

McDonald's Sustainability Accounting Standards Board (SASB) Index 2019

SASB is an independent, standards setting organization that looks to improve efficiency and consistency in environmental, social and governance (ESG) reporting of material issues for each sector and has been developed in conjunction with investors.

McDonald's has chosen to report through the voluntary SASB framework for the first time for our 2019 ESG reporting period. This is an important step in our ESG reporting journey, enabling us to communicate our progress in a transparent and standardized manner for investors and other important stakeholders. In certain instances, a specific SASB topic may be discussed in our reporting but McDonald's does not currently report progress on the corresponding SASB metrics. In these instances we provide relevant data on the topic below and/or link to the corresponding issue page within the **Our Purpose & Impact** section of our corporate website, which acts as a live reporting platform where these topics and any relevant performance data are discussed in greater detail.

We are committed to continuous improvement and are actively working to improve our data collection and coordination across the McDonald's System. We look forward to continuing to identify ways to strengthen our reporting processes and disclosures in the coming years.

Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Source(s)
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-RN-130a.1	Total energy consumed: 8,003,874.348 GJ Percentage grid electricity: 85% Percentage renewable: 15% Together with our Franchisees, our renewable energy purchases in Europe covered over 6,500 restaurants' worth of electricity across 11 markets in 2019. Our restaurants in France, Portugal, and the U.K. and Ireland are close to obtaining, or already procure, 100% of their energy from renewable sources. In the U.S., McDonald's committed to two renewable energy projects in Texas in 2019, both of which took the form of virtual power purchase agreements (VPPAs). Once online, the energy generated by these wind and solar projects will be equivalent to over 2,500 restaurants' worth of electricity. Please find additional information on our Climate Action reporting page and in our 2019 CDP Climate Change response.
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	FB-RN-140a.1	Total water consumed: 912,900 m ³ Please find additional information on our Water Stewardship reporting page and in our 2019 CDP Water response.
Food & Packaging Waste Management	(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	Quantitative	Metric tons (t), Percentage (%)	FB-RN-150a.1	Learn more about our approach to Food & Packaging Waste Management on our Packaging & Waste and Food Waste & Donations reporting pages.
	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-RN-150a.2	As of 2019, we are approximately 78% of the way toward our goal to source all guest packaging from renewable, recycled or certified sources by 2025. ¹ Please find additional information on Food & Packaging Waste Management on our Packaging & Waste reporting page.
Food Safety	(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	Quantitative	Percentage (%)	FB-RN-250a.1	
	(1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	Number, Metric tons (t)	FB-RN-250a.2	Learn more about our approach to Food Safety on our Food Safety reporting page.
	Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation	Quantitative	Number, Percentage (%)	FB-RN-250a.3	

¹ Inclusive of centrally managed guest packaging and Happy Meal book and toy packaging.



Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Source(s)
Nutritional Content	(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	Quantitative	Percentage (%), Reporting currency	FB-RN-260a.1	Learn more about our approach to Nutritional Content on our Nutrition & Marketing Practices reporting page.
	(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	Quantitative	Percentage (%), Reporting currency	FB-RN-260a.2	An average of 43% of Happy Meal Bundles met McDonald's Global Happy Meal Nutrition Criteria across 20 major markets ² in 2019. Happy Meal bundles that meet the Global Happy Meal Nutrition Criteria have less than or equal to 600 calories, 10% of calories from saturated fat, 10% of calories from added sugar, and 650 mg of sodium. As part of our Global Happy Meal Goals, we are working toward ensuring that 50% or more of Happy Meal Bundle Offerings presented on menus across the 20 major markets meet McDonald's Global Happy Meal Nutrition Criteria by the end of 2022. This criteria is consistent with national dietary guidelines for children. Please find additional information on Nutritional Content on our Nutrition & Marketing Practices reporting page and in our Happy Meal Goals 2020 Progress Report .
	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	Quantitative	Number, Percentage (%)	FB-RN-260a.3	Learn more about our approach to Nutritional Content on our Nutrition & Marketing Practices reporting page and in our Happy Meal Goals 2020 Progress Report .
Labor Practices	(1) Voluntary and (2) involuntary turnover rate for restaurant employees	Quantitative	Rate	FB-RN-310a.1	
	(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	Quantitative	Reporting currency, Percentage (%)	FB-RN-310a.2	Learn more about our approach to Labor Practices throughout our Jobs, Inclusion & Empowerment reporting pages.
	Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	Quantitative	Reporting currency	FB-RN-310a.3	
Supply Chain Management & Food Sourcing	Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards	Quantitative	Percentage (%) by cost	FB-RN-430a.1	<p>McDonald's has set ambitious targets and made significant progress in the areas of sustainable sourcing and supporting deforestation-free supply chains across our six priority commodities where we've identified we can have the biggest impact. The scope of this work includes all McDonald's restaurants (both Company-owned and Franchisee). Full performance data and relevant definitions, scope, and exclusions are available on our Conserving Forests and Responsible Sourcing reporting pages. Statements are as of the end of 2019 unless otherwise noted.</p> <p>Beef: As of July 2020, we are sourcing a portion of our beef from sustainability programs aligned with the Global Roundtable on Sustainable Beef (GRSB) principles and criteria in three markets and all of our top 10 beef sourcing countries have recognized one or more beef producers as Flagship Farmers to work with peers and share their industry-leading practices. 92% of McDonald's global beef supply is verified as compliant with our Commitment on Forests as of the end of 2019, and we are making significant progress toward our additional goals of establishing research projects and supporting or sponsoring beef producer sustainability groups, tools or programs that support the wider adoption of best practices.</p> <p>Fish: 99% of the fish sourced for Filet-O-Fish came from sustainably managed wild-caught fisheries, assessed and verified annually against the McDonald's Sustainable Fisheries Standard by the Sustainable Fisheries Partnership, or certified by the Marine Stewardship Council (MSC).</p> <p>Palm Oil: 100% of the palm oil used in McDonald's restaurants and as ingredients in McDonald's products support the production of sustainable palm oil and deforestation-free supply chains through Roundtable on Sustainable Palm Oil (RSPO) certifications and credits.</p> <p>Soy: 71% of soy for feed of chicken used in McDonald's products support deforestation-free supply chains; and 86% of soy sourced for feed of chicken used for McDonald's products and supplied to McDonald's restaurants in Europe was covered by a combination of ProTerra or Roundtable on Responsible Soy (RTRS) certifications and credits.</p> <p>Coffee: 75% of all ground and whole bean coffee is sustainably sourced, either through Rainforest Alliance, UTZ, Fair Trade USA, Fair Trade International or from an approved McCafé Sustainability Improvement Platform (SIP) program; and 96% of coffee sourced for McDonald's restaurants supports deforestation-free supply chains, as it is traced back to low-deforestation priority regions or certified by Rainforest Alliance or UTZ.</p> <p>Fiber: 92% of all primary fiber-based guest packaging is sourced from recycled or certified sources, as verified by Forest Stewardship Council® (FSC®), the Programme for the Endorsement of Forest Certification (PEFC™) or PEFC endorsed national systems; and 93% of primary fiber-based guest packaging sourced for McDonald's restaurants supports deforestation-free supply chains, as it is traced back to low-deforestation priority regions or to FSC Certified or FSC Controlled Wood sources mills with full chain of custody certification.</p>

2 U.S., Canada, Brazil, Argentina, U.K., France, Germany, Austria, Spain, Netherlands, Italy, Poland, Sweden, Switzerland, Russia, Hong Kong, China, Japan, Taiwan, Australia.



Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Source(s)
Supply Chain Management & Food Sourcing continued	Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	Quantitative	Percentage (%) by number, Percentage (%) by weight	FB-RN-430a.2	<p>We are committed to responsible antibiotic use and support the health & welfare of animals in our supply chain, and notably:</p> <p>We are implementing our new Antibiotic Policy for Beef in all of our top 10 beef sourcing markets and we are working to eliminate HPClAs from all chicken served by 2027. Since February 2019, we have tracked antibiotics use in over 2.9 billion birds, resulting in significant reductions across our supply chain. View our Responsible Antibiotic Use reporting page for progress across markets.</p> <p>The U.S. egg supply chain is now 43% cage-free and we are making significant progress in other markets. Our commitments to sourcing chickens raised with improved welfare outcomes impact more than 70% of our global chicken supply and will be fully implemented on or before 2024. Please see our Animal Health & Welfare reporting page for more information.</p>
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and Analysis	N/A	FB-RN-430a.3	<p>McDonald's engages in a robust discussion of our strategy to manage environmental and social risks within our supply chain throughout the Food Quality & Sourcing and Our Planet reporting pages, as well as our 2019 CDP Climate Change and 2019 CDP Forests responses.</p>

Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Response and Source(s)
Number of (1) company-owned and (2) franchise restaurants	Quantitative	Number	FB-RN-000.A	<p>(1) 2,636 Company-owned restaurants (2) 36,059 franchised restaurants</p> <p>Please find additional information throughout McDonald's Annual Report.</p>
Number of employees at (1) company-owned and (2) franchise locations	Quantitative	Number	FB-RN-000.B	<p>The Company's number of employees worldwide, including its corporate and other office employees as well as Company-owned and operated restaurant employees, was approximately 205,000 as of year-end 2019.</p> <p>Across our franchised and Company-owned restaurants, approximately 2 million people globally work in a McDonald's restaurant.³</p> <p>Please find additional information throughout McDonald's Annual Report.</p>

For more information on terms and definitions, governance, performance data and more, please visit the **Our Purpose & Impact** section of our website, which is designed to be a living reporting platform.

³ Franchisees are independent business owners who employ the individuals who work in their restaurants and for their businesses.

