

2023–2024

Our Purpose & Impact Progress Summary

McDonald's Corporation



Progress Summary



A Message From Our CEO



This past year, our focus remained firmly on serving our customers and communities – and I'm proud of the positive impact the McDonald's System is making around the world.

Ray Kroc used to say, “We have an obligation to give something back to the community that gives so much to us.” This sentiment was even more meaningful this past year, as the world experienced a humanitarian crisis caused by the wars in Ukraine and the Middle East, along with the devastating natural disasters that plagued many regions.

At the same time, many consumers are feeling a strain on their wallets as a result of the volatile environment. Despite these challenges, I'm confident that we're moving with urgency to deliver great value for our customers while showing up for the communities we serve.

In moments like these, I'm reminded of the sheer impact of the McDonald's System. We have the power to transform our business and impact the world around us. And we do so, as we always have, energized by our values and our purpose: to feed and foster communities.

Building Resilience Through Climate Action

As a leading global brand, we understand our responsibility to help preserve our planet so our business and future generations can continue to thrive. To protect the future of McDonald's, we need to help protect our Earth's natural resources so that we can continue serving our communities.

We're making progress toward our commitment to reach net zero emissions by 2050. This includes working with suppliers to help eliminate deforestation from our global supply chain, adopting and scaling more sustainable agricultural practices, reducing waste and transitioning to more sustainable packaging.

Fostering Inclusion

At our core, McDonald's is a people business. Guided by our values, we're committed to fostering inclusive workplaces. We are currently taking actions to create the type of environment where people want to work by investing in our people through professional development opportunities, further preparing them for a long career with us, and providing a holistic employee value proposition. This is in part accomplished through our Global Brand Standards, which are already helping to promote even safer workplaces.

Serving Our Communities

Every day, the McDonald's System strives to fulfill our purpose of feeding and fostering communities locally, and there's no greater example of this dedication to drive positive impact than our work with Ronald McDonald House Charities® (RMHC®). In 2023, McDonald's Corporation donated \$20 million as part of our five-year, \$100 million commitment. This year, we join RMHC in celebrating 50 years of impact for families with children who are sick. We are inspired by the work that has been done – and will continue – to support families around the world.

Alongside our world-class Franchisees, we have also worked to reduce barriers to employment for 2.2 million young people in communities around the world by providing training programs and employment opportunities – exceeding our target goal two years ahead of schedule.

Looking Toward the Future

As we look to the future, I'm confident that we will continue making a positive impact on local communities around the world. By leveraging our global scale and leading with purpose today, we will continue to make a difference for the generations of tomorrow. I look forward to seeing us do that – in a way that only McDonald's can – through the collective strength of our System.

Chris Kempczinski
President and CEO, McDonald's Corporation

“**McDonald's has a legacy of delivering strategies that achieve impact at scale for both people and the planet. It's a legacy we're extremely proud of and one we share with all our stakeholders through active engagement and a history of honest, transparent reporting. I'm inspired by the work we do, every day, to feed and foster communities, and look forward to helping steer the future of sustainability at McDonald's.**”



Beth Hart
Chief Sustainability & Social Impact Officer



A Message From Jon Banner, Executive Vice President and Global Chief Impact Officer, McDonald's Corporation

Every day, I continue to be impressed by the positive impact that all three legs of the stool are making. McDonald's is positioned to use our voice to help influence positive change around the world. Our business resilience strategy helps us ensure this impact lasts while protecting our ability to operate and serve communities in the future. To achieve our purpose, we know that we need to continue putting our people first. And with over 2 million employees working under the Arches, we're advancing our efforts to promote safe, respectful, and inclusive workplaces. As of the end of 2023, our Global Brand Standards, aimed at protecting the physical and psychological safety of all our people are in place across more than 41,000 locations worldwide.

Additionally, we're partnering with non-governmental organizations (NGOs) to help us progress on our social impact efforts. For example, by working closely with the Business Advisory Group on Migration, and through our work with the International Youth Foundation (IYF), we're helping reduce barriers to employment and open new avenues for positive change. We're collaborating with the right people to ensure that we're using our scale to make a difference around the world.

As we look to the future, I'm filled with enthusiasm for what lies ahead. The challenges our world faces are significant, but so is our determination to be a force for good. We're not just adapting to change – we're helping to drive it, with a clear vision of a more sustainable, equitable and resilient future.

I'm so proud our System's collective progress to reach our goals and set targets. Working together, we will continue to help make a positive impact on our people and our planet, every day.

Jon Banner
Executive Vice President and Global Chief Impact Officer, McDonald's Corporation

Who We Are

What began as a small drive-in restaurant in San Bernardino, California, has grown into a global icon that proudly serves millions of customers every day around the world.

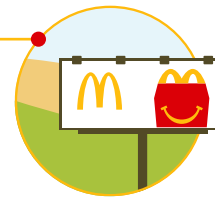
While much has changed over the last six decades, Ray Kroc's original commitment to Quality, Service, Cleanliness and Value has endured and made McDonald's a trusted favorite for nearly 70 years.

McDonald's restaurants, whether franchised or operated by the Company, serve a locally relevant menu of quality food and beverages in communities across more than 100 countries. Of the more than 41,000 McDonald's restaurants at year-end 2023, approximately 95% were franchised. Our continued commitment to our *Accelerating the Arches* strategy is keeping us relevant to our customers, through a focus on marketing, our core menu and the customer experience.

Our Growth Pillars

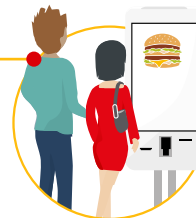
Marketing

Staying connected to what our customers love about us and bringing that emotion into our creative.



Core

Our core menu remains our competitive advantage and a strength that we are capitalizing on to grow share.



Digital, Delivery, Drive-Thru and Development ("4-Ds")

We will continue to expand our loyalty program to power personalized experiences while getting closer to our customers by accelerating the development of new locations.



We're also using technology to leverage the full strength of our scale through consumer, restaurant and company platforms.

What matters to our customers matters to McDonald's, so our vision – now and in the future – centers on five core values: Serve, Inclusion, Integrity, Community and Family. These values form the backbone of our brand and support our mission to make delicious feel-good moments easy for everyone; living them is the foundation of McDonald's next great chapter.

Behind our Golden Arches is a global community of crew, farmers, suppliers, Franchisees and countless others who make up who we are as a brand. People are at the cornerstone of our business and are an essential part of the McDonald's System. Company employees, who include those in our corporate and other offices as well as in Company-owned and operated restaurants, totaled over 150,000 worldwide as of year-end 2023, of which approximately 70% were based outside of the U.S. In addition to Company employees, the more than 2 million individuals who work in McDonald's franchised restaurants around the world are critical to our success, enabling the Company to drive long-term value creation and further its purpose and mission.

As the consumer landscape shifts, we are using our competitive advantages to further strengthen

our brand. Our growth pillars build on our strong foundations to help ensure we can meet the moment today and have long-term success.

We're committed to helping improve the lives of our people, our industry and the planet by putting our customers and employees first, sourcing quality food, helping to reduce waste and contributing to employment opportunities around the world.

We believe we have a responsibility to take on some of the most pressing challenges of our time, and we embrace this opportunity to lead by example and create meaningful change.

The Company's Five Core Values

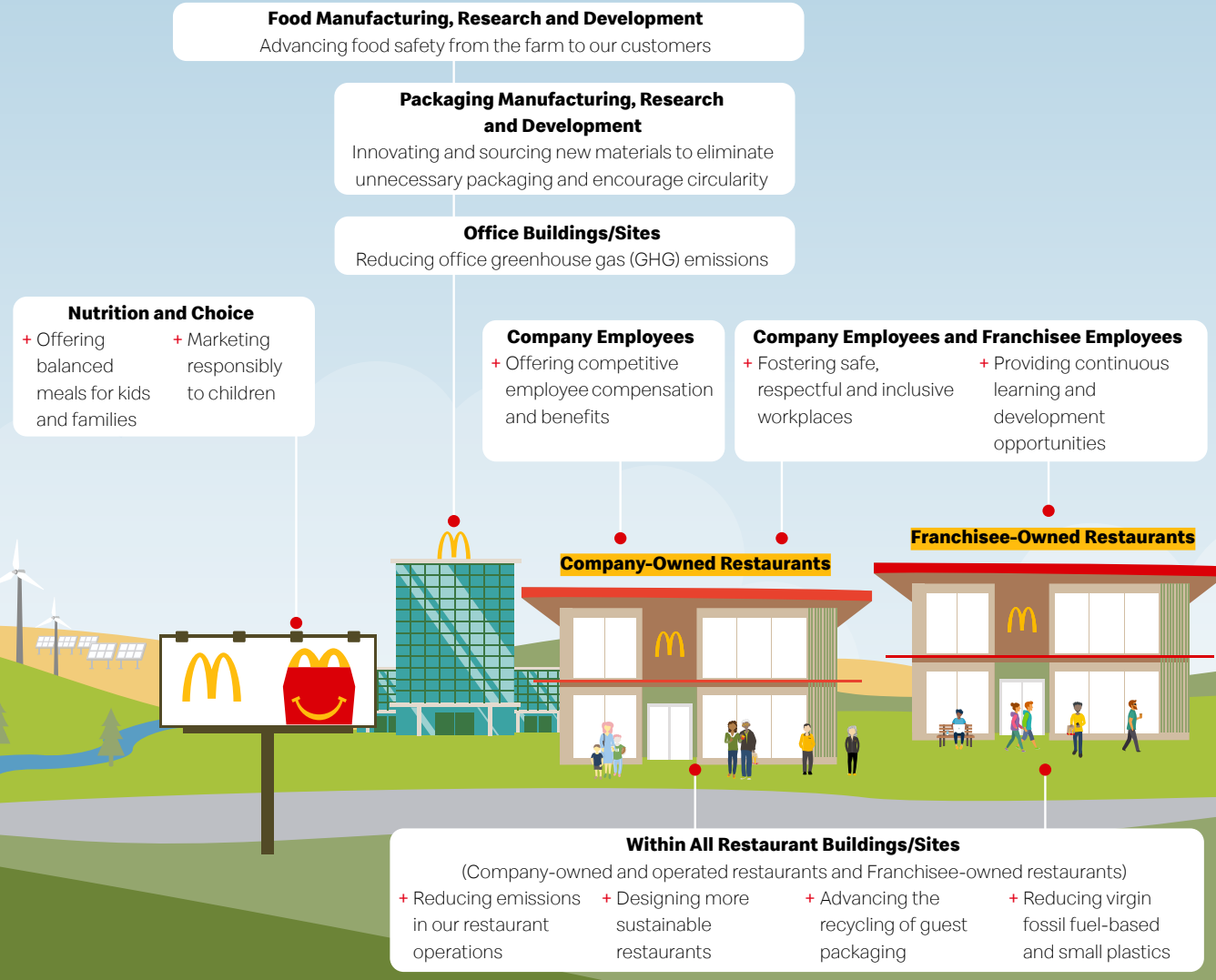
- 1 **Serve – We put our customers and people first.**
- 2 **Inclusion – We open our doors to everyone.**
- 3 **Integrity – We do the right thing.**
- 4 **Community – We are good neighbors.**
- 5 **Family – We get better together.**

The McDonald's System

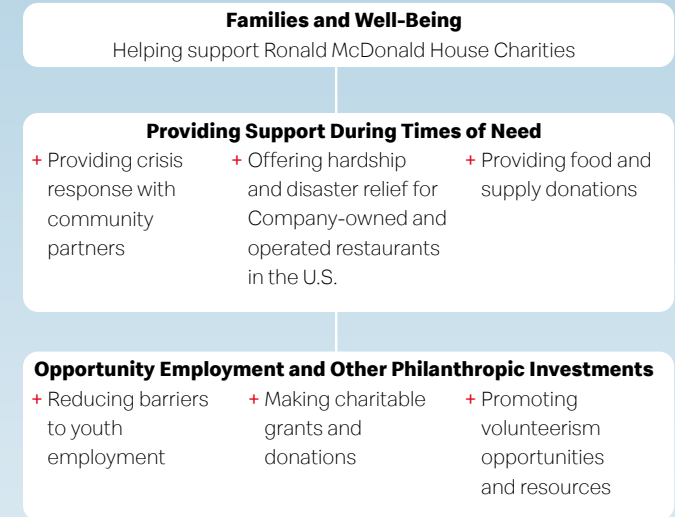
Our Suppliers



Our Operations, Employees and Franchisees



Our Communities



Our Impact Strategy & Approach

We believe we have a responsibility to ensure long-term, sustainable value creation by taking action on the environmental and social issues that are most important to our stakeholders and business.

We also believe effectively managing our environmental and social impact is part of operating our business responsibly. By doing so, we aim to maximize shared value, ensure trust in our brand and build long-term resiliency.

Our Impact Areas and Goals

In 2020, we announced our Impact Strategy, centered on four Impact Areas. These were informed by feedback from stakeholders and designed to help us make a difference at scale and drive industrywide change. We have established strategies, policies, goals and performance indicators to measure and manage annual progress and report against each area.

How We Prioritize Impact Areas

We prioritize the environmental and social issues that are of the highest importance to our stakeholders and where we believe our business has the greatest impact. Working across the business, our Global Sustainability & Social Impact team and broader Global Impact function continuously gather insights to determine where to focus our efforts, evolve our strategy and enhance our reporting. This includes

engaging regularly with both internal and external stakeholders to discuss the nuances of key issues and transparency expectations.

Engaging NGOs and academic advisors through strategic partnerships is a key part of how we have determined environmental and social priorities over the last few decades. We engage with a wide range of NGOs, associations and external experts who provide insights and perspectives that shape our strategies, research, goals, policies and performance indicators. We also monitor emerging laws and regulations concerning environmental and social impact topics and reporting while engaging with policymakers to inform them of our environmental, social and governance (ESG) commitments and progress.

In addition, our enterprise-wide risk management is designed to identify, assess and prioritize strategic, financial and reputational risks that could have a sustained impact on our Company. The ERM framework leverages internal risk committees with cross-functional leadership, including sustainability and social impact leaders and team members. These committees meet regularly to evaluate and prioritize risks in the context of our business strategy, with further escalation to our CEO, Board and/or Board Committees, as appropriate.

Our Planet

We're helping to drive climate action, protecting natural resources, reducing waste and transitioning to more sustainable packaging and toys.

Food Quality & Sourcing

We're working toward responsibly sourcing our priority commodities, prioritizing animal health and welfare and making safe, quality food accessible to families across the world.

Our Impact Strategy

Jobs, Inclusion & Empowerment

We're serving up bright futures in our communities, nurturing skills, helping to accelerate equity and respecting human rights.

Community Connection

We're helping feed and support people when and where they need it most.

Climate Action

Our 2023 Performance

GHG Emissions (Metric Tons Carbon Dioxide Equivalent (CO₂e))¹

Scope 1

6% reduction
from 2018

2023: 100,264
2018 (Baseline): 106,963

Scope 2 (Market-based)

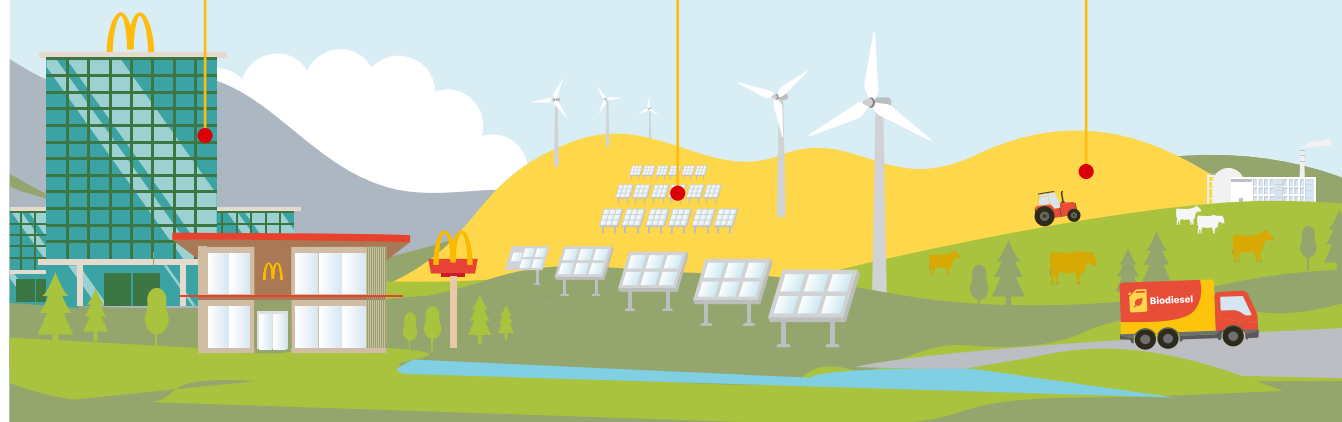
38% reduction
from 2018

2023: 224,964
2018 (Baseline): 364,985

Scope 3

4% reduction
from 2018

2023: 59,929,320
2018 (Baseline): 62,354,135*



* These 2018 baseline Scope 3 emissions were updated in 2024 to reflect more complete product volume inputs and the inclusion of Category 7 Employee Commuting emissions, which were first included for baseline and current reporting in 2023.

Packaging, Toys & Waste

Innovating for Circularity

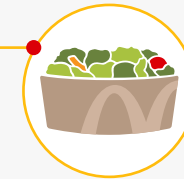
Materials We Use for Primary Guest Packaging

86.7% of primary guest packaging² was from renewable, recycled or certified sources in 2023.

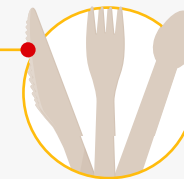


97.9% of our primary fiber-based guest packaging

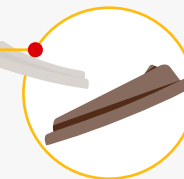
globally was sourced from recycled or certified sources.



Paper straws and **wooden cutlery** now deployed across 50 markets.



Most EU markets are transitioning from plastic to **fiber-based packaging**.



Launched cups across the U.S. that are sourced from **recycled and bio-based materials**.



Materials We Use for Happy Meal Toys

As of the end of 2023, **63.7%** reduction in virgin fossil fuel-based plastic for Happy Meal toys globally versus 2018, an improvement from the **47.8% reduction achieved in 2022**.



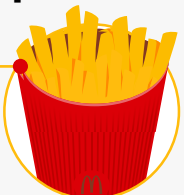
Solutions for Reducing, Reusing and Recycling Guest Packaging

88.3% of restaurants in markets with advanced infrastructure³ offered guests the opportunity to recycle and/or compost packaging items, with customer-facing bins for back-of-house or off-site sorting. This is then managed using existing local waste infrastructure systems.



Efforts to Avoid Intentionally Added Fluorinated Compounds

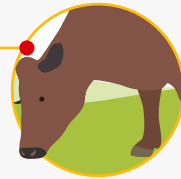
99.5% of our guest packaging items did not contain any intentionally added fluorinated compounds in 2023.



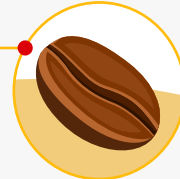
📄 Nature, Forests & Water

99.1% of Our Priority Commodities Are Sourced Supporting Deforestation-Free Supply Chains

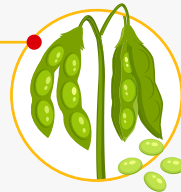
Beef 98.8%: The Company requires that all beef sourced for McDonald's products meets the requirements of our [Deforestation-Free Beef Procurement Policy](#), with more detailed requirements for high priority regions.⁴



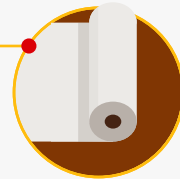
Coffee 99.9%: The Company requires coffee sourced for McDonald's restaurants from Honduras, Indonesia and Vietnam to be [Rainforest Alliance Certified™⁵](#) and for ground and whole bean coffee from other countries to be sourced from Rainforest Alliance, Fairtrade International certified or from a [McCafé Sustainability Improvement Platform \(SIP\)](#) program.



Soy (for chicken feed) 100%: The Company requires all soy for chicken feed for McDonald's products to be sourced from low priority regions or, if from high priority regions, to support responsible soy production. We support responsible soy production through the purchase of [Round Table on Responsible Soy \(RTRS\)](#) credits to cover estimated soy in feed for chicken outside of the U.S. and Canada.⁶



Fiber-based primary guest packaging 98.6%: The Company requires that fiber for primary guest packaging at McDonald's restaurants be sourced from [Forest Stewardship Council® \(FSC®\)](#) chain of custody certification or the [Programme for the Endorsement of Forest Certification \(PEFC\)](#) for deforestation.⁷



Palm oil 100%: The Company requires palm oil sourced for McDonald's restaurants or as an ingredient in McDonald's products to be covered by [Roundtable on Sustainable Palm Oil \(RSPO\)](#) certification.⁸



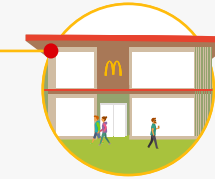
📄 Food Safety

Food Safety From Ingredient to Restaurant

We believe that product traceability from ingredient to restaurant is a key step in McDonald's food safety protocols. To help us achieve traceability, we work closely with our suppliers, utilizing standards like the [Good Agricultural Practices \(GAP\)](#) certification, the [Supplier Quality Management System \(SQMS\)](#) and [Distributor Quality Management Process \(DQMP\)](#). In addition, all McDonald's restaurants receive unannounced third-party food safety audits.

During 2023:

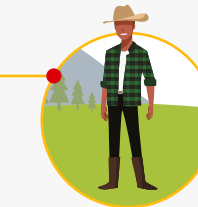
1,800+ third-party audits were performed in 2023 through the Company's [SQMS](#), of which McDonald's standards were fully met by over 90% of the food suppliers.



250+ distribution centers completed third-party food safety and quality audits in 2023. Over 98% were found to be operating consistently with the McDonald's [DQMP](#) audit standard.



199 farmers globally were certified to McDonald's [GAP](#) standards.



60,000+ food safety audits were conducted at McDonald's restaurants in 2023.

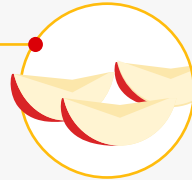


📄 Nutrition & Marketing Practices

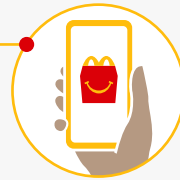
Our 2023 Progress

Across our 20 major markets⁹:

In 2023, 61% of Happy Meal Bundle Offerings met our Global Happy Meal Nutrition Criteria for balanced meals. These criteria mean meals must have less than or equal to 600 calories, 10% of calories from saturated fat, 650 mg of sodium and 10% of calories from added sugar.



100% of Happy Meal nutrition information was available on all participating market websites and mobile apps as of Q1 2024.



99% of Happy Meal Bundles shown in advertisements on third-party media met our Global Nutrition Criteria.



In 2023, we maintained the removal of artificial flavors, added colors from artificial sources and artificial preservatives where feasible¹⁰ from Happy Meal Offerings in our 20 in-scope markets.



We featured water, milk or juice as the Happy Meal beverage, and fruit, vegetable or dairy items as one of the Happy Meal sides in 100% of the ads the Company directed to children.

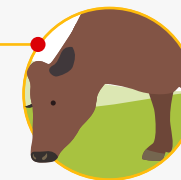


📄 Responsible Sourcing

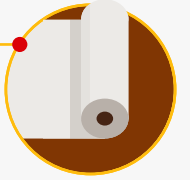
Sustainable Sourcing of Our Priority Commodities

In 2023, we continued advancing efforts to responsibly source our priority commodities, achieving the following:

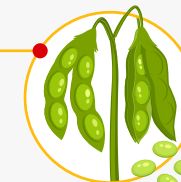
98.8% of beef sourced for McDonald's restaurants supported deforestation-free supply chains by the end of the year.¹¹



97.9% of our primary fiber-based guest packaging globally was sourced from recycled or certified sources.⁷



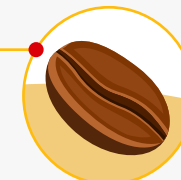
100% of soy sourced for the feed of chicken used in McDonald's products supported deforestation-free supply chains globally.⁶



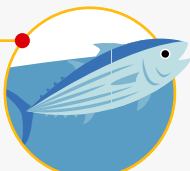
100% of the palm oil used in McDonald's restaurants and as an ingredient in McDonald's products supported the production of sustainable palm oil.⁸



99.9% of our ground and whole bean coffee was sustainably sourced.⁵



93.8% of the fish sourced for McDonald's Filet-O-Fish® sandwich was from sustainably managed wild-caught fisheries, and is assessed and verified annually against the McDonald's Sustainability Fisheries Standard by the Sustainable Fisheries Partnership.¹²

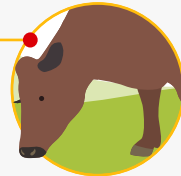


Animal Health & Welfare and Responsible Antibiotic Use

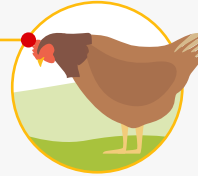
Progress in Our Animal Supply Chain

We aim to source beef and dairy, chicken, eggs and pork from suppliers who share the Company's values. Our expectations, including with respect to animal health and welfare, are outlined in our policies, standards and/or specifications for raw materials and finished products.

Beef: We have established market-specific targets for responsible antibiotic use in our beef supply chain for 10 in-scope markets and begun partnering to establish measurement systems to track future progress.¹³



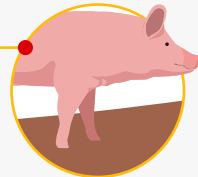
Chicken: HPCIA¹⁴ use has been eliminated from chicken served in Australia, Brazil, Canada, Europe, Japan, South Korea and the U.S.



We are also on track to achieve our Broiler Welfare Commitments by the end of 2024:

- **Achieved:** We have completed large-scale commercial trials to study the effects of production parameters on welfare outcomes.
- **Achieved and ongoing:** We have established our Chicken Sustainability Advisory Council (CSAC) and defined farm-level Key Welfare Indicators (KWIs).
- **On track:** We continue to develop state-of-the-art welfare measurement technology, introduce more enrichments to support natural chicken behavior, implement Controlled Atmospheric Stunning (CAS) and third-party on-farm auditing, and assess the feasibility of extending these commitments to additional markets.

Pork: As of the end of 2023, the U.S. pork supply chain was over 96% of the way to our goal of phasing out the use of gestation stalls for housing confirmed pregnant sows by the end of 2024.



Eggs: We have achieved our commitment of sourcing 100% cage-free eggs for our U.S. market, two years ahead of schedule.



Human Rights

Human Rights Focus Areas

McDonald's conducted due diligence (including assessments) in 2021–2022 to identify its human rights focus areas, listed in alphabetical order and not in order of perceived importance.

- 1 Child Labor
- 2 Data Privacy
- 3 Discrimination and Harassment
- 4 Diversity, Equity and Inclusion
- 5 Education and Employment Creation
- 6 Effective Remedy
- 7 Forced Labor
- 8 Freedom of Association and Collective Bargaining
- 9 Land Rights
- 10 Nutrition
- 11 Occupational Health & Safety
- 12 Working Conditions
- 13 Workplace Security



📁 Diversity, Equity & Inclusion


Our 2023 Diversity Snapshot


Our Employees

To have a workforce that represents the diverse communities we operate in, we believe diversity in our employee pipeline is integral to our success as an organization and our position as a change-maker in our communities. We're implementing initiatives that help support our aspiration to increase representation at leadership levels.





Across our Corporate Staff at the Senior Director level and above:

 **44%** globally are women.

 **33%** in the U.S. are from Underrepresented Groups.¹⁵

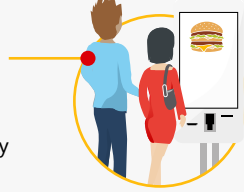
At Company-owned and operated restaurants:


 **62%** of managers globally are women (68% in the U.S.)


 **66%** of U.S. managers are from Underrepresented Groups.¹⁵

Our Franchisees

We are implementing strategies to support our ambition to increase diverse representation within our Franchisee community in the U.S. by generating more opportunities for entrepreneurs of all backgrounds, including through efforts that seek to address potential socioeconomic barriers candidates may face in joining McDonald's.

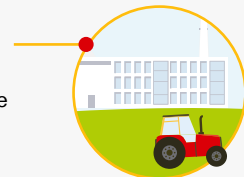


 **30%** of U.S. Franchisees are women.

 **33%** of U.S. Franchisees identified¹⁶ as either Asian, Black or Hispanic.

Our Suppliers

We continue to prioritize creating opportunities for suppliers of all backgrounds. Our U.S. systemwide spend with diverse-owned suppliers was 26.2%, resulting in McDonald's reaching its diverse-owned supplier aspirational spend goal for the third year in a row.



📁 Talent & Benefits

Our Company

150,000+
Company employees worldwide

Company employees, which include Corporate Staff (those in the Company's corporate and other offices) as well as Restaurant Staff in Company-owned and operated restaurants, totaled over 150,000 worldwide as of year-end 2023. The Company focuses on the recruitment, retention and development of these employees.

The People We Help Train

17 million+
Hamburger University courses completed by Restaurant Staff and Corporate Staff

Since opening in Illinois in 1961, Hamburger University (HU) has grown to have nine campuses globally as of 2023. Through providing training for Company employees, as well as for Franchisees and their employees,¹⁷ HU has helped prepare thousands of people for leadership positions in the McDonald's System.

The Money We Contribute Toward Education

\$25 million+
contributed through the 2023 tuition assistance program by McDonald's and its Franchisees in the U.S.

McDonald's and its U.S.-based Franchisees contributed over \$25 million in tuition assistance for Restaurant Staff in the U.S. in 2023. The *Archways to Opportunity* program offers eligible U.S.-based Restaurant Staff at participating restaurants financial support to help them pursue goals such as graduating from college, earning a high school diploma, learning English and gaining access to academic and career advice.



Community Impact & Philanthropy

We've reached 2.2 million young people with training and hiring opportunities, achieving our Youth Opportunity goal ahead of time.



As of 2023, we are proud to have reached more than 2 million young people with support for community-based training and hiring opportunities in McDonald's restaurants, two years ahead of our 2025 deadline. As we look to the future, we will assess potential new opportunities to build on the progress we have made so far.

Other ways we were there for those in need in 2023

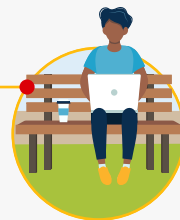
Made an annual pledge of \$1 million to the **American Red Cross Annual Disaster Giving Program (ADGP)**.



Donated one penny from every Happy Meal sold at participating U.S. restaurants to Ronald McDonald House Charities (RMHC), **totaling over \$5.9 million.**



Relaunched an investment strategy supporting Chicago organizations to **advance youth opportunities.**



Provided financial assistance to U.S. Company Restaurant Staff through the **McDonald's Operating Company (McOpCo) Employee Relief Program.**



Donated excess food in cooperation with suppliers **to support families in need.**



Ronald McDonald House Charities

What Ronald McDonald House Charities Does

Through three core global programs and hundreds of local programs, RMHC pursues its mission to remove barriers, strengthen families and promote healing when children need healthcare.

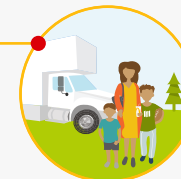


Ronald McDonald House programs: More than just a place to sleep, each House is near a hospital and provides meals and a range of supportive services to families with a hospitalized child.

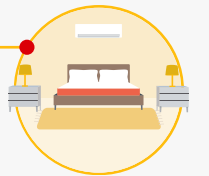


In 2024, we joined RMHC in celebrating 50 years of their mission.

Ronald McDonald Care Mobile programs: In partnership with a clinical services provider, these mobile units provide medical, dental and healthcare resources to children and families in underserved communities.



Ronald McDonald Family Room programs: Located within a hospital, this program offers families a place to recharge, rest and access food at no cost, all within a few steps of their child's bedside.



As the first corporate sponsor and mission advocate of RMHC, the Company is proud to hold the title of "founding and forever partner."

In addition to the three core global programs, RMHC Chapters have developed hundreds of local programs that are tailored to address unmet needs and help make a difference in the lives of the families and children they serve.



Our Reporting

In This Report

Our progress and actions are covered in detail in our [2023-2024 Purpose & Impact Report](#), providing a holistic review of the strides and progress we made in 2023. Unless otherwise stated, the information and data in this report covers McDonald's Corporation and its majority-owned subsidiaries worldwide during fiscal year 2023 (January 1 to December 31).

The inclusion of information in this Purpose & Impact Report is not an indication that such information is material in the context of our financial statements, filings with the U.S. Securities and Exchange Commission (the "SEC") or other public statements. The data contained in this report has not been audited or verified by any third party. While such data represents the best information available at the time of publishing this report, it is subject to certain limitations related to, among other things, the data collection processes in place at the time such data was collected. For certain figures throughout this report, the Company changed its rounding presentation compared to previous reports to the nearest tenths decimal, rather than the nearest hundredths decimal. In certain circumstances, this change adjusted previously reported figures; however, these changes were not significant. Additionally, certain columns and rows within the statements and tables presented in this report may not add due to rounding.

In addition, certain information in this report has been provided by third parties, including our suppliers. In these cases, we have relied on these third parties for accuracy and completeness. Statements about future developments and past occurrences are based on information and assumptions available as of the date of publication.


Our Franchisees and suppliers are independent business owners who make decisions for their own organizations while maintaining core standards for our brand and customer satisfaction. We cannot prescribe solutions for them. Rather, we work in collaboration to raise awareness and provide tools and opportunities to help them manage ESG issues. We work with suppliers to mutually set objectives and targets, monitor progress and engage collaboratively on shared innovation opportunities and challenges. Through self-managed excellence, suppliers are encouraged to identify and manage key ESG risks and opportunities within their own companies and incorporate relevant goals into their business strategies.

Company employees and Company-owned and operated restaurants are in our direct sphere of control. Therefore, many of the measures start with Company restaurants, with a plan to demonstrate success and encourage Franchisees to implement the same sustainability initiatives.

On Our Website

Our approach to each topic is covered in detail on the Our Purpose & Impact pages of our corporate website, including the full scope of our foundational strategies, policies and approaches.

Key Definitions

- **McDonald's:** Our global brand, unless specified otherwise.
 - **We/Our/The Company:** McDonald's Corporation and its majority-owned subsidiaries worldwide.
 - **The System:** The Company, its Franchisees and suppliers are collectively referred to as the "System"; also known as McDonald's "three-legged stool."
 - **Franchisees:** Collective group of independent individuals and entities owning and operating McDonald's restaurants under one of the following structures – conventional franchise, developmental license or affiliate. For more information on the Company's structure and scope see our latest [Annual Report](#).
 - **McDonald's restaurants/Restaurants:** Includes restaurants owned by the Company and its Franchisees.
-  Please refer to the Company's filings with the Securities and Exchange Commission, including its latest [Annual Report](#), for details on risks that could adversely affect business performance, including the Company's ability to execute on the initiatives described in this report.

Forward-Looking Statements

This report contains certain forward-looking statements or projections that reflect our expectations regarding future events, performance and goals and involve several risks and uncertainties. Generally speaking, any statement in this report not based upon historical fact is a forward-looking statement. Forward-looking statements can also be identified by the use of forward-looking or conditional words, such as "could," "should," "can," "enable," "continue," "estimate," "forecast," "intend," "look," "may," "will," "expect," "believe," "anticipate," "plan," "remain," "confident," "commit" and "potential" or similar expressions. In particular, statements regarding our plans, strategies, prospects, goals and expectations regarding our business and industry are forward-looking statements. You should not unduly rely on forward-looking statements. These are not guarantees of performance and speak only as of the date the statements are made. Factors that could cause actual results to differ materially from our expectations are detailed in our filings with the Securities and Exchange Commission. Except as required by law, we do not undertake to update such forward-looking statements.

The following are trademarks of McDonald's Corporation and its affiliates: McDonald's, Happy Meal, Hamburger University, *Archways to Opportunity*, Filet-O-Fish, McCafé, McNuggets, McFish, McFlurry, McBites, Big Mac, Ronald McDonald House Charities, RMHC, Ronald McDonald House, Ronald McDonald Family Room and Ronald McDonald Care Mobile.

Notes

- Consistent with past reporting by the Company, these figures include the impact through 2023 of the Corporate-backed VPPA program in the U.S., recognizing that the SBTi is currently assessing the effectiveness of Environmental Attribute Certificates (EACs) in corporate climate targets to inform its revisions to the net zero standard.
- Packaging. Scope:** Inclusive of all markets for our fiber-based packaging and Happy Meal book and toy packaging. For our plastic-based packaging, all markets are included except for Israel, Latin America and Turkey. **Renewable sources** refers to material that is composed of biomass from a living source and that can be continually replenished. Renewable applies to plastics only, not fiber. **Source:** ISO 14021:2016 for plastic, ASTM 6866 or ISO 16620-2. **Fiber-based packaging** made from 100% recycled sources must be third-party verified, unless certified under a Chain of Custody Forest Management standard. McDonald's requires all wood fiber sourced from Argentina, Cambodia, China, Indonesia, Laos, Malaysia, Russia and Vietnam to be Forest Stewardship Council® (FSC®) certified or FSC® controlled wood sources with full chain of custody certification. Perfluorinated compounds are known to be historically persistent in the environment. McDonald's commits to not intentionally adding fluorinated compounds through our processes, but fluorinated compounds present in the local environment make it difficult to remove all traces of fluorine from packaging. Please refer to our [Nature, Forests & Water](#) web page for additional definitions. **Exclusions:** Primary fiber-based packaging in food packaged off-site of McDonald's restaurants, tray liners and limited locally sourced items.
- Markets with advanced infrastructure:** Mature waste and recycling infrastructure at a national level that has (1) a recycling infrastructure network across the entire market, (2) multiple materials being recycled within this national infrastructure network, (3) existing legislation on recycling and (4) high customer awareness of waste and recycling. At the end of 2023, that included 21 markets where McDonald's operates.
- Beef. Scope:** Includes all beef suppliers to the McDonald's System and their raw material suppliers globally and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell beef. McDonald's requires all beef raw material sourced from high-deforestation priority regions to comply with McDonald's Deforestation-Free Beef Procurement Policy and meet the requirements as outlined in McDonald's [Commitment on Forests and Natural Ecosystems](#). Countries with regions currently identified as high priority for beef include Brazil, Paraguay, Argentina and Australia. **Exclusions:** Beef used as secondary ingredients in McDonald's products, for example, as flavoring in a sauce.
- Coffee. Scope:** Includes all ground and whole bean coffee, including decaffeinated coffee, used in espresso-based drinks and coffee brewed at McDonald's restaurants, and all ground and whole bean coffee in McDonald's-branded retail products. Includes all suppliers of coffee to the McDonald's System. Market scope includes all McDonald's restaurants owned and operated by the Company and its Franchisees that sell coffee, and retail outlets selling McDonald's-branded coffee products. Countries with regions currently identified as high-deforestation priority regions for coffee include

Honduras, Indonesia and Vietnam. McDonald's requires all coffee sourced from these regions to be [Rainforest Alliance Certified](#). **Exclusions:** Coffee extracts and ingredients used in products such as frappés and coffee in baked goods; coffee in cold brew drinks if they are brewed off-site; coffee extract in ready-to-drink retail products; and other locally sourced products containing coffee.

- Soy (for chicken feed). Scope:** Includes all soybean volume used in the feed of chicken sourced for McDonald's products by all chicken suppliers to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell chicken. Europe refers to Austria, Azerbaijan, Belgium, Bulgaria, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Moldova, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the U.K. and Ukraine. 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). Given the complexity of soy supply chains, we consider that, unless demonstrated, all of McDonald's sources of soy for chicken feed fall into high-deforestation priority regions, with the exception of chicken sourced in North America, where soy used in chicken feed is locally produced and considered low risk. **Exclusions:** Soy used as an ingredient in McDonald's products sold in restaurants, for example, soy oil.
- Fiber. Scope:** Primary fiber-based packaging refers to products that are used to package guest food on premises at McDonald's restaurants. This type of packaging includes containers, cups, wraps, bags for food, beverages, napkins, folding cartons, clamshells, food service bags, napkins, salad bowls, Happy Meal cartons, drink carriers and cup carriers. Includes all suppliers of primary-based packaging to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees. In 2021, the primary fiber-based packaging scope was expanded to include plastic alternatives such as wood stirrers and cutlery, and paper straws and lids. This broadened scope has resulted in a slight decrease in percent compliance. All volumes of contingency items sourced from suppliers compliant with our standards but not integrated into our data reporting system were counted as non-compliant. Countries with regions currently identified as high-deforestation priority regions for fiber include Argentina, Cambodia, China, Indonesia, Laos, Malaysia, Russia and Vietnam. McDonald's requires all wood fiber sourced from these regions to be Forest Stewardship Council® (FSC®) certified or FSC® controlled wood sources with full chain of custody certification. **Exclusions:** Primary fiber-based packaging in food packaged off-site McDonald's restaurants; tray liners, straws and limited locally sourced items.
- Palm oil. Scope:** Includes all palm oil (including crude palm oil, palm kernel oil, derivatives and fractions) sourced for McDonald's restaurants for use as restaurant cooking oil and all palm oil sourced by McDonald's suppliers and used directly as an ingredient in a McDonald's product and listed on the product's ingredient statement. Includes all suppliers of products containing palm oil in the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that use palm oil. All countries are currently identified as high-deforestation priority regions for palm oil and all volumes are required to be covered by [Roundtable on Sustainable Palm Oil \(RSPO\)](#) certification or credits. All RSPO supply chain models applicable

to RSPO are applicable to McDonald's – RSPO Identity Preserved (IP), RSPO Segregated (SG), RSPO Mass Balance (MB) and Book and Claim (BC) – although McDonald's is committed to increasing traceability by specifying physical certification for the palm oil used in the McDonald's System in the greatest volumes (IP, SG or MB). **Exclusions:** Palm oil, palm kernel oil or their derivative used as secondary ingredients in McDonald's products. This is when palm oil is used as an ingredient within an ingredient, for example, an emulsifier.

- Our major markets include Argentina, Australia, Austria, Brazil, Canada, China, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Poland, Spain, Sweden, Switzerland, Taiwan, the U.K. and the U.S. While initially included in these 20 markets, Russia was removed in 2022 following our exit from this market. We subsequently incorporated Mexico into the goal scope, as its progress was already being monitored and it allowed us to maintain tracking against 20 markets.
- McDonald's top priority is to ensure all items meet strict food safety and quality standards. "Where feasible" means that by removing an artificial preservative, there will not be a sacrifice in the food quality or safety standards, value or taste. In certain cases, it was determined that an artificial preservative was necessary to ensure the safety, quality, taste or value of the food.
- Beef. Scope:** Includes all beef raw material used in beef patties sourced for McDonald's products from beef patty manufacturers that supply McDonald's restaurants in the U.S., Australia, Brazil, Germany, Ireland, France, New Zealand, Canada, the U.K. or Poland. Includes all McDonald's restaurants owned and operated by the Company and its Franchisees in these countries, which collectively represent over 80% of our global beef volumes, as of the end of 2021. The [Global Roundtable for Sustainable Beef \(GRSB\)](#) aims to define the principles of and criteria for beef sustainability globally. The five core principles are focused on the following: managing natural resources responsibly; respecting people and communities; caring for the welfare of animals; ensuring the safety and quality of beef; and driving efficiency and innovation to reduce waste and improve economic viability. These principles allow for national and regional interpretation, given the significant variation in production systems, legal frameworks, sociopolitical factors and climates that exist across the globe. **Exclusions:** Beef used as secondary ingredients.
- Fish:** Fish refers to any type of fish species used as an ingredient in a McDonald's product and listed on the product's ingredient statement. **Wild-Caught Fish** refers to fish that come from seas, rivers and other natural bodies of water. **Filet-O-Fish sandwich** refers to the McDonald's menu item containing wild-caught fish. **Verified sustainable sources** refers to wild-caught fish, sourced by suppliers to the McDonald's System, from fisheries that are annually verified as compliant with the McDonald's Sustainable Fisheries Standard by the Sustainable Fisheries Partnership. **MSC Certification** is optional to McDonald's markets. Fisheries may also be independently certified as meeting the Marine Stewardship Council (MSC) Principles and Criteria for Sustainable Fishing where a certificate of conformity to an MSC Standard has been granted. **Source:** www.msc.org. McDonald's may display the MSC certification logo in some of its markets where fisheries and restaurants are certified against the MSC Chain of Custody traceability standard. **Scope:** Includes all wild-caught fish sourced for Filet-O-Fish sandwich portions served in McDonald's restaurants. Filet-O-Fish sandwich portions represents over 97%

of the total fish volumes used in the McDonald's System (by weight). Includes all suppliers of wild-caught fish for Filet-O-Fish sandwich to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell fish. **Exclusions:** Products that are not Filet-O-Fish sandwich containing wild-caught or farmed fish. We estimate that these products represent less than 2% of the total fish sourced by McDonald's by weight and may include products such as tuna, prawns, shrimp, salmon and calamari; other breaded products; and locally sourced products. The Company has set an expectation that these products are sustainably sourced, although they are not included in this global performance measure given the local, and often promotional, nature of these items. Moving forward, we have plans in place to reduce sourcing from non-compliant fisheries and will increase our supply of fish sourced from compliant fisheries as new facility options become available.

- Beef antibiotic use:** This goal focuses on Australia, Brazil, Canada, France, Germany, Ireland, New Zealand, Poland, the U.K. and the U.S., which represented our top 10 beef sourcing countries and accounted for over 80% of our global beef supply chain as of the end of 2022.
- Antibiotics defined by the WHO as Highest Priority Critically Important Antibiotics (HPCIA).
- In the U.S., the term "Underrepresented Groups" generally means people who identify as Black, Indigenous, Asian or Pacific Islander, or otherwise as people of color, people of Hispanic or Latino/a/x descent, people with disabilities, people who identify as LGBTQ+, people from religious minorities, or people having a combination of these identities or attributes. For purposes of McDonald's reporting, including with respect to Human Capital Metrics and Equal Pay, "Underrepresented Groups" is defined as people who identify as Black, Indigenous, Asian or Pacific Islander, people of Hispanic or Latino/a/x descent, or people having a combination of these identities or attributes.
- Approved Owner/Operators (Franchisees): Due to rounding, some totals may not correspond with the sum of the separate figures.**
2022, 2023
Data was obtained through various means, including affinity group membership, informal identification and voluntary self-disclosure. As of June 2020, McDonald's Registered Applicant process for new Franchisees includes voluntary self-identification, which has strengthened our data collection efforts. 2020 through 2022 data for existing Franchisees continues to reflect information obtained through affinity group membership, informal identification and voluntary self-disclosure, outside of the Registered Applicant process. More information regarding the Registered Applicant process can be found in [Franchising FAQs](#).
- Franchisees are independent employers and select which of their employees attend Hamburger University.