazil that will be implemented in 2024 with the organization Centro de Promoção da Saúde (CEDAPS), driven and supported by YouthBuild International in a program known as Jovens Construtores.

YouthBuild International is actively seeking local organizations interested in applying its methodology and projects to young people, aiming to guide these individuals back into the realms of formal education or employment. The goal is to pave the way for some of these young minds to find their first formal job with us. Their methodology is linked to youth empowerment, increasing educational levels, creating sustainable economic opportunities, and building connections with families and communities.



Impactful team spirit

In September, we joined the Global Volunteering Month, a McDonald's Corporation initiative, teaming up with colleagues worldwide to embark on actions benefiting the planet and communities.

In partnership with NGOs across the region, our team members from all corners of the Company, both in offices and restaurants, dove into all sorts of volunteer activities. Beach clean-ups, food preparation and delivery, youth training, painting schools, fun and games with kids at Ronald McDonald Houses, and tree planting — we did it all as a team to lend a hand to those in need.

11
countries

125
initiatives

976
volunteers

5,131
hours of
volunteering

Together, we made a difference, turning our purpose into reality by doing some good for the common good!





A big support celebration

Hello family! Your support is a driving force for us. Whether it's a full meal or a quick bite, every one of you matters. We give back by serving delicious food that not only satisfies but also makes a positive impact on our community.

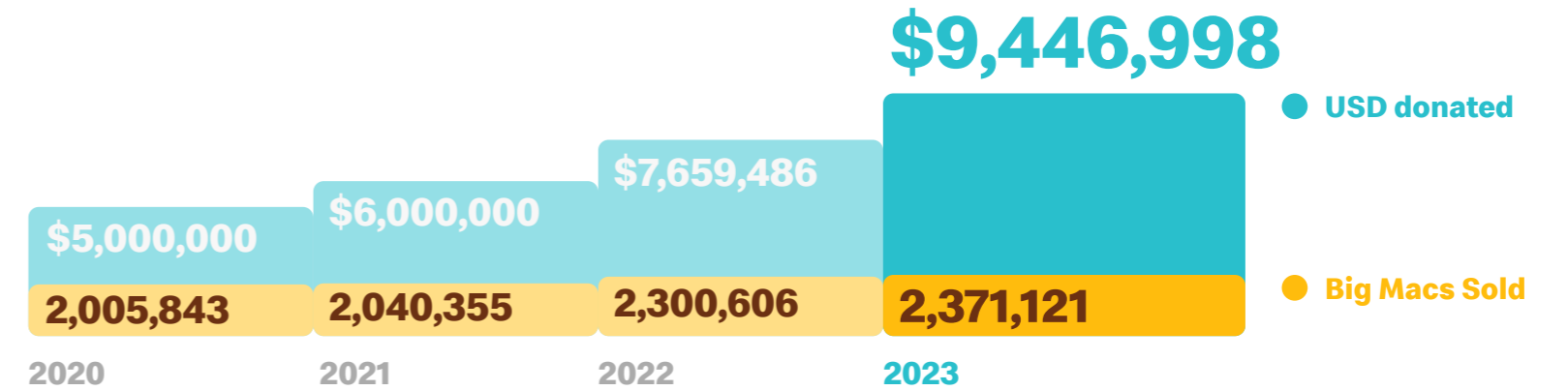
Once a year, the golden arches in every McDonald's market across the region light up for an unforgettable day. Whether it's McDía Feliz in Brazil, Gracias de Corazón in Venezuela, or Gran Día in the rest of Latin America and the Caribbean, these celebrations unite millions with a common mission: solidarity.

On this extraordinary occasion, our iconic Big Mac transforms itself into a purposeful delight, that customers enthusiastically order through their preferred channels, knowing that every Big Mac purchase contributes to organizations spearheading labor inclusion initiatives and supporting the Ronald McDonald House Charities in each country.

Gran Día brings our mission to life, one Big Mac at a time!



100% of our operations reached with Gran Día



The biggest edition in history

- 35** years of **McDía Feliz (McHappy Day)** in Brazil
- 11 M** children and teenagers reached through charitable fundraising



The Ronald McDonald Houses

A refuge away from home when it's most needed. Ronald McDonald House extends vital support and solace to families enduring prolonged stays away from home while their children undergo medical treatments.

Arcos Dorados actively champions the endeavors and initiatives of Ronald McDonald House Charities (RMHC) in numerous countries, playing a crucial role in ensuring that families can stay close to the medical facilities where their children are undergoing essential treatments.

30
houses in
the region

35
family rooms

2
Mobile Pediatric
Care Units

Investing in futures

We've partnered with established NGOs to support various initiatives, focusing on imparting job skills and fostering responsible citizenship among thousands of young people aged 16 to 24. We support these organizations primarily through donations received through our Gran Día initiative, as well as by investing in specific social projects.



Fundación Si



Fundación Apoyo a la Juventud



Instituto Ayrton Senna



Mi Sangre



Aldeas Infantiles SOS



Voces Vitales





Environment



An opportunity to change

At Arcos Dorados, we believe that every day is an opportunity to feed people and build dreams. This includes cultivating resilience for a sustainable future and reducing the environmental footprint of our restaurants and offices. Our initiatives involve the measurement and reduction of carbon emissions, enhancements to the operational efficiency of our restaurants, and the incorporation of more sustainable materials in our packaging, among others. Simultaneously, we strive to facilitate recycling and waste reduction for our guests, foster a cleaner energy matrix, and implement sustainability initiatives within our supply chain.

Recognizing the challenges of addressing climate change and the substantial investment involved, we remain steadfast in our belief that this proactive stance will generate long-term business value. This commitment ensures effective management of operational costs in our energy supply and reduces our vulnerability to escalating environmental risks and regulations. Every facet of our company bears the responsibility of minimizing our environmental impact, with special emphasis on Maintenance, Supply Chain, ESG, Development, and the Environmental, Health and Safety team in Brazil.

Our unwavering commitment to climate action remains a top priority, aligning with our purpose of feeding people and building dreams.





Our Carbon Footprint

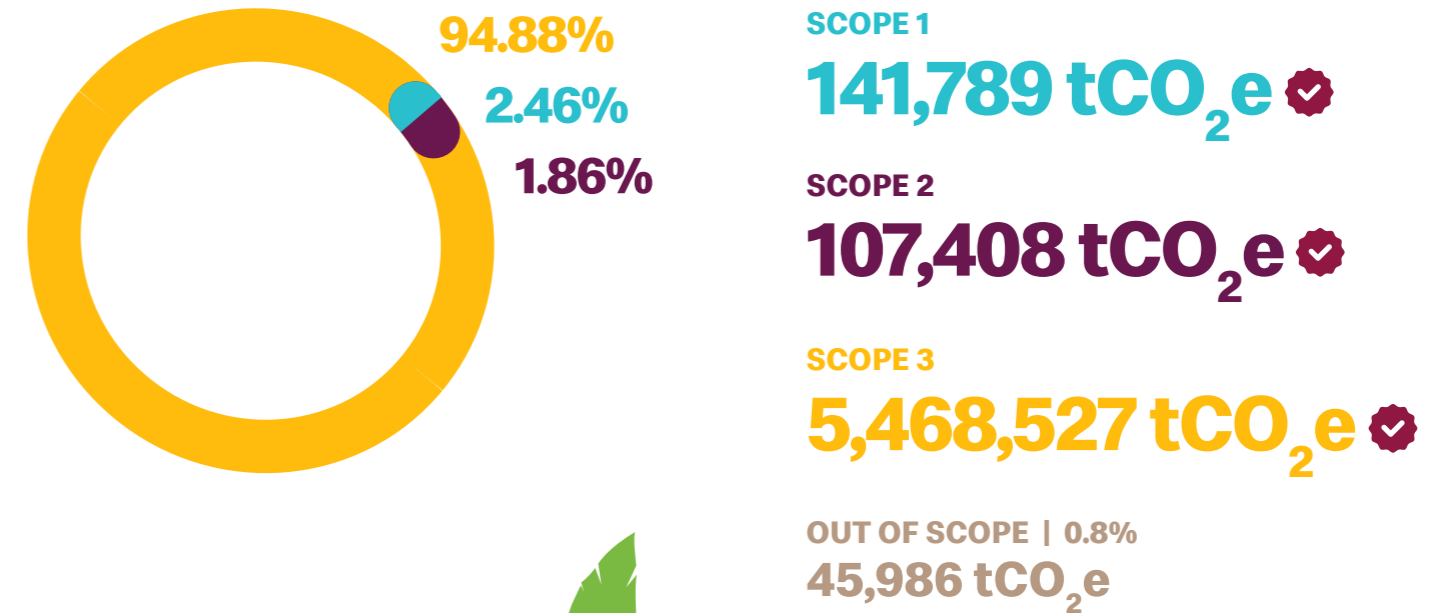
Aligning our journey with our environmental targets involves the measurement, evaluation, and reporting of greenhouse gas (GHG) emissions in our operations. In 2023, we conducted our third carbon footprint assessment, encompassing all our regional operations and spanning the 20 countries that constitute Arcos Dorados.

Our GHG emissions reporting adheres to the guidelines outlined in the “Corporate Accounting and Reporting Standard - Revised Edition” and the supplementary “Value Chain Accounting and Reporting Standard (Scope 3)” of the GHG Protocol. These standards were collaboratively developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). An international consultant completed the inventory process based on information collected by our teams. The GHG included in the inventory are those included in the Kyoto Protocol: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. The consolidation of emissions is based on operational control.

Reaffirming our commitment to GHG emission reduction, in April 2022, we incorporated environmental targets into the first sustainability-linked bond issued by a quick service restaurant operator in Latin America.

At Arcos Dorados, we believe in the power of businesses to drive positive impact. That’s why, in April 2022, we launched a sustainability-linked bond in an effort to integrate our financial and environmental strategies. We established two goals: a 15% absolute reduction in greenhouse gas emissions within our operations by 2025 (Scopes 1 and 2) and a 10% reduction in greenhouse gas emission intensity across our supply chain (Scope 3) by 2025, compared to our 2021 adjusted rebaseline in both cases. Our GHG emissions intensity in 2023 was 1.26 tCO₂ e/thousands USD.

GHG emissions





Emissions reduction in advance

So...
what have
we been
doing so far?

Since the launch of the sustainability-linked bond, we have been tracking our greenhouse gas inventory closely. We are working on accomplishing climate action targets by cutting emissions in restaurant operations and collaborating with suppliers to reduce emissions across all scopes.

a Source: U.S. Energy Department

Scope 1

Emissions from fixed combustion, mobile combustion, and fugitive emissions.

141,789 tCO₂e

FIXED COMBUSTION

These emissions are caused by gas-powered kitchen and heating equipment, and the use of diesel for power generators during electricity outages. **In 2023, we switched from gas to electric kitchens in Costa Rica and Panamá.**

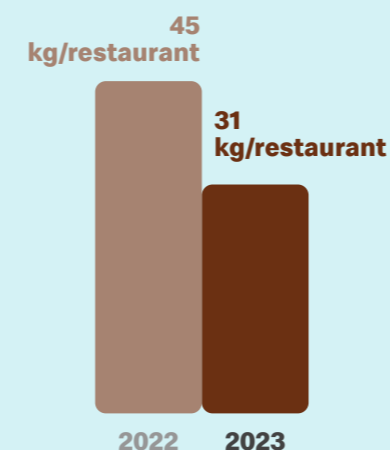
MOBILE COMBUSTION

In Brazil, we transitioned 99% of the company-owned fleet to ethanol, a fuel produced primarily from sugarcane. It emits 74% less CO₂e than diesel¹. Fleet Award 2023 of the International Association of Fleet and Mobility Management (AIAFA, for its Portuguese acronym). Additionally, **in Costa Rica, we are converting our company-owned fleet to hybrid vehicles.**

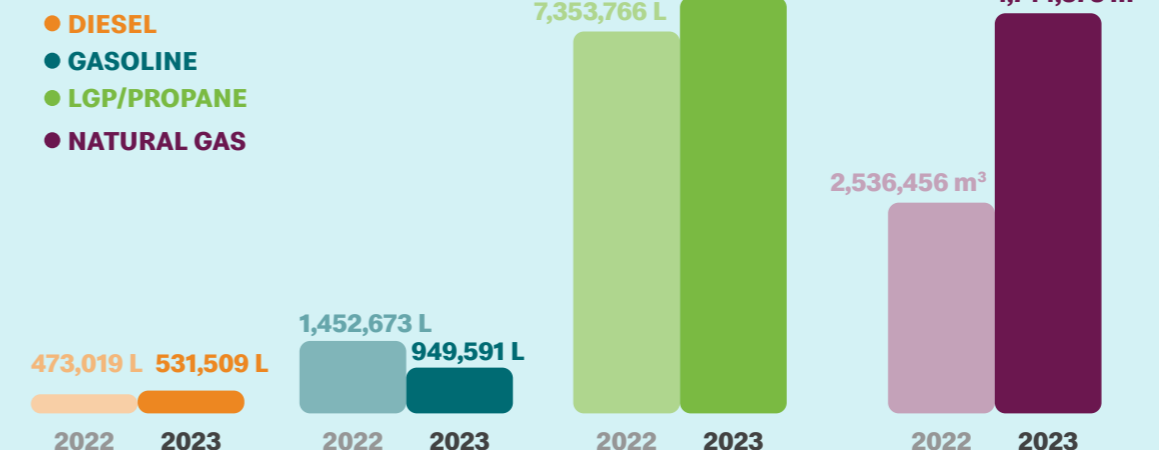
REFRIGERANT GASES IN FUGITIVE EMISSIONS

These emissions are released mainly during maintenance operations of dessert machines, refrigerators, and air conditioners. When opening the pipes, gas escapes, contributing to the increase in the GHG emissions inventory. **In 2023, we purchased gas recovery systems to capture leaks and raised awareness of good maintenance practices.**

Refrigerant Gases



Fuel consumption





Scope 2

Emissions associated with electricity use.

107,408 tCO₂e

Scope 3

Emissions derived from products and services purchased, capital goods, upstream and downstream transportation and distribution, waste, business travel, employee commuting, end-of-life treatment of products sold, and franchise operations.

5,468,527 tCO₂e

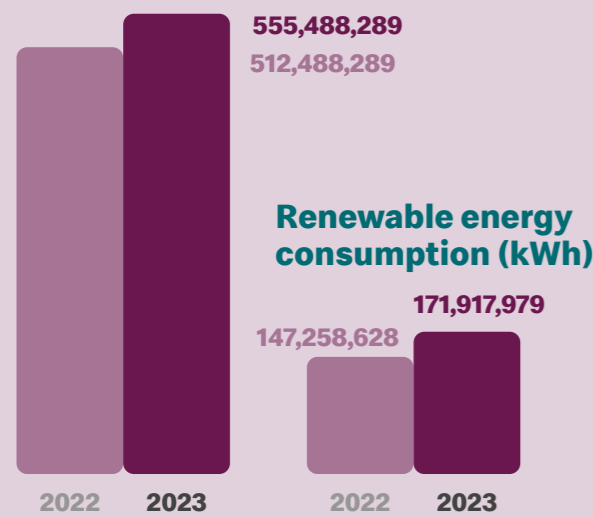
RESTAURANT OPENINGS WITH 100% RENEWABLE ENERGY

In Brazil, all new restaurants in 2023 were powered by 100% renewable energy. This commitment enables us to expand without increasing emissions, ensuring that our goals do not hinder the growth of our operation.

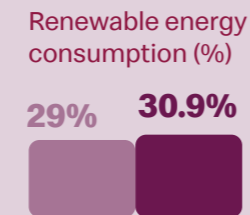
RENEWABLE ENERGY CONTRACTS

In Argentina, Chile and Mexico, we've initiated new contracts for the installation of on-site renewable energy systems to be implemented in 2024.

Energy consumption within the organization (KWh) ✓



128.23 Intensity (MWh/thousand USD) ✓



SUSTAINABLE SOURCING

In Arcos Dorados, we are committed to promoting a low-emission economy throughout our value chain. Therefore, we seek to identify growth opportunities through sustainable sourcing, prioritizing projects in areas of greatest impact, with our suppliers as strategic allies. Among the main actions are joint sessions with our meat suppliers to identify best practices at the field level and the lifecycle of our sourcing.



25 sustainable initiatives

We're prioritizing innovation by introducing the Sustainable Development & Construction Program, which includes 25 initiatives. Some are mandatory; others are suggested; all of them are designed to be integrated into our openings and modernizations. These initiatives help us manage our resources responsibly and cover projects for energy and water savings, circular economy proposals, and actions that positively impact the community.

Energy saving

HEATING, VENTILATION, AND AIR CONDITIONING (HVAC)

- 1 High-efficiency air conditioners
- 2 Low global warming potential refrigerants
- 3 Variable extraction equipment in kitchen hoods
- 4 UV filter on façades

ELECTRICAL INSTALLATION

- 5 Programmable control of air conditioning
- 6 Electric consumption meters
- 7 Automatic signage and exterior lighting
- 8 Solar water heaters
- 9 Solar panels

LIGHTING

- 10 Behind the counter: LED lighting, open-door sensors in refrigerators, and motion sensors in storage areas and bathrooms
- 11 Lobby: LED lighting and motion sensors in bathrooms
- 12 LED lighting in parking lots
- 13 Exterior lighting with unitary solar panel and application to parking lots

Water saving

WATER RECOVERY PLAN

- 14 Water tank: recovery of rainwater and condensation

REDUCTION OF WATER CONSUMPTION

- 15 Faucets with reduced flow and automatic timer
- 16 Toilets with differentiated flush
- 17 Landscaping with low-water use native forestation

Circular economy

WASTE SEPARATION

- 18 Trash bin with waste separation inside the restaurants
- 19 Dumpsters with waste separation outside the restaurants
- 20 Installation for separation of used oil

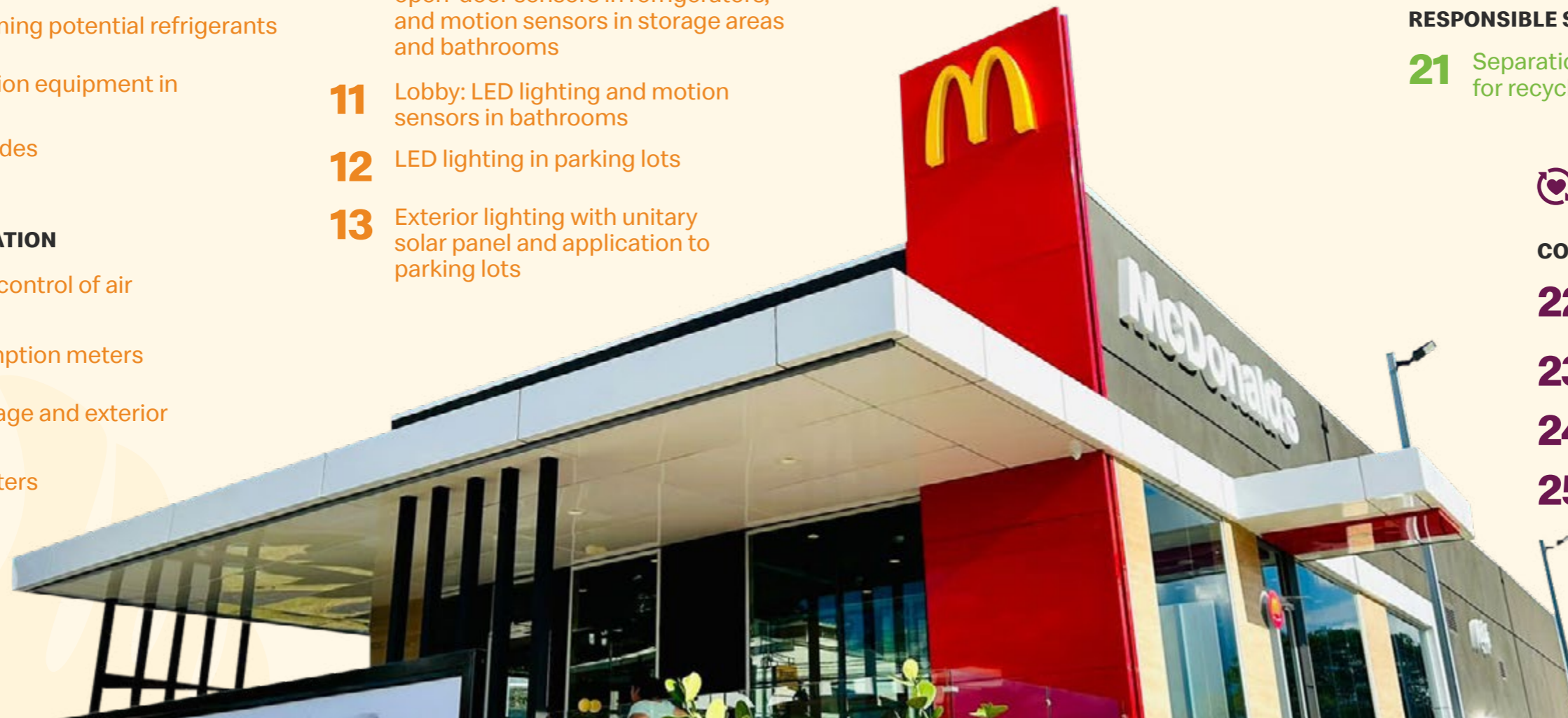
USE OF MATERIALS FROM RESPONSIBLE SOURCES

- 21 Separation of construction waste for recycling purposes

Community impact

COMMUNICATION

- 22 Gender-neutral bathrooms in the Lobby and Crew Room
- 23 Bike rack, pet area, and exercise area
- 24 Chargers for electric vehicles
- 25 Communication of initiatives





BEST PRACTICE

Our initiatives in action

In August 2023, we unveiled **PAB, our sustainable restaurant located in São Paulo, Brazil**. Showcasing our ESG strategy, the Recipe for the Future. It blends innovation with more than 60 sustainable initiatives.

- Powered by renewable energy 40% more efficient air conditioning, consuming less energy
- Architectural design maximizes natural sunlight illumination
- Trays made from recycled household waste
- 100% recycling of cooking oil
- Electric vehicle charging station
- Bicycle parking and an electric bicycle station
- Charging points for electronic devices
- Composting process: New bins for recyclables, non-recyclables, and organic scraps. Organic waste is composted automatically, turned into compost by a machine.

We use compost from the PAB restaurant in McDonald's Garden to grow veggies donated to our crew. Teaming up with Sustainable Green Plate NGO, they manage our garden and educate on healthy eating. Monthly events bring in students to learn about circular food economy and sustainability, ending with planting seeds in reused McDonald's cups. In 2023, families were also invited.





Waste management and circular economy

We are dedicated to accelerating solutions that eliminate or reduce waste while maximizing the reuse of valuable materials throughout our value chain.

The cooking oil used in our restaurants is a major input that undergoes a thorough recovery, recycling, and reuse process in accordance with local regulations. We are proud to say that all our restaurants have procedures for recovering oil that later will be transformed into biodiesel and various other products. Collaborating with local and regional partners, we employ reverse logistics to minimize carbon emissions during the transportation of this resource.

Packaging is a particularly impactful area. Our logistics network plays a pivotal role in recovering cardboard from our restaurants, recycling it, and integrating it back into our value chain to produce new packaging. In 2023, we successfully recovered over 460+ tons of cardboard, contributing to waste reduction and recycling efforts.

To reinforce our commitment to waste separation and recycling, we introduced new waste containers in our restaurants in 2023.

These containers feature different compartments for liquids, paper and cardboard, PET, organics, and non-recyclables, fostering improved waste separation and recycling. This initiative, implemented in Mexico, Brazil, and Peru, encourages customer cooperation to enhance our collective impact.

In our pursuit of material circularity, we addressed the challenge of discarded uniforms at more than 300 of our restaurants. Several countries, including Argentina, Brazil, Mexico, Costa Rica, Colombia, and Chile, have taken up the initiative to collect these uniforms and repurpose the materials into various products, including backpacks, bags, cases, and even incorporating recycled materials into new uniforms.

100% of our restaurants have procedures to recycle cooking oil

3,382,168 liters of recycled used cooking oil

460+ tons of recovered cardboard



LEVVO

To contribute to Arcos Dorados Recipe for the Future, we at LEVVO Group, have implemented several social and environmental programs in our restaurants located in the city of Brasilia.

Through our JEANS DO BEM program, more than 1500 uniforms and more than 2 tons of banners have been collected and recycled into new items.

In addition, we have a solar farm that supplies our restaurants with more than 2.000.000 Kilowatts/hour of renewable energy on an annual basis.

Laura Oliveira
CEO
LEVVO



Packaging innovations

Our packaging plays a crucial role in delivering quality, freshly prepared food quickly and safely to our customers. By the end of 2025, our goal is to have only renewable, recycled, or certified packaging. To achieve this, we invest in solutions across our business in all our markets, focusing on reducing, reusing, and recycling packaging, to foster the use of recycled materials.

In recent years, we have implemented solutions that replace single-use plastics, transitioning from this material to paper packaging and discontinuing the use of straws and lids for in-restaurant consumption.

Since 2017, we have successfully reduced single-use plastic by an average of 2,899 tons/annually within our operations. Currently, our packaging includes 16.8% recycled material in packages that do not come into direct contact with food. This demonstrates our dedication to minimizing waste and incorporating more recycled materials, supporting a circular economy.



Since 2017, we have successfully reduced 46,8 % of the total single-use plastic from our restaurants, representing a reduction average of 2899 tons annually.

COMMITMENT

PILLAR

Circular Economy

Guaranteeing that 100% of fiber-based packaging comes from recycled or certified sources where no deforestation occurs by 2020.

PROGRESS

100%
achieved

Source 100% of our primary guest packaging from renewable, recycled, or certified materials by the end of 2025.

PROGRESS

90.5%

Packaging materials

2023

43,547 tons

9.5%

90.5%

2022

41,233 tons

11.5%

88.5%

● PLASTIC MATERIALS

● RENEWABLE MATERIALS



BEST PRACTICE

Food Donation

In 2023, in Brazil, we implemented new processes in our kitchens to combat food waste, thereby generating a positive socio-environmental impact through food donations. The initiative involves identifying and separating ingredients that may lose commercial value but remain apt for consumption. These items are donated to NGOs through an online platform created by the social startup 'Comida Invisível' helping to feed socially vulnerable people.

“Our partnership with Arcos Dorados gives us the certainty that a better future is built daily, with dedication and engagement. Through the Invisible Food platform, food items that have lost their commercial value but are still good are directed with total legal and sanitary safety to NGOs that work with people in situations of social vulnerability. We are very proud of this partnership.”

Daniela Leite
Founder and CEO of Comida Invisível Startup

10,466 kg
of food recovered and donated,
equivalent to +52,284 meals served

54
NGOs reached with
meal donations

100
restaurants
with the initiative





GRI & SASB content index





GRI content index

STATEMENT OF USE

Arcos Dorados has reported in accordance to the GRI Standards for the period January 1-December 31, 2023.

GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
The organization and its reporting practices				
GRI 2: General Disclosures 2021	2-1 Organizational details	The executive offices of Arcos Dorados Holdings Inc. are located at Río Negro 1338, First Floor, Montevideo, Uruguay.	5	
	2-2 Entities included in the organization's sustainability reporting	Adcon S.A.; Administrative Development Company; Aduy S.A.; Alimentos Arcos Dorados de Venezuela C.A.; Alimentos Latinoamericanos Venezuela ALV, C.A.; Arcgold del Ecuador, S.A.; Arcos del Sur, S.R.L.; Arcos Dorados Argentina S.A.; Arcos Dorados Aruba N.V.; Arcos Dorados B.V.; Arcos Dorados Caribbean Development Corp.; Arcos Dorados Colombia S.A.S; Arcos Dorados Costa Rica ADCR, S.A.; ADCR Inmobiliaria, S.A.; Arcos Dorados Curacao, N.V.; Arcos Dorados Development B.V.; Arcos Dorados French Guiana; Arcos Dorados Group B.V.; Arcos Dorados Guadeloupe; Arcos Dorados Martinique; Arcos Dorados Panama, S.A.; Arcos Dorados Puerto Rico, LLC; Arcos Dorados Restaurantes de Chile, Ltda.; Arcos de Valparaiso SpA; Arcos Dorados Trinidad Limited; Arcos Dorados USVI, Inc. (St. Croix); Arcos Dourados Comercio de Alimentos S.A.; Arcos Dourados Restaurantes Ltda.; Arcos SerCal Inmobiliaria, S. de R.L. de C.V.; Restaurantes ADMX, S. de R.L. de C.V.; Arcos Dorados BraPa S.A. ; Compañía de Inversiones Inmobiliarias S.A.; Complejo Agropecuario Carnico (Carnicos), C.A.; Arcos Dorados Uruguay S.A.; Gerencia Operativa ARC, C.A.; Compañía Operativa de Alimentos COR, C.A.; Golden Arch Development LLC; LatAm, LLC; Logistics and Manufacturing LOMA Co.; Management Operations Company; Operaciones Arcos Dorados de Perú, S.A.; Sistemas Central America, S.A.; Sistemas McOpCo Panama, S.A.; Arcos Dorados Latam LLC; Arcos Mendocinos S.A.; Arcos Dourados Empreendimentos Inmobiliarios Ltda; ADC Real Estate SpA; AD Inmobiliaria Colombia S.A.S.; Sociedad de Inversiones CSL Ltd; AD Real Estate S.A.; Arcos Dorados I B.V.		
	2-3 Reporting period, frequency and contact point		5	
	2-4 Restatements of information		5	
	2-5 External assurance		5	



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
Activities and workers				
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships		12-13	
	2-7 Employees	100% fixed-term employees. There is a minimum difference of three people compared to the information reported in the 20-F due to a database update at the time of capturing the information for each report. Due to internal policies of Arcos Dorados, the category of 'fixed-term employees' has been conceptually redefined. This implies that under this category, the classifications of permanent, temporary, and non-guaranteed hourly employees are encompassed.	43	
	2-8 Workers who are not employees	During the reporting period, we did not measure this indicator.		
Governance				
GRI 2: General Disclosures 2021	2-9 Governance structure and composition		16-17	
	2-10 Nomination and selection of the highest governance body	20-F Form		
	2-11 Chair of the highest governance body	Woods Staton serves as the Executive Chairman of the Board of Directors and holds a position distinct from the organization's senior executive team.	16	
	2-12 Role of the highest governance body in overseeing the management of impacts		16	
	2-13 Delegation of responsibility for managing impacts		16	
	2-14 Role of the highest governance body in sustainability reporting		16	
	2-15 Conflicts of interest		18	
	2-16 Communication of critical concerns	The number of critical concerns formally reported to the highest governance body was not surveyed during the period.		
	2-17 Collective knowledge of the highest governance body		46	
2-18 Evaluation of the performance of the highest governance body	20-F Form			
2-19 Remuneration policies	20-F Form			



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
	2-20 Process to determine remuneration	20-F Form		
	2-21 Annual total compensation ratio	Annual compensation ratio is confidential competitive information that we do not disclose.		
Strategy, policies and practices				
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy		3	
	2-23 Policy commitments		18-20	
	2-24 Embedding policy commitments		19	
	2-25 Processes to remediate negative impacts		21	
	2-26 Mechanisms for seeking advice and raising concerns		21	
	2-27 Compliance with laws and regulations	Compliance with laws and regulations is competitive information that we do not disclose.		
	2-28 Membership associations		14	
Stakeholder engagement				
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement		6	
	2-30 Collective bargaining agreements			
		Employees covered (%)		
		Argentina	95	
		Brazil	99	
		Chile	0	
		Colombia	100	
		Ecuador	0	
		Mexico	90	
		Panama	84	
		Peru	0	
		Puerto Rico	0	
		Uruguay	96	
		Costa Rica	0	
		Venezuela	74	



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
Material topics				
GRI 3: Material topics 2021	3-1. Process to determine material topics		7	
	3-2 List of material topics		7	
Health and safety or our people				
GRI 3: Material topics 2021	3-3 Management of material topic		47-49	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system		49	
	403-2: Hazard identification, risk assessment, and incident investigation		49	
	403-3: Occupational health services		54	
	403-4: Worker participation, consultation, and communication on occupational health and safety		48	
	403-5: Worker training on occupational health and safety		48	
	403-6: Promotion of worker health		54	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		47, 49	
	403-8: Workers covered by an occupational health and safety management system		49	
	403-9: Work-related injuries			
	For all employees			
	Fatalities as a result of work-related injury		0	
	High-consequence work-related injuries (excluding fatalities)		116	
	Recordable work-related injuries		4,524	
	We do not have sufficient information to report the rate of work-related injuries regarding employees and workers who are not employees but whose jobs or workplaces are controlled by the organization.			



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
	403-10: Work-related ill health	<p>For all employees</p> <p>Fatalities resulting from an occupational illness or disease 0</p> <p>Recordable work-related ill health 84</p> <p>We do not have sufficient information to report the rate of work-related illnesses regarding employees workers who are not employees but whose jobs or workplaces are controlled by the organization.</p>		
Youth employment				
GRI 3: Material topics 2021	3-3 Management of material topic		57-58	
Human rights and fair labor practices				
GRI 3: Material topics 2021	3-3 Management of material topic		20-21	
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	In 2023, we registered 336 incidents related to discrimination and diversity. While 160 of those claims were not verified as genuine, 129 were proved/partially proved. At the end of the period, 47 cases were still under investigation		
GRI 407: Freedom of association and collective bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		25-27	
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		25-27	
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		25-27	
Diversity and inclusion				
GRI 3: Material topics 2021	3-3 Management of material topic		50-54	
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		17, 52	
	405-2 Ratio of basic salary and remuneration of women to men	This ratio is confidential competitive information that we do not disclose.		



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
Responsible sourcing				
GRI 3: Material topics 2021	3-3 Management of material topic		24-34	
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	We define local suppliers as those that belong to the same country as the operation.	25	
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		27	
	308-2 Negative environmental impacts in the supply chain and actions taken		26-27	
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		27	
	414-2 Negative social impacts in the supply chain and actions taken		26-27	
Support to the local community				
GRI 3: Material topics 2021	3-3 Management of material topic		59-61	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		60	
	413-2 Operations with significant actual and potential negative impacts on local communities	During the reporting period, we did not assess these impacts on the community.		
Culture and work environment				
GRI 3: Material topics 2021	3-3 Management of material topic		42-46	



GRI STANDARD	CONTENT	ANSWER						PAGE	AUDITED
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	New employees		SLAD		NOLAD		BRAZIL	
		Under 30 years	23,439	13,699	28,958				
		Between 31 - 50 years	762	821	1,178				
		Older than 50 years	74	133	57				
		TOTAL	24,275	14,653	30,193				
		Men	10,428	7,66	13,317				
		Women	13,847	6,993	16,876				
		TOTAL	24,275	14,653	30,193				
		Turnover (%)		SLAD		NOLAD		BRAZIL	
		Under 30 years	50.47	57.24	87.34				
		Between 31 - 50 years	27.57	35.18	39.91				
		Older than 50 years	20.34	23.29	18.65				
		Men	48.23	56.71	73.76				
		Women	49.58	52.74	90.63				
			401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees						44
	401-3 Parental leave								
			SLAD	NOLAD	BRAZIL				
			M	W	M	W	M	W	
	Employees who were entitled to parental leave	100	100	100	100	100	100	100	
	Employees who took parental leave	57	302	35	346	18	914		
	Employees who returned to work in the reporting period after their parental leave ended	57	256	34	293	18	720		
	Employees who returned to work after ending parental leave and who were still employed 12 months after their return to work.	54	187	29	174	17	532		
	Retention rates of employees who took parental leave	82%	67%	65%	56%	94%	58%		



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	During the reporting period, we did not have sufficient information to disclose the average number of hours by gender.	45	
	404-2 Programs for upgrading employee skills and transition assistance programs		45-46	
	404-3 Percentage of employees receiving regular performance and career development reviews		44	
Climate change				
GRI 3: Material topics 2021	3-3 Management of material topic		63-66	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		64	
	305-2 Energy indirect (Scope 2) GHG emissions		64	
	305-3 Other indirect (Scope 3) GHG emissions		64	
	305-4 GHG emissions intensity		64	
	305-5 Reduction of GHG emissions		65-66	
	305-6 Emissions of ozone-depleting substances (ODS)		65	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Due to our type of operation, we do not produce this category of emissions.		
Responsible resource management				
GRI 3: Material topics 2021	3-3 Management of material topic		67-68	




GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
GRI 302: Energy 2016	302-1 Energy consumption within the organization	During the reporting period we did not sell any type of energy.	66	
	302-2 Energy consumption outside of the organization	During the reporting period, we did not consume energy outside of the operation.		
	302-3 Energy intensity		66	
	302-4 Reduction of energy consumption		66	
	302-5 Reduction in energy requirements of products and services		66	
GRI 303: Water and effluents 2018	303-1: Interactions with water as a shared resource		67	
	303-2: Management of water discharge-related impacts		67-68	
	303-3: Water withdrawal	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.		
	303-4: Water discharge	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.		
	303-5: Water consumption	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.		
Food safety				
GRI 3: Material topics 2021	3-3 Management of material topic		23, 35	
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		35	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023, 3.91% of critical incidents were detected by a food safety oversight body.		



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
Responsible digital experience				
GRI 3: Material topics 2021	3-3 Management of material topic		39-40	
GRI 418: Customer privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data		40	
Sustainable and deforestation-free livestock raising				
GRI 3: Material topics 2021	3-3 Management of material topic		32-34	
Packaging and circular economy				
GRI 3: Material topics 2021	3-3 Management of material topic		69-71	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		70	
	301-2 Recycled input materials used		70	
	301-3 Reclaimed products and their packaging materials		70	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		69	
	306-2 Management of significant waste-related impacts		69	
	306-3 Waste generated	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.		
	306-4 Waste diverted from disposal	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.		
	306-5 Waste directed to disposal	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.		
Nutrition and responsible marketing				
GRI 3: Material topics 2021	3-3 Management of material topic		36-38	



GRI STANDARD	CONTENT	ANSWER	PAGE	AUDITED
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling		37	
	417-2 Incidents of non-compliance concerning product and service information and labeling	During the reporting period, we registered these incidents at the local level. We are working to have consolidated information at the regional level in the short term, enabling us to report this indicator.		
	417-3 Incidents of non-compliance concerning marketing communications	During the reporting period, we registered these incidents at the local level. We are working to have consolidated information at the regional level in the short term, enabling us to report this indicator.		
Ethics and integrity and the fight against corruption				
GRI 3: Material topics 2021	3-3 Management of material topic		18-21	
GRI 205 Anticorruption 2016	205-1 Operations assessed for risks related to corruption		18	
	205-2 Communication and training about anti-corruption policies and procedures	100% of the Board of Directors receives communications on anti-corruption.	19	
	205-3 Confirmed incidents of corruption and actions taken		18	
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		18	



SABS content index

STANDARD	CONTENT	ANSWER	PAGE
Energy Management			
FB-RN-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable		66
Water Management			
FB-RN-140a.1	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.	
Food & Packaging Waste Management			
FB-RN-150a.1	(1) Total amount of waste, (2) percentage food waste, (3) percentage diverted	During the reporting period we did not have sufficient information to disclose this information. We are working to improve this report in future reporting periods.	
FB-RN-150a.2	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, (3) percentage that is recyclable, reusable, and/or compostable		70
Food Safety			
FB-RN-250a.1	(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	In 2023, 3.91% of critical incidents were detected by a food safety oversight body.	
FB-RN-250a.2	(1) Number of recalls, (2) total amount of food product recalled	In 2023 we had 19 stock recoveries due to product quality, 4 less than in 2022. In each case we took into consideration the associated level of criticality and worked with the suppliers directly involved to replace the product.	
FB-RN-250a.3	Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation 3		35
Nutritional Content			
FB-RN-260a.1	(1) Percentage of meal options consistent with national dietary guidelines, (2) revenue from these options	Information about revenues from different menu offerings is sensitive competitive information that we do not disclose.	36, 38
FB-RN-260a.2	(1) Percentage of children’s meal options consistent with national dietary guidelines for children, (2) revenue from these options	Information about revenues from different menu offerings is sensitive competitive information that we choose not to disclose.	36, 38



STANDARD	CONTENT	ANSWER	PAGE
FB-RN-260a.3	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	Our advertisements are always targeted towards family groups, not children. All our products align with the nutritional guidelines for children in the countries where we operate.	
Labor Practices			
FB-RN-310a.1	(1) Voluntary turnover rate for restaurant employees, (2) involuntary turnover rate for restaurant employees	This ratio is confidential competitive information that we do not disclose.	
FB-RN-310a.2	(1) Average hourly wage, by region, (2) percentage of restaurant employees earning minimum wage, by region	We comply with all legal regulations and requirements related to labor conditions and compensation in each country where we operate.	
FB-RN-310a.3	Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	In this report, we disclose full information about discrimination cases. It is important to note that the financial information is competitive-sensitive.	
Supply Chain Management & Food Sourcing			
FB-RN-430a.1	Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards		27
FB-RN-430a.2	(1) Percentage of eggs that originated from a cage-free environment and (2) Percentage of pork that was produced without the use of gestation crates		30-31
FB-RN-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare		24-34



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INDEPENDENT PUBLIC ACCOUNTANT'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY INDICATORS

To the Directors of
ARCOS DORADOS HOLDINGS INC.
Río Negro 1338, First Floor
Montevideo, Uruguay, 11100

1- Introduction

We have been engaged by Arcos Dorados Holdings Inc. ("the Company") to issue a limited assurance report on certain sustainability indicators contained in the Social Impact and Sustainable Development Report 2023 ("the Report"), for the year ended December 31, 2023, including the reference "🔴", which the Board of Directors considered most material based on the stakeholder's enquiries and the guidelines set by the Global Reporting Initiative (GRI) in the GRI Standards.

2- Responsibility of the Company's Board of Directors

The Company's Board of Directors is responsible for the preparation and presentation of the Report in accordance with GRI Standards. This responsibility includes defining the bases and criteria to prepare the Report as well as to design, adjust and maintain management and internal control systems used to obtain the information for the preparation of the Report.

3- Responsibility of the public accountant

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 assurance engagement.

4- Professional work

Our professional work was conducted in accordance with standards for other assurance engagements set forth in section V.A., Second part, of Technical Resolution No. 37 issued by the Argentine Federation of Professional Councils of Economic Sciences ("RT 37"). 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, within our field of competence, about whether the indicators included in the Report identified in item 1 and including the reference "🔴" have been prepared, in all material respects, according to the guidelines established in the GRI Standards. In addition, according to such standards, the



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level of assurance obtained in a limited assurance engagement is lower than in a reasonable assurance engagement because the nature, scope and timing of the procedures applied by the accountant to collect the judgmental evidence to issue their conclusion differ.

Consequently, our work included the review, on a test basis, of the evidence gathered about the Company's compliance with GRI Standards mentioned in item 1 and the application of other procedures deemed appropriate based on the circumstances.

The procedures mentioned in the previous paragraph have been applied to the records and documentation provided by the Company. Our task was based on the premise that the information provided is accurate, complete, and genuine, and that it does not result from any fraudulent or unlawful act, for which we considered its appearance and formal structure.

5- Conclusion

Based on the work performed and described in item 4, nothing came to our attention leading us to believe that the GRI indicators included in the Report mentioned in item 1 and containing the reference "🔴" are not prepared, in all material aspects, according to the GRI Standards.

City of Buenos Aires, Argentina
May 13, 2024

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Miembro de Ernst & Young Global

GUSTAVO LAZZATI
Socio



**Coordinated by
the Social Impact and
Sustainable Development Team**