

McDonald's Corporation - Forests 2018

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

McDonald's Corporation, together with its subsidiaries worldwide (the "Company") operates and franchises McDonald's restaurants in the global restaurant industry. These restaurants serve a locally-relevant menu at various price points in more than 100 countries around the world, with more than 37,000 locations worldwide.

McDonald's global system is comprised of both Company-owned and franchised restaurants. McDonald's franchised restaurants are owned and operated under one of the following structures - conventional franchise, developmental license or affiliate. Conventional franchisees are independent business owners responsible for the day-to-day operations of their restaurant. Developmental licensees typically receive a license to operate restaurants within a specified territory and may have the right to sub-franchise McDonald's restaurants within their territory to individual franchisees. The Company also may make an equity investment in other companies that operate McDonald's restaurants, referred to as "affiliates." (Conventional franchisees, developmental licensees and affiliates are collectively defined herein as, "Franchisees"). The optimal ownership structure for an individual restaurant, trading area or market (country) is based on a variety of factors, including the availability of individuals with the entrepreneurial experience and financial resources, as well as the local legal and regulatory environment in critical areas such as property ownership and franchising.

The business relationship between the Company and its independent Franchisees is of fundamental importance to the Company's overall performance and to the McDonald's brand. This business relationship is supported by an agreement that requires adherence to standards and policies essential to protecting the McDonald's brand. We cannot prescribe social responsibility and environmental solutions for our independent Franchisees. Rather, we work to raise awareness and provide tools and opportunities to help them on their sustainability journeys.

The Company is primarily a franchisor and believes franchising is paramount to delivering great-tasting food, locally-relevant customer experiences and driving profitability. Franchising enables an individual to own a restaurant business and maintain control over staffing, purchasing, marketing and pricing decisions, while also benefiting from the financial strength and global experience of the Company. However, directly operating restaurants is important to being a credible franchisor and provides Company personnel with restaurant operations experience. In Company-operated restaurants, and in collaboration with Franchisees, the Company further develops and refines operating standards, marketing concepts and product and pricing strategies, so that only those that the Company believes are most beneficial are introduced in the restaurants. The Company continually reviews its mix of Company-operated and franchised restaurants to help optimize overall performance, with a goal to be 95% franchised over the long term.

The Company and its Franchisees purchase food, packaging, equipment and other goods from numerous independent suppliers. The Company has established and enforces high quality standards and product specifications and expects our suppliers to share our values and commitments. The Company has implemented numerous programs to encourage these practices. The Company also works with its suppliers to mutually set objectives and goals on sustainability and monitor their progress.

McDonald's global brand is well-known. The Company continuously endeavors to improve its social responsibility and environmental practices to achieve long-term sustainability, which benefits McDonald's and the communities that the Company and its Franchisees serve.

The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain and Sustainability annual raw material survey of suppliers (IMPACT). Results of the raw material survey are reviewed by sourcing or category leads and compared against transactional or similar data sets. Where large differences exist, the data is reviewed to better understand the inconsistencies. Where comparable data sets do not exist, sourcing or category leads work with suppliers to understand information reported and ensure plausibility.

Additional detail about the Company structure and definitions used herein but not defined can be found on pgs. 1-3 of McDonald's Corporation's 2017 Annual Report, pg. 14 of McDonald's Corporation's Form 10-Q for the quarter ending March 31, 2018 and 2014 Good Business Report.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2017	December 31 2017

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the stage(s) of the value chain which best represents your organization's area of operation pertaining to forest risk commodities.

Retailing

F0.5

(F0.5) Do you produce, use, or sell materials or products that contain any of the forest risk commodities?

	Produce/use/sell	Disclosing	Explanation if produce/use/sell but not disclosing
Timber	Yes	Yes	<Not Applicable>
Palm Oil	Yes	Yes	<Not Applicable>
Cattle Products	Yes	Yes	<Not Applicable>
Soy	Yes	Yes	<Not Applicable>
Other - Rubber	Please select	<Not Applicable>	<Not Applicable>
Other	Please select	<Not Applicable>	<Not Applicable>

F0.6

(F0.6) Are there any parts of your direct operations not included in your disclosure?

No

F0.7

(F0.7) Are there any parts of your supply chain not included in your disclosure?

No

F1. Current state

F1.1

(F1.1) How does your organization produce, use, or sell your disclosed commodity(ies)?

Forest risk commodity

Timber

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Primary packaging

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Region of origin

Australia

Austria

Belarus

Bosnia and Herzegovina

Brazil

Bulgaria

Canada

Chile

Croatia

Czechia

Denmark

Estonia

Fiji

Finland

France

Germany

Hungary

India

Indonesia

Ireland

Japan

Latvia

Lithuania

Luxembourg

Netherlands

New Zealand

Norway

Poland

Portugal

Romania

Russian Federation

Slovakia

Slovenia

South Africa

Spain

Sweden

Thailand

Ukraine

United Kingdom of Great Britain and Northern Ireland

United States of America

Uruguay

Viet Nam

Other, please specify (Many other potential COO in fiber SC.)

% of procurement spend

6-10%

Comment

This applies to all consumer facing packaging items (managed by HAVI) made with virgin and/or recycled paper/board. Note scope for timber disclosure outlined in F0.5. Procurement spend percentages are derived from 2015 data as our 2017 annual spend data was not available at time of CDP submission. This figure is extrapolated from 2015 total packaging spend which includes plastic packaging (e.g. plastic cups and lids). Country of origin list provided by HAVI and represents country of origin data collected in 2014. (The data collection system used by HAVI and McDonald's is currently being redesigned and at the time of CDP Submission, we were not able to pull the origin data for reporting). Note that the countries provided are a list of potential countries from which fiber raw material is sourced.

Forest risk commodity

Palm Oil

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Crude palm oil (CPO)

Crude palm kernel oil (CPKO)

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Region of origin

Brazil

Colombia

Costa Rica

Ecuador

Guatemala

India

Indonesia

Malaysia

Papua New Guinea

Thailand

Venezuela (Bolivarian Republic of)

% of procurement spend

<1%

Comment

Re: Form of commodity section above: Palm oil and palm kernel oil is used as an ingredient in some baked goods, palm oil is used as frying oil in some markets, palm oil is also used to partially fry some chicken and potato products at our supplier processing sites before being delivered to McDonald's. Scope applies to globally managed products (including palm oil used for restaurant cooking, for chicken and potato par-frying, and as an ingredient in baked goods and sauces) as well as all products in the U.S. business. This covers most of our suppliers' palm oil volume as globally managed products represent >75% of total palm oil volume and McDonald's U.S. business is the second largest user of palm oil in the McDonald's system. Please note that the procurement spend figure is an estimate. We assume total spend percentage is less than 1% because McDonald's restaurants purchase little palm oil for use in restaurants; rather palm oil in our supply chain is used primarily as an ingredient in products sold to McDonald's restaurants. We identified the country of origin through the Company's annual raw material survey (IMPACT). The suppliers surveyed primarily include suppliers of products managed by our global supply chain team including restaurant cooking, par-fry, baked goods and sauces (liquid products).

Forest risk commodity

Cattle products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Beef

Source

Contracted suppliers (manufacturers)

Country/Region of origin

Argentina
Australia
Austria
Belarus
Brazil
Canada
Costa Rica
Czechia
Denmark
France
Germany
Guatemala
Hungary
Ireland
Italy
Lithuania
Mexico
Netherlands
New Zealand
Nicaragua
Norway
Paraguay
Poland
Portugal
Russian Federation
Serbia
South Africa
Spain
Sweden
Switzerland
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay

% of procurement spend

11-20%

Comment

The main use of beef in our products is for our hamburger patties. Beef is used in other products, as well, such as our steak, egg and cheese bagel. We are not covering staff catering. We use beef tallow for frying in one market; Japan. Procurement spend percentages are derived from 2015 data as our 2016 annual spend data was not available at time of CDP submission. Country of origin data was collected through the Company's annual raw material survey (IMPACT) and is an approximation - it does not quite capture 100% of volume as a few smaller volume markets do not use the IMPACT process.

Forest risk commodity

Soy

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Soy bean oil
Soy bean meal
Soy derivatives

Source

Contracted suppliers (manufacturers)

Country/Region of origin

Argentina
Brazil
Paraguay
Don't know

% of procurement spend

<1%

Comment

With regard to country of origin, we are focusing our Forest Commitment efforts on Brazil, Argentina and Paraguay. The countries selected here were identified through a risk mapping exercise completed with McDonald's global chicken suppliers to identify the major countries of origin of the soy used in chicken feed in the McDonald's supply chain. The percent spend is an estimate. Please note that the majority of soy used in our supply chain is for animal feed. The Company continues to support the Soy Moratorium, recently extended indefinitely, which is an agreement to not source soya linked to deforestation in the Amazon and played an active role in the development of the moratorium. Further, McDonald's Europe has committed to ensure 100% of soy feed for poultry is certified sustainable by 2020. Under our Commitment on Forests we are working on a strategy to ensure that the soy in our supply chain globally is not linked with deforestation.

F1.1a

(F1.1a) Indicate from which State/region(s) and municipality(ies) your disclosed commodity(ies) originate.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber	<1%	This is an estimate. We do not sell our fiber-based packaging. Rather, packaging is incorporated into our cost of goods sold.
Palm Oil	<1%	This is an estimate. Palm oil is used for frying in restaurants in some markets and par-frying chicken or potato products and it does not directly contribute to revenue. It is also an ingredient in some baked goods and liquid products (sauces). This is incorporated into cost of goods sold and can impact the price of our product, but is not a revenue generator.
Cattle products	Please select	We are unsure of this figure as beef is a component of our products sold (e.g. beef patty in a hamburger).
Soy	<1%	This is an estimate. Soy oil is used for frying in restaurants in some markets and as feed for some animals (e.g. poultry). It does not directly contribute to revenue. This is incorporated into cost of goods sold and can impact the price of our product, but is not a revenue generator.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>

F1.3

(F1.3) Do you own or manage land used for the production of your disclosed commodity(ies)?

Forest risk commodity

Timber

Own and/or manage land?

Don't own or manage land

Type of control

<Not Applicable>

Description of type of control

<Not Applicable>

Country/Region

<Not Applicable>

Land type

<Not Applicable>

Size (Hectares)

<Not Applicable>

Do you have a system in place to monitor forests-related risks?

<Not Applicable>

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

<Not Applicable>

Explanation of infraction

<Not Applicable>

Forest risk commodity

Palm Oil

Own and/or manage land?

Don't own or manage land

Type of control

<Not Applicable>

Description of type of control

<Not Applicable>

Country/Region

<Not Applicable>

Land type

<Not Applicable>

Size (Hectares)

<Not Applicable>

Do you have a system in place to monitor forests-related risks?

<Not Applicable>

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

<Not Applicable>

Explanation of infraction

<Not Applicable>

Forest risk commodity

Cattle Products

Own and/or manage land?

Don't own or manage land

Type of control

<Not Applicable>

Description of type of control

<Not Applicable>

Country/Region

<Not Applicable>

Land type

<Not Applicable>

Size (Hectares)

<Not Applicable>

Do you have a system in place to monitor forests-related risks?

<Not Applicable>

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

<Not Applicable>

Explanation of infraction

<Not Applicable>

Forest risk commodity

Soy

Own and/or manage land?

Don't own or manage land

Type of control

<Not Applicable>

Description of type of control

<Not Applicable>

Country/Region

<Not Applicable>

Land type

<Not Applicable>

Size (Hectares)

<Not Applicable>

Do you have a system in place to monitor forests-related risks?

<Not Applicable>

Type of monitoring system

<Not Applicable>

Description of monitoring system

<Not Applicable>

Recent infraction(s)

<Not Applicable>

Explanation of infraction

<Not Applicable>

F1.4

(F1.4) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

Timber

Do you collect data regarding compliance with the Brazilian Forest Code?

No, we do not collect data

Please explain

For high deforestation risk regions including Brazil, we require Forest Stewardship Council certification for all fiber based customer packaging sourcing. We expect that the FSC will track compliance with the Forest Code.

Palm Oil

Do you collect data regarding compliance with the Brazilian Forest Code?

No, we do not collect data

Please explain

For 100% of palm oil in scope of our global policy we require RSPO certification or an equivalent scheme.

Cattle products

Do you collect data regarding compliance with the Brazilian Forest Code?

Yes, from suppliers

Please explain

Our direct beef supplier in Brazil tracks compliance with the Forest Code. Additionally, McDonald's has traceability to the last farm before slaughter for 100% of beef purchased from Brazil with our partner Agrotools.

Soy

Do you collect data regarding compliance with the Brazilian Forest Code?

No, we do not collect data

Please explain

The majority of soy in McDonald's supply chain is used in poultry feed, where we do not source soy directly. Thus the Company does not currently collect this data centrally from suppliers. McDonald's is actively engaged in ongoing discussions with our poultry suppliers and soy traders on this topic. By 2020 McDonald's has an expectation for 100% of soy used in poultry feed to be free of deforestation. Under our Commitment on Forests McDonald's is committed to sourcing soy for chicken feed that does not contribute to deforestation and have identified the regions that we are sourcing soy from with high deforestation risks. For McDonald's European markets, by 2020 100% of soy used in poultry feed is expected to be covered with RTRS or Proterra certification.

F1.4b

(F1.4b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber	Consumption data available, disclosing
Palm Oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

(F1.5a) Disclose your production and/or consumption data.**Forest risk commodity**

Cattle products

Data type

Consumption data

Volume

752143

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

The main use of beef in our products is for our hamburger patties. Beef is used in other products, as well, such as our steak, egg and cheese bagel. We request beef volume data by country of origin from our commercial leads and suppliers through the McDonald's Global Supply Chain annual raw material survey (IMPACT). This is an approximation and does not quite capture 100% of volume as a few smaller volume markets do not use the IMPACT process.

Forest risk commodity

Palm Oil

Data type

Consumption data

Volume

126968.74

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

Palm oil raw material data is collected through McDonald's Global Supply Chain annual raw material survey (IMPACT). The suppliers surveyed primarily include suppliers of products managed by our global central supply chain team including oil for restaurant cooking, par-fry, and baked goods and sauces (liquid products).

Forest risk commodity

Timber

Data type

Consumption data

Volume

728203.7

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

This volume represents fiber based packaging. This volume includes the product weight of all consumer facing packaging items managed by HAVI made with virgin and/or recycled paper/board, including coatings and minor materials e.g., ink, adhesive. Note, this does not include pre-consumer waste and scrap from die cutting. Raw material data for fiber-based packaging is collected through McDonald's Global Supply Chain annual raw material survey (IMPACT). We extrapolate fiber-based packaging volumes for Latin America, Israel, Thailand, Turkey. We conservatively consider these extrapolated volumes as entirely uncertified/unverified recycled because we do not currently collect their fiber-based packaging volumes in IMPACT. We utilize a simple extrapolation method based on sales assuming a linear relationship between sales and fiber packaging volume. The volumes for fiber have just

recently been made available from our internal reporting systems and are in the process of final data screening and verification. Given the data range is very close to our expectations, we are disclosing these preliminary results now to meet the CDP reporting timelines. We plan to publish the data on our public website as soon it's final in early fall 2018. If needed upon final verification of the data, we will request an adjustment to the numbers in the CDP disclosure at that time.

Forest risk commodity

Soy

Data type

Consumption data

Volume

614476

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

This is an estimate of soy used as feed in the McDonald's poultry supply chain. The estimate assumes that there is .00109 MT soy / .00100 MT chicken breast.

F1.6

(F1.6) Have you identified sufficient sources of sustainable materials to meet your current operational needs? If yes, what are you doing to ensure the security/continuity of this supply?

Timber

Sustainable source identified

Yes

Primary action to ensure supply

Other, please specify (Forest Stewardship Council)

Please explain

McDonald's is committed to working with our supplier partners to ensure that our Commitment on Forests is upheld. By 2020 we are requiring suppliers of commodities sourced from high risk regions for deforestation to implement a suite of options to meet our commitment. These include certification, jurisdictional approaches, supply chain mapping (traceability, risk mapping and verification), and capacity building activities.

Palm Oil

Sustainable source identified

Yes

Primary action to ensure supply

Other, please specify (Physical supply of RSPO certified palm)

Please explain

McDonald's is committed to working with our supplier partners to ensure that our Commitment on Forests is upheld. By 2020 we are requiring suppliers of commodities sourced from high risk regions for deforestation to implement a suite of options to meet our commitment. These include certification, jurisdictional approaches, supply chain mapping (traceability, risk mapping and verification), and capacity building activities.

Cattle products

Sustainable source identified

Yes

Primary action to ensure supply

Supply chain mapping

Please explain

McDonald's is committed to working with our supplier partners to ensure that our Commitment on Forests is upheld. By 2020 we are requiring suppliers of commodities sourced from high risk regions for deforestation to implement a suite of options to meet our commitment. These include certification, jurisdictional approaches, supply chain mapping (traceability, risk mapping and verification), and capacity building activities.

Soy

Sustainable source identified

Yes

Primary action to ensure supply

Other, please specify (Certification and supply chain mapping)

Please explain

McDonald's is committed to working with our supplier partners to ensure that our Commitment on Forests is upheld. By 2020 we are requiring suppliers of commodities sourced from high risk regions for deforestation to implement a suite of options to meet our commitment. These include certification, jurisdictional approaches, supply chain mapping (traceability, risk mapping and verification), and capacity building activities.

F1.7

(F1.7) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.7a

(F1.7a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

Primary response

Other, please specify (Certification)

Total financial impact

Description of response

Forest risk commodity

Palm Oil

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

Primary response

Other, please specify (Certification & Supply Chain Mapping)

Total financial impact

Description of response

Forest risk commodity

Cattle products

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

Primary response

Other, please specify (Traceability & Risk Mapping)

Total financial impact

Description of response

Forest risk commodity

Soy

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

Primary response

Other, please specify (Certification & Supply Chain Mapping)

Total financial impact

Description of response

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Six-monthly or more frequently

How far into the future are risks considered?

Unknown

Tools and methods used to identify and assess risks

Internal company methods

External consultants

National specific tools and databases

Please explain

HAVI manages the consumer packaging category for McDonald's. The Company works closely with HAVI and various stakeholders such as World Wildlife Fund (WWF) to assess risk (operational, regulatory, and reputational) in our supply chain. In 2009 and 2010 WWF assessed the environmental, social, and economic risk in our supply chain at the raw material production level and identified fiber for packaging as a priority product. As a WWF corporate partner, the Company collaborates with WWF on our sustainable fiber-based packaging strategy and is regularly informed of any new or emerging deforestation risks related to fiber. With HAVI, we conduct an annual packaging fiber survey which includes a risk assessment in which we evaluate the origin of our packaging and review origin against a list of relevant high-risk markets. In 2015, with WWF and HAVI, we mapped the majority of our consumer-facing paper packaging fiber supply against countries where pulp plantations are known drivers of deforestation and found that less than 12% of the fiber for our consumer packaging could not be substantiated as avoiding these high-risk countries. We have made a commitment to pursue FSC certification for any fiber sources from these countries by 2020 at the latest and will continue to work for greater visibility into the amount of fiber coming from these countries. See our Commitment on Forests which will impact our risk assessment procedure in the future (question F2.1c and Further Information). Additionally, McDonald's is a member of the CDP Supply Chain program and requires the Company's top 16 suppliers* to respond to CDP Forests (these suppliers account for nearly 2/3 of annual food and paper spend). *In the case of HAVI, their two largest suppliers by spend are required to complete CDP Forests.

Palm Oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Six-monthly or more frequently

How far into the future are risks considered?

Unknown

Tools and methods used to identify and assess risks

Internal company methods

External consultants

National specific tools and databases

Please explain

The Company works with various stakeholders such as World Wildlife Fund (WWF) to assess risk (operational, regulatory, and reputational) in our supply chain. In 2009 and 2010 WWF assessed the environmental, social, and economic risk in our supply chain at the raw material production level and identified palm oil as a priority product notably because of its link to deforestation. As a WWF corporate partner, the Company collaborates with WWF on our palm oil sourcing strategy and is regularly informed of any new or emerging deforestation risks related to palm oil. In 2016, the Company's Director of Sustainable Sourcing for Asia and other members of our supply chain team visited palm growing regions in Indonesia and met with plantations, WWF, suppliers, other brands and local NGOs to understand and evaluate the risk on the ground in the palm oil industry. The trip exposed, first hand, the impacts on the ground and the challenges ahead to successfully address the issues and realize our Commitment on Forests. See our Commitment on Forests which will impact our risk assessment procedure in the future (question F2.1c and Further Information). The oil RFP process, introduced in question F1.3a, enabled us to learn more about the palm suppliers in our supply chain, from what origins they source palm, and their capabilities in terms of ability to meet our sustainability expectations. This information is considered when deciding whether to do business with suppliers. McDonald's is a member of the CDP Supply Chain program and requires the Company's top 16 suppliers to respond to CDP Forests (these suppliers account for nearly 2/3 of annual food and paper spend). Multiple companies in this list source or use palm oil in McDonald's products. In addition, we undertake risk assessments for global supply chain raw materials periodically (of which palm oils is one), though not at a specified frequency.

Cattle Products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Six-monthly or more frequently

How far into the future are risks considered?

Unknown

Tools and methods used to identify and assess risks

Internal company methods

External consultants

National specific tools and databases

Please explain

The Company works with various stakeholders such as World Wildlife Fund (WWF) to assess risk (operational, regulatory, and reputational) in our supply chain. In 2009 and 2010 WWF assessed the environmental, social, and economic risk in our supply chain at the raw material production level and identified beef as a priority product, in part because of its link to deforestation. As a WWF corporate partner, the Company collaborates with WWF on our sustainable beef strategy and is regularly informed of any new or emerging deforestation risks related to beef. See our Commitment on Forests which will impact our risk assessment procedure in the future (question F2.1c and Further Information). In regions with identified risks relating to the preservation of forests, by the end of 2020 we've committed to verifying that beef sourced from these regions comes from farms where primary forests and high conservation value lands are preserved. We acknowledge that the definition of deforestation risk varies in different markets around the world. The assessment of deforestation risk will be determined through consultations with industry and external stakeholders with consideration to local market. McDonald's is a member of the CDP Supply Chain program and requires the Company's top 16 suppliers to respond to CDP Forests (these suppliers account for nearly 2/3 of annual food and paper spend). Multiple companies in this list source beef for our menu items. In addition, we undertake risk assessments for global supply chain raw materials periodically (of which beef is one), though not at a specified frequency. Please see more information about McDonald's beef sourcing in question F2.1c.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Six-monthly or more frequently

How far into the future are risks considered?

Unknown

Tools and methods used to identify and assess risks

Internal company methods

External consultants

National specific tools and databases

Please explain

The Company works with various stakeholders such as World Wildlife Fund (WWF) to assess risk (operational, regulatory, and reputational) in our supply chain. In 2009 and 2010 WWF assessed the environmental, social, and economic risk in our supply chain at the raw material production level and identified soy as a high-priority, notably because of its link to deforestation. Because a large portion of soy use in our supply chain is for poultry feed, the Company identified poultry as a priority product inferring poultry would incorporate feed. The Company has formed a cross-functional team to evaluate the material environmental and social issues associated with the poultry supply chain and develop strategies to address such risks. This cross-functional group will oversee the development of soy risk assessments and strategies in order to reach our Commitment on Forests. As a WWF corporate partner, the Company collaborates with WWF on our sustainable poultry/soy strategy and is regularly informed of any new or emerging deforestation risks related to soy. See our Commitment on Forests which will impact our risk assessment procedure in the future (question F2.1c and Further Information). In 2016, we conducted further analysis of our poultry feed (soy) supply chain to map origin and identify high risk origin. McDonald's is a member of the CDP Supply Chain program and requires the Company's top 16 suppliers to respond to CDP Forests (these suppliers account for nearly 2/3 of annual food and paper spend). Multiple companies in this list source soy for our menu items (i.e. poultry suppliers).

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

This was included in the WWF Risk Analysis - Supply Risk; Supply Security indicator.

Quality of forest risk commodities

Relevance & inclusion

Not considered

Please explain

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

This was included in the WWF Risk Analysis - Environmental Risk category.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

This was included in the WWF Risk Analysis - Social and Political Risk category.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

Tariffs or price increases

Relevance & inclusion

Not considered

Please explain

This was included in the WWF Risk Analysis - Economic and Financial Risk category.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

This risk is inherently included in the WWF Risk analysis though not explicitly called 'Loss of markets.'

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

This was included in the WWF Risk Analysis - Social and Political Risk category.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

This was included in the WWF Risk Analysis - Social and Political Risk category.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

This was included in the WWF Risk Analysis - Social and Political Risk category.

Other, please specify

Relevance & inclusion

Please select

Please explain

Additional considerations were included in the WWF Supply Risk Analysis Methodology.

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

Employees

Relevance & inclusion

Relevant, always included

Please explain

Investors

Relevance & inclusion

Relevant, always included

Please explain

Local communities

Relevance & inclusion

Relevant, always included

Please explain

NGOs

Relevance & inclusion

Relevant, always included

Please explain

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

Regulators

Relevance & inclusion

Relevant, always included

Please explain

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

Other stakeholders, please specify

Relevance & inclusion

Please select

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk
Timber	Yes, only in our value chain beyond our direct operations
Palm Oil	Yes, only in our value chain beyond our direct operations
Cattle Products	Yes, only in our value chain beyond our direct operations
Soy	Yes, only in our value chain beyond our direct operations
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive impact on your business?

Conserving forests is identified as a Priority Impact Area for McDonald's global sustainability strategy. Specifically, conserving forests is framed as foundational to our Scale for Good platform. It is also directly connected to our Scale for Good global priority strategies and goals focused on Beef Sustainability, Packaging & Recycling, and Climate Action. Using our Scale for Good plays an important role in McDonald's Velocity Growth Plan, and is right at the heart of our values. In order for people to feel good about visiting us, they need to feel good about our food, our company and the impact that we have on the world.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Timeframe

Current - up to 1 year

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

Primary response to risk

Other, please specify (Certification)

Description of response

Cost of response

Explanation of cost of response

Forest risk commodity

Palm Oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Timeframe

Please select

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

Primary response to risk

Other, please specify (Certification & Supply Chain Mapping)

Description of response

Cost of response

Explanation of cost of response

Forest risk commodity

Cattle Products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Timeframe

Please select

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

Primary response to risk

Other, please specify (Traceability & Risk Mapping)

Description of response

Cost of response

Explanation of cost of response

Forest risk commodity

Soy

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Brand damage

Company-specific description

Timeframe

Please select

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

Primary response to risk

Other, please specify (Certification & Supply Chain Mapping)

Description of response

Cost of response

Explanation of cost of response

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber	Yes
Palm Oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber

Type of opportunity

Other

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Other, please specify (Increased brand value)

Financial incentives

<Not Applicable>

Company-specific description & strategy to realize opportunity

Our customers and their changing needs are at the heart of what we do at McDonald's. We know customers increasingly want to make responsible food choices (see further information for surveys to collect this information and consumer insights) and we recognize our responsibility as a leading global brand to do what is right to drive positive change. In addition to brand value, McDonald's packaging suppliers have generated savings for McDonald's as a result of optimizing their packaging weights and reducing raw material usage, which improves both environmental and economic outcomes. For example, from January 2012 through the end of 2015, 30.95 million lbs. of materials were removed from the McDonald's packaging portfolio. This source reduction also resulted in cost savings for the System. In addition to the Company's Commitment on Forests, we have a global fiber sourcing policy that aims to continually improve the overall sustainability of our packaging by increasing recycled or certified raw materials and promoting Design for Environment to optimize resources and improve end-of-life recoverability.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

In addition to increased brand value, we see the following opportunities associated with sourcing fiber for our packaging sustainably (as listed in the CDP Questionnaire) - Staff retention/ satisfaction - New market or product/service opportunities - Increased security of supply -Increased transparency - Increasing capacity of sustainable commodity markets - Driving demand for sustainable materials - Cost savings

Forest risk commodity

Palm Oil

Type of opportunity

Other

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Other, please specify (Increased brand value)

Financial incentives

<Not Applicable>

Company-specific description & strategy to realize opportunity

Our customers and their changing needs are at the heart of what we do at McDonald's. We know customers increasingly want to make responsible food choices (see further information for surveys to collect this information and consumer insights) and we recognize our responsibility as a leading global brand to do what is right to drive positive change. In addition to the Company's Commitment on Forests we have a Sustainable Palm Oil Policy and action plan.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

In addition to increased brand value, we see the following opportunities associated with sourcing palm oil sustainably (as listed in the CDP questionnaire): - Staff retention/ satisfaction - New market or product/service opportunities - Increased security of supply - this is particularly important for palm oil -Increased transparency - particularly important for palm oil - Increasing capacity of sustainable commodity markets - particularly important for palm oil - Driving demand for sustainable materials - particularly important for palm oil

Forest risk commodity

Cattle Products

Type of opportunity

Other

Where in your value chain does the opportunity occur?

Please select

Primary forests-related opportunity

Other, please specify (Increased brand value)

Financial incentives

<Not Applicable>

Company-specific description & strategy to realize opportunity

McDonald's is synonymous with burgers and as one of the largest purchasers of beef globally, we have the responsibility to help lead the industry toward better and more sustainable practices when it comes to beef. Our customers and their changing needs are at the heart of what we do at McDonald's. We know customers increasingly want to make responsible food choices (see further information for surveys to collect this information and consumer insights) and we recognize our responsibility as a leading global brand to do what is right to drive positive change. This global movement is gaining momentum through conversations, collaborations, pilot programs and global and local roundtables, and is helping influence not just the beef served at McDonald's restaurants but beef production around the world. In addition to the Company's Commitment on Forests, in 2017 McDonald's announced our 2020 Vision for Sustainable beef.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

In addition to increased brand value, we see the following opportunities associated with sourcing sustainable beef (as listed in the CDP questionnaire): - Staff retention/ satisfaction - New market or product/service opportunities - Increased security of supply - Increased transparency - Driving demand for sustainable materials - Increasing capacity of sustainable commodity markets. This is particularly important for beef. McDonald's size and reach give us a platform for change, but meaningful progress really comes down to teamwork. Along with farmers, advocates, governments and McDonald's local country teams, we're enabling innovations and making sure financially viable sustainable beef sourcing practices reach more and more of the McDonald's supply chain - and the broader marketplace.

Forest risk commodity

Soy

Type of opportunity

Other

Where in your value chain does the opportunity occur?

Please select

Primary forests-related opportunity

Other, please specify

Financial incentives

<Not Applicable>

Company-specific description & strategy to realize opportunity

Our customers and their changing needs are at the heart of what we do at McDonald's. We know customers increasingly want to make responsible food choices (see further information for surveys to collect this information and consumer insights) and we recognize our responsibility as a leading global brand to do what is right to drive positive change. In 2016, McDonald's actively supported the indefinite extension of the landmark Brazilian Soy Moratorium, an agreement between civil society, industry and government, preventing major traders from selling soy linked to deforestation in the Brazilian Amazon. Because there are no broadly accepted, credible principles or standards for chicken sustainability, the Company is working with its suppliers and NGOs to develop a common set of guiding principles and best practices for sustainable poultry. In 2016, we established a cross-functional team to advance our progress in this area. Significant progress is being made in Europe, where McDonald's has established a 2020 target to purchase only sustainably certified soy, a major component of poultry feed. In 2015, approximately 35% of the soy used for chicken feed for our markets in Europe was covered by a combination of ProTerra and Roundtable for Responsible Soy certification and this figure is projected to be nearly 50% for 2016. Both certifications ensure adherence to globally recognized standards for responsible soy production. Since 2006, McDonald's has played a leading role in supporting the establishment and continuation of the Soy Moratorium, a voluntary agreement between retailers, NGOs and major soybean traders to not purchase soy grown on land within the Amazon deforested after 2008. The Moratorium has been widely recognized for its success in dramatically reducing the expansion of soy production areas within the Brazilian Amazon. In 2015, McDonald's, together with Greenpeace and Cargill, was recognized by the Keystone Policy Center Award for Leadership in Environment for our collective contribution to this effort. In addition, the Commitment on Forests applies to soy.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Please select

Likelihood

Please select

Potential financial impact

Explanation of financial impact

In addition to increased brand value, we see the following opportunities associated with sourcing sustainable soy (as listed in the CDP Questionnaire): - Staff retention/ satisfaction - New market or product/service opportunities - Increased security of supply - Increased transparency - Increasing capacity of sustainable commodity markets - Driving demand for sustainable materials

F4. Governance

F4.1

(F4.1) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.1a

(F4.1a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to avoiding deforestation and forest degradation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and education Commitment to align with public policy initiatives, e.g. SDGs Recognition of the overall importance of forests and other natural habitats Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	McDonald's Commitment on Forests is our company wide policy on forests. The Company is a signatory to the New York Declaration on Forests. Information on our Commitment and work underway can be accessed on our website here: https://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html

F4.1b

(F4.1b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber	Yes	Company-wide	Commitment to avoiding deforestation and forest degradation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and education Commitment to align with public policy initiatives, e.g. SDGs Recognition of the overall importance of forests and other natural habitats Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	
Palm Oil	Yes	Company-wide	Commitment to avoiding deforestation and forest degradation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and education Commitment to align with public policy initiatives, e.g. SDGs Recognition of the overall importance of forests and other natural habitats Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	
Cattle Products	Yes	Company-wide	Commitment to avoiding deforestation and forest degradation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and education Commitment to align with public policy initiatives, e.g. SDGs Recognition of the overall importance of forests and other natural habitats Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	
Soy	Yes	Company-wide	Commitment to avoiding deforestation and forest degradation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and education Commitment to align with public policy initiatives, e.g. SDGs Recognition of the overall importance of forests and other natural habitats Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related standards for procurement	
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.2

(F4.2) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.2a

(F4.2a) Identify the position(s) of the individual(s) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board/Executive board	Our Board of Directors' Sustainability and Corporate Responsibility Committee reviews and monitors the Company's strategies and efforts to address Brand trust through its performance as a sustainable organization, including environmental and social issues. See attached committee charter and pg. 32 of 2018 Proxy Statement.
Chief Sustainability Officer (CSO)	The Company's Chief Supply Chain and Sustainability Officer is responsible for overseeing actions related to environmental issues, including forest-related issues, and serves as the executive sponsor of McDonald's aspirations to source all food and packaging sustainably and develop and operate the most environmentally efficient McDonald's restaurants. The Chief Supply Chain and Sustainability Officer serves together with the Chief Communications Officer, Chief People Officer and Chief Marketing Officer as the Company's Brand Trust Leadership Team, which helps ensure the organization fulfils its overall Global Sustainability Framework performance, which includes goals and actions relating to forest-related issues.
Other C-Suite Officer	The Company's Chief Supply Chain and Sustainability Officer is responsible for overseeing actions related to environmental issues, including forest-related issues, and serves as the executive sponsor of McDonald's aspirations to source all food and packaging sustainably and develop and operate the most environmentally efficient McDonald's restaurants. The Chief Supply Chain and Sustainability Officer serves together with the Chief Communications Officer, Chief People Officer and Chief Marketing Officer as the Company's Brand Trust Leadership Team, which helps ensure the organization fulfils its overall Global Sustainability Framework performance, which includes goals and actions relating to forest-related issues.

F4.2b

(F4.2b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The principal oversight responsibilities of the Sustainability & Corporate Responsibility Committee, a standing committee of our Board of Directors, include: (1) the review and monitoring of the Company's strategies and efforts to address McDonald's short- and long-term brand trust opportunities and brand leadership priorities that are significant to the Company, its customers, franchisees, developmental licensees and other stakeholders; including food, sourcing, the environment, community engagement, philanthropy, and diversity and inclusion; (2) the review and monitoring of the development and implementation of the goals the Company may establish from time to time for its performance with respect to its sustainability framework and initiatives, the review and monitoring of the development of metrics and procedures to gauge progress toward achievement of those goals, and the monitoring of the Company's progress against those goals; (3) the review of the Company's global sustainability communication plans and the global reports issued from time to time in connection with the sustainability initiatives as outlined in the Committee's charter. The Committee also assists the Board of Directors in fulfilling its enterprise risk oversight responsibility by periodically assessing and responding, as appropriate, to risks relating to matters within its purview. See attached committee charter and pg. 32 of 2018 Proxy Statement.

F4.3

(F4.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for forests-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other, please specify (Chief Supply Chain & Sustainability Offi)	Both assessing and managing forests-related risks and opportunities	As important matters arise	The Company's Chief Supply Chain and Sustainability Officer is responsible for overseeing actions related to environmental issues, including forest-related issues, and serves as the executive sponsor of McDonald's aspirations to source all food and packaging sustainably and develop and operate the most environmentally efficient McDonald's restaurants. The Chief Supply Chain and Sustainability Officer serves together with the Chief Communications Officer, Chief People Officer and Chief Marketing Officer as the Company's Brand Trust Leadership Team, which ensures the organization fulfils its overall Global Sustainability Framework performance, which includes goals and actions relating to forest-related issues. Forest-related matters are reported to the Sustainability & Corporate Responsibility Committee, a standing committee of the Board of Directors, periodically and as important matters arise.
Other, please specify (Brand Trust Leadership Team)	Both assessing and managing forests-related risks and opportunities	As important matters arise	The Chief Supply Chain and Sustainability Officer serves together with the Chief Communications Officer, Chief People Officer and Chief Marketing Officer as the Company's Brand Trust Leadership Team, which ensures the organization fulfils its overall Global Sustainability Framework performance, which includes goals and actions relating to forest-related issues.

F4.4

(F4.4) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

Yes

F4.4a

(F4.4a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues?

	Who is entitled to benefit from these incentives?	Indicator for incentivized performance	Please explain
Monetary reward	Chief Procurement Officer (CPO) Chief Sustainability Officer (CSO) Other C-suite Officer Other, please specify (Environmental & Sustainability Managers)	Achievement of commitments and targets Supply chain engagement Other, please specify (Global Sust Framework aspirations) <i>Global Sustainability Framework aspirations (Scale for Good), which includes aspirations on forest-related issues, sustainable sourcing and environmental efficiency progress, and supply chain sustainability goals and projects.</i>	Serve as the executive sponsors of McDonald's brand trust strategy and Global Sustainability Framework, including the aspirations to source all food and packaging sustainably and to develop and operate the most environmentally efficient McDonald's restaurants, which involves the management of forest-related issues. Where these employees' annual Individual Performance Plans set out objectives related to forest-related issues, salary increases and bonuses are directly related to the attainment of those objectives (along with other factors). Examples of such Individual Performance Plan objectives might include advancing progress on McDonald's goal to eliminate deforestation in our beef, chicken (including soy in feed), palm oil, coffee and the fiber used in customer packaging by 2020.
Recognition (non-monetary)	Board/Executive board Corporate executive team Chief Executive Officer (CEO)	Please select	Recognition and support for our Global Sustainability Framework aspirations (Scale for Good) to source all food and packaging sustainably and to develop and operate the most environmentally efficient McDonald's restaurants, which involves the management of forest-related issues. See pages 3 - 4 and 36- 37 of 2018 proxy statement and https://corporate.mcdonalds.com/corpmcd/scale-for-good/using-our-scale-for-good.html .
Other non-monetary reward	Please select	Please select	

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Forest related risks are incorporated into our Scale for Good strategy, specifically through our Commitment on Forests and also connected with our Science Based Target on Climate Action, Packaging & Recycling, and Beef Sustainability Goals. It is also connected to our 2020 Priority Product goals on palm oil, coffee, fiber based packaging and poultry. This strategy is a part of McDonald's company growth plan.
Strategy for long-term objectives	Please select	<Not Applicable>	
Financial planning	Please select	<Not Applicable>	

F6. Implementation

F6.1

(F6.1) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F6.1a

(F6.1a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

New York Declaration on Forests

Tropical Forest Alliance 2020

We Mean Business

Other, please specify (Cerrado Manifesto SOS, America's Pledge)

F6.1b

(F6.1b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Commodity coverage

Timber

Criteria

Zero gross deforestation and forest degradation

No new development on peatland
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Adoption of Free, Prior and Informed Consent (FPIC) principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Commitment timeframe

2020

Please explain

100% of our fiber-based packaging from high risk regions (Argentina, Cambodia, China, Indonesia, Laos, Malaysia, Russia and Vietnam) will be covered with Forest Stewardship Council Certification. Details on the criteria of McDonald's Commitment on Forests can be found here: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf>

Commodity coverage

Palm Oil

Criteria

Zero gross deforestation and forest degradation
No new development on peatland
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Adoption of Free, Prior and Informed Consent (FPIC) principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Commitment timeframe

2020

Please explain

100% of palm oil from in the McDonald's system will be covered with RSPO certification. For the globally managed restaurant, par-fry, bakery and liquid products they will be covered with RSPO mass balance in 2018 and RSPO segregated by 2020. All palm oil at a minimum will be covered with RSPO book and claim certificates. McDonald's is working with palm producing companies to provide additional verification of our Commitment on Forests through traceability, risk mapping and verification of policy implementation. Details on the criteria of McDonald's Commitment on Forests can be found here: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf>

Commodity coverage

Cattle Products

Criteria

Zero gross deforestation and forest degradation
No new development on peatland
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Adoption of Free, Prior and Informed Consent (FPIC) principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Commitment timeframe

2020

Please explain

100% of beef sourced in high risk regions for deforestation (Argentina, Australia, Brazil and Paraguay) are expected to have a system in place by 2020 to verify compliance with McDonald's Commitment on Forests. This will include traceability, risk mapping and verification through systems such as certification, jurisdictional approaches, or other farm level activities. Details on the criteria of McDonald's Commitment on Forests can be found here: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf>

Commodity coverage

Soy

Criteria

Zero gross deforestation and forest degradation
No new development on peatland
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Adoption of Free, Prior and Informed Consent (FPIC) principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Commitment timeframe

2020

Please explain

100% of the soy used in chicken feed sourced from high risk regions for deforestation (Argentina, Bolivia, Brazil and Paraguay) will be verified as meeting McDonald's Commitment on Forests by 2020. McDonald's suppliers estimate that in 2017 approximately 11% of global volumes are sourced in these regions. Suppliers can verify by using certification, jurisdictional approaches, or other soy trader developed verification systems such as Agroideal. McDonald's Europe has a commitment to cover 100% of volumes with Proterra or RTRS Certification by 2020. Details on the criteria of McDonald's Commitment on Forests can be found here: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf>

Commodity coverage

Other

Criteria

Zero gross deforestation and forest degradation
No new development on peatland
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Adoption of Free, Prior and Informed Consent (FPIC) principles
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Commitment timeframe

2020

Please explain

McDonald's Commitment on Forests also applies to our coffee supply chain. Suppliers of coffee sourced from high risk regions (Honduras, Indonesia and Vietnam) are expected to cover 100% of those volumes with Rainforest Alliance Certification. Details on the criteria of McDonald's Commitment on Forests can be found here:

<https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf>

Commodity coverage

Other

Criteria

Zero gross deforestation and forest degradation

No new development on peatland

No conversion of High Conservation Value areas

No conversion of High Carbon Stock forests

Adoption of Free, Prior and Informed Consent (FPIC) principles

Resolution of complaints and conflicts through an open, transparent and consultative process

Facilitate the inclusion of smallholders into the supply chain

No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Commitment timeframe

>2030

Please explain

McDonald's has committed to having no deforestation across all commodities in our supply chain by 2030.

F6.2

(F6.2) Did you have any quantified targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.2a

(F6.2a) Provide details of your target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber

Form of commodity covered

Primary packaging

Type of target

Third-party certification scheme

Coverage

Supply chain

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Forest Management certification

FSC Chain of Custody
FSC Controlled Wood
FSC Group certification
FSC SMLIF (small or low-intensity managed forest)
FSC Recycled
PEFC Sustainable Forest Management certification
PEFC Chain of Custody
PEFC Project Chain of Custody
PEFC Group certification

Start year

Start figure

Please select

Target year

2020

Target

100%

% achieved

61-70%

Please explain

The volumes for fiber have just recently been made available from our internal reporting systems and are in the process of final data screening and verification. Given the data range is very close to our expectations, we are disclosing these preliminary results now to meet the CDP reporting timelines. We plan to publish the data on our public website as soon it's final in early fall 2018. If needed upon final verification of the data, we will request an adjustment to the numbers in the CDP disclosure at that time. By 2020, all virgin fiber for our customer packaging sourced from high-deforestation risk regions will be Forest Stewardship Council (FSC) certified, and the Company will also maintain its preference for FSC-certified virgin fiber from other regions. The FSC standard prohibits deforestation, including conversion of natural forests to plantations. As of 2016, 64% of McDonald's fiber-based packaging comes from third-party verified recycled or certified fiber (FSC, PEFC™ or PEFC-endorsed) sources.

Target reference number

Target 2

Forest risk commodity

Palm Oil

Form of commodity covered

All forms of palm oil

Type of target

Third-party certification scheme

Coverage

Supply chain

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO Identity Preserved
RSPO Segregated
RSPO Mass Balance
RSPO Book and Claim
RSPO Next
RA Sustainable Agriculture Network (SAN) standard

Start year

Start figure

Please select

Target year

Target

Please select

% achieved

100%

Please explain

Our aim is to have all palm oil used in our restaurants and as ingredients in McDonald's products be verified to support sustainable production, through a combination of certification, traceability and risk mapping. In 2017, 100% of the total volume was certified as supporting sustainable production. Our volumes of mass balance certified oils increased from 11.6% in 2016 to 36% in 2017. By Roundtable on Sustainable Palm Oil (RSPO) chain of custody system: - 62.6% verified using book and claim certificates (the minimum level of verification currently required according to our palm oil policy); - 36.0% Mass Balance; - 1.2% Segregated; - 0.2% Identify Preserved. We are committed to further shift our palm oil toward RSPO Mass Balance certified and RSPO segregated. Our suppliers are expected to be active members of the RSPO and report through the RSPO Annual Communications of Progress, as well as have a policy in place to conserve forests.

Target reference number

Target 3

Forest risk commodity

Cattle Products

Form of commodity covered

Beef

Type of target

Other, please specify

Coverage

Supply chain

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year**Start figure**

Please select

Target year**Target**

100%

% achieved

Please select

Please explain

The first step for the Company was to identify the list of countries that the Company currently sources beef from that have a high deforestation risk, as defined based on WWF Living Forests report.¹ We are working with these countries and our suppliers, alongside expert consultants including The World Wildlife Fund, Proforest and Agrottools to identify tailored risk mapping and implementation plans for these identified regions. We're also engaged in multi-stakeholder groups to address these issues, including: •The Accountability Framework •Collaboration for Forests and Agriculture •Global Roundtable for Sustainable Beef and other local beef sustainability roundtables

Target reference number

Target 4

Forest risk commodity

Soy

Form of commodity covered

Soy bean meal

Type of target

Please select

Coverage

Supply chain

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year**Start figure**

Please select

Target year

2020

Target

100%

% achieved

Please select

Please explain

We are committed to sourcing soy for chicken feed that does not contribute to deforestation and have identified the regions that we are sourcing soy from with high deforestation risks. In 2017, 65% of soy used for chicken feed in our European markets was covered by Roundtable on Responsible Soy (RTRS) or Proterra certification. We are developing a strategy for the other identified regions. In October 2017, we, along with 23 other global companies, launched a statement of support (pdf, 44KB) for the objectives of the Cerrado Manifesto (pdf, 400KB), reaffirming our individual and collective commitment to halting forest loss associated with agricultural commodity production and recognizing the critically important role played by the Cerrado for its role in climate change mitigation, biodiversity, water and agricultural production. We currently serve on the Steering Committee for the group.

F6.3**(F6.3) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?
Timber	Yes
Palm Oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other	<Not Applicable>

F6.3a

(F6.3a) Provide details on the level of traceability your organization has for your disclosed commodity(ies).

	% of total production/consumption volume traceable	Point to which commodity is traceable	Description of traceability system	Exclusions	Description of exclusion
Timber	100%	Country	FSC for 100% of high risk regions	<Not Applicable>	<Not Applicable>
Palm Oil	100%	Country	RSPO certification for 100% of palm oil. Currently engaging with suppliers to verify reporting against traceability systems and NPDE policy implementation.	<Not Applicable>	<Not Applicable>
Cattle products	100%	Country	McDonald's currently tracks all beef supply at the country level. We are working with our supplier partners to develop traceability systems to the farm level. This is currently implemented for 100% of cattle sourced in Brazil. It is under developed for Argentina, Australia and Paraguay.	<Not Applicable>	<Not Applicable>
Soy	71-80%	Country	McDonald's is currently working with chicken suppliers to identify traceability systems that will meet our Commitment on Forest expectations.	Source/country/geographical area	
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.4

(F6.4) Do you specify any third-party certification schemes for your disclosed commodity(ies)? Indicate the volume and percentage of your production and/or consumption covered.

Forest risk commodity

Palm Oil

Do you specify any certification scheme?

Yes

Third-party certification scheme

- RSPO Identity Preserved
- RSPO Segregated
- RSPO Mass Balance
- RSPO Book and Claim
- RSPO Next
- RA Sustainable Agriculture Network (SAN) standard

% of total production/consumption volume certified

100

Form of commodity

- Refined palm oil
- Palm oil derivatives
- Palm kernel oil derivatives

Volume of production/ consumption certified

126968.74

Metric

Metric tons

Please explain

Our aim is to have all palm oil used in our restaurants and as ingredients in McDonald's products be verified to support sustainable production, through a combination of certification, traceability and risk mapping. In 2017, 100% of the total volume was certified as supporting sustainable production. Our volumes of mass balance certified oils increased from 11.6% in 2016 to 36% in 2017. By Roundtable on Sustainable Palm Oil (RSPO) chain of custody system: - 62.6% verified using book and claim certificates (the minimum level of verification currently required according to our palm oil policy); - 36.0% Mass Balance; - 1.2% Segregated; - 0.2% Identify Preserved. We are committed to further shift our palm oil toward RSPO Mass Balance certified and RSPO segregated. Our

suppliers are expected to be active members of the RSPO and report through the RSPO Annual Communications of Progress, as well as have a policy in place to conserve forests.

Forest risk commodity

Cattle products

Do you specify any certification scheme?

No

Third-party certification scheme

<Not Applicable>

% of total production/consumption volume certified

<Not Applicable>

Form of commodity

<Not Applicable>

Volume of production/ consumption certified

<Not Applicable>

Metric

<Not Applicable>

Please explain

The first step for the Company was to identify the list of countries that the Company currently sources beef from that have a high deforestation risk, as defined based on WWF Living Forests report.¹ We are working with these countries and our suppliers, alongside expert consultants including The World Wildlife Fund, Proforest and Agrottools to identify tailored risk mapping and implementation plans for these identified regions. We're also engaged in multi-stakeholder groups to address these issues, including: •The Accountability Framework •Collaboration for Forests and Agriculture •Global Roundtable for Sustainable Beef and other local beef sustainability roundtables

Forest risk commodity

Timber

Do you specify any certification scheme?

Yes

Third-party certification scheme

FSC Forest Management certification
FSC Chain of Custody
FSC Controlled Wood
FSC Group certification
FSC SMLIF (small or low-intensity managed forest)
FSC Recycled
PEFC Sustainable Forest Management certification
PEFC Chain of Custody
PEFC Project Chain of Custody
PEFC Group certification

% of total production/consumption volume certified

67.8

Form of commodity

Primary packaging

Volume of production/ consumption certified

493910

Metric

Metric tons

Please explain

The volumes for fiber have just recently been made available from our internal reporting systems and are in the process of final data screening and verification. Given the data range is very close to our expectations, we are disclosing these preliminary results now to meet the CDP reporting timelines. We plan to publish the data on our public website as soon it's final in early fall 2018. If needed upon final verification of the data, we will request an adjustment to the numbers in the CDP disclosure at that time. By

2020, all virgin fiber for our customer packaging sourced from high-deforestation risk regions will be Forest Stewardship Council (FSC) certified, and the Company will also maintain its preference for FSC-certified virgin fiber from other regions. The FSC standard prohibits deforestation, including conversion of natural forests to plantations. As of 2016, 64% of McDonald's fiber-based packaging comes from third-party verified recycled or certified fiber (FSC, PEFC™ or PEFC-endorsed) sources.

F6.5

(F6.5) Do you specify any sustainable production/procurement standards for your disclosed commodity(ies), other than third-party certification? Indicate the percentage of production/consumption covered and if you monitor supplier compliance with these standards.

Forest risk commodity

Please select

Do you specify any sustainability standards?

Please select

Type of standard

<Not Applicable>

Description of standard

<Not Applicable>

% of total commodity volume covered by standard

<Not Applicable>

Do you have a system in place to monitor compliance with this standard?

<Not Applicable>

Type(s) of monitoring system

<Not Applicable>

% of suppliers in compliance with standards

<Not Applicable>

Please explain

F6.7

(F6.7) Are you working with your direct suppliers to support and improve their capacity to supply sustainable raw materials?

	Are you working with direct suppliers?	Supplier engagement approach	Please explain
Timber	Yes, working with direct suppliers	Collecting data in central database Encouraging certification Encouraging work with multi-stakeholder groups Supplier questionnaires on environmental and social indicators	
Palm Oil	Yes, working with direct suppliers	Collecting data in central database Encouraging certification Encouraging work with multi-stakeholder groups Supplier questionnaires on environmental and social indicators Supplier charters	
Cattle products	Yes, working with direct suppliers	Developing or distributing supply chain mapping tool Collecting data in central database Encouraging work with multi-stakeholder groups Supplier questionnaires on environmental and social indicators Workshops and training Supplier charters Joint projects	
Soy	Yes, working with direct suppliers	Collecting data in central database Encouraging certification Encouraging work with multi-stakeholder groups Supplier questionnaires on environmental and social indicators Workshops and training Supplier charters Joint projects	
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working beyond your first-tier supplier(s) to manage and mitigate forests-related risks?

	Are you working beyond first tier?	Please explain
Timber	Yes, working beyond first tier	
Palm Oil	Yes, working beyond first tier	
Cattle products	Yes, working beyond first tier	
Soy	Yes, working beyond first tier	
Other - Rubber	<Not Applicable>	<Not Applicable>
Other	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Do you participate in external initiatives or activities to further the implementation of your policies concerning the sustainability of your disclosed commodity(ies)?

Forest risk commodity

Timber

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Tropical Forest Alliance 2020 (TFA)

FSC

PEFC

Please explain

Global Forestry Trade Network (GFTN), CDP Supply Chain Forests

Forest risk commodity

Palm Oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Tropical Forest Alliance 2020 (TFA)

Roundtable on Sustainable Palm Oil (RSPO)

Please explain

CDP Supply Chain Forests

Forest risk commodity

Cattle Products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Tropical Forest Alliance 2020 (TFA)

Global Roundtable for Sustainable Beef (GRSB)

Brazilian Roundtable on Sustainable Livestock (GTPS)

Sustainable Agriculture Initiative (SAI)

Other, please specify

Please explain

Argentina Roundtable for Sustainable Livestock, Paraguay Roundtable for Sustainable Livestock, Cerrado Manifesto Statement of Support Steering Committee, The Good Growth Partnership, The Collaboration on Forests and Agriculture, The Accountability Framework, CDP Supply Chain Forests

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Tropical Forest Alliance 2020 (TFA)

Roundtable on Sustainable Soy (RTRS)

Sustainable Agricultural Initiative (SAI)

Please explain

Cerrado Manifesto Statement of Support Steering Committee, The Good Growth Partnership, The Collaboration on Forests and Agriculture, The Accountability Framework, CDP Supply Chain Forests

F7. Linkages and trade-offs

F7.1

(F7.1) Has your organization identified any linkages or trade-offs between forests and other environmental issues in its direct operations and/or other parts of its value chain?

Yes

F7.1a

(F7.1a) Describe the linkages or trade-offs and the related management policy or action.

Linkage/tradeoff

Linkage

Type of linkage/tradeoff

Decreased GHGs emissions

Description of linkage/tradeoff

Policy or action

McDonald's Corporation 2015 Commitment on Forests: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf> Supporting addendum: https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS_%20Statement%20of%20support.pdf Further information: <http://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html>

Linkage/tradeoff

Linkage

Type of linkage/tradeoff

Increased carbon sequestration

Description of linkage/tradeoff

Policy or action

McDonald's Corporation 2015 Commitment on Forests: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf> Supporting addendum: https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS_%20Statement%20of%20support.pdf Further information: <http://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html>

Linkage/tradeoff

Linkage

Type of linkage/tradeoff

Soil conservation

Description of linkage/tradeoff

Policy or action

McDonald's Corporation 2015 Commitment on Forests: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf> Supporting addendum: https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS_%20Statement%20of%20support.pdf Further information: <http://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html>

Linkage/tradeoff

Linkage

Type of linkage/tradeoff

Improved water supply

Description of linkage/tradeoff

Policy or action

McDonald's Corporation 2015 Commitment on Forests: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf> Supporting addendum: https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS_%20Statement%20of%20support.pdf Further information: <http://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html>

Linkage/tradeoff

Linkage

Type of linkage/tradeoff

Increased water quality

Description of linkage/tradeoff**Policy or action**

McDonald's Corporation 2015 Commitment on Forests: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf> Supporting addendum:

https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS_%20Statement%20of%20support.pdf Further information: <http://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html>

Linkage/tradeoff

Linkage

Type of linkage/tradeoff

Water flow regulation

Description of linkage/tradeoff**Policy or action**

McDonald's Corporation 2015 Commitment on Forests: <https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS%20McDonaldsCommitmentOnForests.pdf> Supporting addendum:

https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/FORESTS_%20Statement%20of%20support.pdf Further information: <http://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html>

Linkage/tradeoff

Please select

Type of linkage/tradeoff

Please select

Description of linkage/tradeoff**Policy or action**

F8. Verification

F8.1

(F8.1) Do you verify any forests information reported in your CDP disclosure?

No, we are waiting for more mature verification standards/processes

F9. Barriers and challenges

F9.1

(F9.1) Describe the key barriers or challenges to avoiding forests-related risks in your direct operations or in other parts of your value chain.

Forest risk commodity

Palm Oil

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify

Comment

Lack of alignment between certification and NPDE policies. Challenges with verifying traceability systems and NPDE policy implementation.

Forest risk commodity

Cattle Products

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify

Comment

Limited supply of certified product, supply chain complexity, lack of aligned definitions/criteria/cut off dates and reporting metrics to track progress.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify

Comment

Supply chain complexity, lack of aligned definitions/criteria/cut off dates and reporting metrics to track progress.

F9.2

(F9.2) Describe the main measures that would improve your organization’s ability to manage forests-related risks.

Forest risk commodity

Palm Oil

Coverage

Supply chain

Main measure

Please select

Comment

Alignment between certification and NPDE policies, aligned approach to verify traceability and NPDE policy implementation for retailers.

Forest risk commodity

Cattle Products

Coverage

Supply chain

Main measure

Please select

Comment

Industry and civil society agreement on definitions, cut off dates and reporting metrics, as is currently underway with The Accountability Framework and The Collaboration on Forests and Agriculture.

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Please select

Comment

Industry and civil society agreement on definitions, cut off dates and reporting metrics, as is currently underway with The Accountability Framework and The Collaboration on Forests and Agriculture.

F10. Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F10.1

(F10.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Corporate Vice President - Sustainability	Other, please specify (Corporate Vice President (officer))

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms