

F0. Introduction

F0.1

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

McDonald's Corporation, together with its subsidiaries (the "Company", "we" or "our"), operates and franchises McDonald's restaurants, which serve a locally relevant menu of quality food and beverages in more than 40,000 locations in over 100 countries.

The McDonald's System is comprised of both Company-owned and Franchisee restaurants. McDonald's conventional franchisees, developmental licensees and affiliates are collectively referred to herein as "Franchisees." The Company is approximately 95% franchised and continually reviews its mix of restaurant models to help optimize overall performance.

The business relationship between the Company and Franchisees is supported by adhering to standards and policies, including McDonald's Global Brand Standards, and is of fundamental importance to overall performance and to protecting the McDonald's brand. The Company cannot prescribe ESG solutions for Franchisees. Rather, it works to raise awareness and provide tools and opportunities to support their sustainability journeys.

The Company believes franchising is paramount to delivering consistently great-tasting food and locally relevant customer experiences and driving profitability. Franchising enables an individual to be their own employer and maintain control over all employment related matters, marketing and pricing decisions, while also benefiting from the strength of the McDonald's global brand, operating system and financial resources.

Directly operating McDonald's restaurants contributes significantly to the Company's ability to act as a credible franchisor. One of the strengths of the franchising model is that the expertise from operating Company-owned restaurants allows McDonald's to improve the operations and success of all restaurants while innovations from franchisees can be tested and, when viable, efficiently implemented across relevant restaurants. Having Company-operated restaurants provides Company personnel with a venue for restaurant operations training experience. In addition, in Company-owned and operated restaurants, and in collaboration with Franchisees, the Company can further develop and refine operating standards, marketing concepts, and product and pricing strategies that will ultimately benefit all McDonald's restaurants.

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

The data required for raw material metrics is collected primarily through the McDonald's annual raw material survey of suppliers, TraQtion. It (i) gathers data on volume, origin and sustainability certification across six categories of products supplied to McDonald's and (ii) analyzes all supplier responses for variance from previously reported data. Where significant variances exist, manual review is conducted by the relevant sourcing lead to ensure accuracy. Information is not approved or used without review. A governance team comprised of Global Supply Chain (GSC) and Global Impact meets regularly on reporting. GSC Compliance leads follow up with suppliers who do not report or report inaccurate or non-compliant information. The Company works with third parties to undertake supplier audits in order to ensure the rigor of its processes and information.

The humanitarian crisis caused by the war in Ukraine and the precipitating unpredictable operating environment led us to determine that continuing operations in Russia was no longer tenable nor consistent with McDonald's core values. Due to the sale of our Russian business in May of 2022, Russia has been excluded from our 2022 performance reporting across ESG topics, unless otherwise stated.

Additional detail about the Company's structure, as well as definitions of words used but not defined herein, are found on pages 3-5 of McDonald's Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 and at <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/impact-strategy-and-reporting.html>

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 2022	December 31 2022

F0.3

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

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Explanation if not disclosing

<Not Applicable>

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Explanation if not disclosing

<Not Applicable>

Cattle products

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Explanation if not disclosing

<Not Applicable>

Soy

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Explanation if not disclosing

<Not Applicable>

Other - Rubber

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

Other - Cocoa

Commodity disclosure

Not disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

Other - Coffee

Commodity disclosure

Disclosing

Stage of the value chain

Retailing

Are you disclosing information on embedded commodities?

Yes

Explanation if not disclosing

<Not Applicable>

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Other, please specify (Supply Chain)

F0.6

(F0.6) Select the countries/areas in which you operate.

American Samoa
Andorra
Argentina
Aruba
Australia
Austria
Azerbaijan
Bahamas
Bahrain
Belgium
Bosnia & Herzegovina
Brazil
Brunei Darussalam
Bulgaria
Canada
Chile
China
China, Macao Special Administrative Region
Colombia
Costa Rica
Croatia
Cuba
Curaçao
Cyprus
Czechia
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Estonia
Fiji
France
French Guiana
French Polynesia
Georgia
Germany
Greece
Guadeloupe
Guam
Guatemala
Honduras
Hong Kong SAR, China
Hungary
India
Indonesia
Ireland
Israel
Italy
Japan
Jordan
Kuwait
Latvia
Lebanon
Lithuania

Luxembourg
Malaysia
Malta
Martinique
Mauritius
Mexico
Morocco
Netherlands
New Caledonia
New Zealand
Nicaragua
Northern Mariana Islands
Norway
Oman
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Puerto Rico
Qatar
Republic of Korea
Republic of Moldova
Réunion
Romania
Saint Martin (French Part)
Samoa
Saudi Arabia
Serbia
Singapore
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Suriname
Sweden
Switzerland
Taiwan, China
Thailand
Trinidad and Tobago
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
United States Virgin Islands
Uruguay
Venezuela (Bolivarian Republic of)
Viet Nam

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Forest risk commodity

Timber products

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

Primary fiber-based packaging in food packaged off-site McDonald's Restaurants; tray liners and limited locally sourced items.

% of volume excluded

Don't know

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

The areas described in our answer to this question are excluded from the scope of our disclosure. For completeness, our disclosure includes primary fiber-based packaging, referring to products that are used to package guest food on premises at McDonald's restaurants. This type of packaging includes containers, cups, wraps, bags for food, beverages, napkins, folding cartons, clamshells, wraps, food service bags, napkins, salad bowls, Happy Meal cartons, drink carriers and cup carriers. In 2021, the primary fiber-based packaging scope was expanded to include wood stirrers and cutlery, as well as paper straws and lids.

Forest risk commodity

Palm oil

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

Palm oil, palm kernel oil or their derivative used as secondary ingredients in McDonald's products. This is when palm oil is used as an ingredient within an ingredient, for example, as an emulsifier.

% of volume excluded

Don't know

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

The areas described in our answer to this question are excluded from the scope of our disclosure. For completeness, our disclosure includes all palm oil (including crude palm oil, palm kernel oil, derivatives and fractions) sourced for McDonald's restaurants for use as restaurant cooking oil, and all palm oil sourced by McDonald's suppliers and used directly as an ingredient in a McDonald's product and listed on the product's ingredient statement. Includes all suppliers of products containing palm oil in the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that use palm oil.

Forest risk commodity

Cattle products

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

Beef used as secondary ingredients in McDonald's products, for example, flavoring in a sauce.

% of volume excluded

Don't know

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

The areas described in our answer to this question are excluded from the scope of our disclosure. For completeness, our disclosure includes all beef raw material used in beef patties sourced for McDonald's products.

Forest risk commodity

Soy

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

Soy used as an ingredient in McDonald's products sold in restaurants, for example, soy oil and all soy embedded in other livestock products.

% of volume excluded

Don't know

Potential for forests-related risk

Please select

Please explain

The areas described in our answer to this question are excluded from the scope of our disclosure. For completeness, our disclosure includes all soybean volume used in the feed of chicken sourced for McDonald's products by all chicken suppliers to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell chicken. Given the complexity of soy supply chains, we consider that, unless demonstrated, all of McDonald's sources of soy for chicken feed fall into high-deforestation priority regions, with the exception of chicken sourced in North America, where soy used in chicken feed is locally produced and considered low risk.

Forest risk commodity

Other – Coffee

Value chain stage

Supply chain

Exclusion

Specific product line(s)

Description of exclusion

Coffee extracts and ingredients used in products such as frappés and coffee in baked goods; coffee in cold brew drinks if they are brewed off-site; coffee extract in ready-to-drink retail products; and other locally sourced products containing coffee.

% of volume excluded

Don't know

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

The areas described in our answer to this question are excluded from the scope of our disclosure. For completeness, our disclosure includes all ground and whole bean coffee, including decaffeinated coffee, used in espresso-based drinks and coffee brewed at McDonald's restaurants, and all ground and whole bean coffee in McDonald's branded retail products. Includes all suppliers of coffee to the McDonald's System.

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker Symbol	MCD

F1. Current state

F1.1

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

Timber products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Primary packaging

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
Austria
Belarus
Belgium
Belize
Bosnia & Herzegovina
Brazil
Bulgaria
Burundi
Canada
Chile
China
Colombia
Croatia
Cyprus
Czechia
Denmark
Estonia
Finland
France
French Polynesia
Germany
Greece
Guatemala
Hungary
India
Indonesia
Ireland
Italy
Japan
Latvia
Lithuania
Luxembourg
Malta
Mexico
Micronesia (Federated States of)
Netherlands
New Zealand
Norway
Paraguay
Philippines
Poland
Portugal
Romania
Russian Federation
Serbia
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Thailand
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States Minor Outlying Islands
United States of America
Uruguay
Viet Nam

% of procurement spend

6-10%

Comment

The scope for timber disclosure outlined in F0.4 relates to all primary fiber-based guest packaging items that are used to package guest food on premises at McDonald's restaurants and made with virgin and/or recycled paper/board including hot cups, cold cups, carry-out bags, folding cartons, clamshells, wraps, food service bags, napkins, salad bowls, Happy Meal cartons, and drink carriers, and excluding food packaged off-site, wood, and limited locally sourced items. We collect sourcing information from our primary fiber-based guest packaging suppliers globally. Data completeness for 2022 for all primary fiber-based guest packaging items, excluding Happy Meal, is estimated to be over 99.84% of the total McDonald's system volume by weight. The countries provided above are a list of countries from which fiber raw material may be sourced.

The percentage of our procurement spend represents our entire 2021 packaging spend which includes plastic packaging (e.g. plastic cups and lids), however, given the sourcing breakdown, we believe the range would be appropriate for fiber based packaging.

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

Source

Contracted suppliers (manufacturers)

Country/Area of origin

China
Costa Rica
Guatemala
Hong Kong SAR, China
Indonesia
Malaysia
Mexico
Philippines
Saudi Arabia
Thailand
Turkey
United Arab Emirates

% of procurement spend

<1%

Comment

McDonald's aim is to have 100% of the palm oil used in our restaurants as cooking oil and par-fry, and as ingredients in our products supports the production of sustainable palm oil. (Ingredients includes any type of palm oil used directly as an ingredient in a McDonald's product and listed on the product's ingredient statement). We are committed to increasing the level of physical certification and the Company collects data and requires the purchase of physical RSPO certified oil (Segregated and Mass Balance) for the categories where we use palm oil in the greatest volumes (including restaurant frying oil and global core products). For all remaining palm oil, we estimate usage and cover this volume with Roundtable on Sustainable Palm Oil (RSPO) book and claim certificates. In 2022, 100% of palm oil sourced for use in McDonald's restaurants, par fry and used as an ingredient in McDonald's global core products supported the production of sustainable palm oil and deforestation-free supply chains; 74.5% of which was RSPO physically certified (Segregated or Mass Balance Chain of Custody System). The procurement spend above is an estimate using our reported and calculated palm oil use and the World Bank palm oil and palm kernel oil price for 2022 as we do not procure palm oil directly.

Cattle products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Beef

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
Austria
Bolivia (Plurinational State of)
Brazil
Canada
Chile
China
Costa Rica
Czechia
Denmark
France
Germany
Guatemala
Honduras
Hungary
Ireland
Italy
Lithuania
Mexico
Netherlands
New Zealand
Nicaragua
Norway
Panama
Paraguay
Poland
Portugal
South Africa
Spain
Sweden
Switzerland
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay

% of procurement spend

11-20%

Comment

The scope of our reporting includes all beef sourced for McDonald's products globally – the main use of beef being our hamburger patties. Beef used as secondary ingredients in McDonald's products, for example, as flavoring in a sauce, is excluded. McDonald's requires that all beef meets the requirements of our Deforestation-Free Beef Procurement Policy and Commitment on Forests with specific requirements for beef sourced from high-deforestation priority regions such as Argentina (Chaco biome), Brazil (Amazon and Cerrado biomes), Paraguay (Chaco biome), and the Queensland region in Australia. Country of origin data was collected through the Company's annual raw material survey, TraQtion. We estimate that the volume coverage through this survey represents 99.6% of our global raw material volume.

Soy**Activity**

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Whole soy beans
Soy bean meal

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Brazil
Paraguay

% of procurement spend

1-5%

Comment

The scope of our reporting includes all soy sourced for feed of chicken used in McDonald's products globally. Brazil, Argentina and Paraguay are identified as countries with a high risk of deforestation. Given the complexity of soy supply chains, we consider that all of McDonald's suppliers of chicken source soy for feed from these high deforestation-risk countries, with the exception of chicken sourced from the United States and Canada where soy used in chicken feed is locally produced. The procurement spend above is an estimate using our calculated soy use for chicken feed and the World Bank soy price for 2021 as the majority of soy used in our supply chain is for animal feed and is not procured directly.

Other - Coffee

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Other, please specify (Raw material volumes relate to green bean coffee used in McDonald's products defined below.)

Source

Please select

Country/Area of origin

- Brazil
- China
- Colombia
- Congo
- Costa Rica
- Dominican Republic
- El Salvador
- Ethiopia
- Guatemala
- Honduras
- India
- Indonesia
- Kenya
- Lao People's Democratic Republic
- Mexico
- Nicaragua
- Peru
- Rwanda
- Uganda
- United Republic of Tanzania
- United States of America
- Viet Nam

% of procurement spend

1-5%

Comment

The scope of our reporting includes all ground and whole bean coffee, including decaffeinated coffee, to be used in espresso-based drinks and coffee brewed at McDonald's restaurants and all ground and whole bean coffee in McDonald's branded retail products. Spend data is based on our 2021 coffee spend as a percentage of our total 2021 food and paper spend.

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 products	Don't know	The commodities represented in this disclosure are used in a large number of McDonald's menu items around the world, therefore their end products are connected to a sizeable revenue. We do not currently track the proportion of such revenue directly related to specific raw materials from origins associated with forest risks. We do not sell our fiber-based packaging. Packaging is incorporated into our cost of goods sold and can impact the price of our product. We therefore do not know the percentage of revenue dependent on this commodity alone.
Palm oil	Don't know	The commodities represented in this disclosure are used in a large number of McDonald's menu items around the world, therefore their end products are connected to a sizeable revenue. We do not currently track the proportion of such revenue directly related to specific raw materials from origins associated with forest risks 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, liquid products (sauces), and other menu items. This is incorporated into cost of goods sold and can impact the price of our product. We therefore do not know the percentage of revenue dependent on this commodity alone.
Cattle products	Don't know	The commodities represented in this disclosure are used in a large number of McDonald's menu items around the world, therefore their end products are connected to a sizeable revenue. We do not currently track the proportion of such revenue directly related to specific raw materials from origins associated with forest risks. Beef is a component of our menu items (e.g. beef patty in a hamburger). We therefore do not know the percentage of revenue dependent on this commodity alone.
Soy	Don't know	The commodities represented in this disclosure are used in a large number of McDonald's menu items around the world, therefore their end products are connected to a sizeable revenue. We do not currently track the proportion of such revenue directly related to specific raw materials from origins associated with forest risks. The majority of soy used in our supply chain is for animal feed. This is incorporated into cost of goods sold and can impact the price of our product. We therefore do not know the percentage of revenue dependent on this commodity alone.
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	Don't know	The commodities represented in this disclosure are used in a large number of McDonald's menu items around the world, therefore their end products are connected to a sizeable revenue. We do not currently track the proportion of such revenue directly related to specific raw materials from origins associated with forest risks Coffee beans are used in our restaurants as an ingredient of a range of drinks products. This is incorporated into cost of goods sold and can impact the price of our product. We therefore do not know the percentage of revenue dependent on this commodity alone.

F1.5

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

	Data availability/Disclosure
Timber products	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 - Cocoa	<Not Applicable>
Other - Coffee	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

826236

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

98.7

Please explain

The data required for the raw material metrics outlined here is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification for all primary fiber based guest packaging suppliers to McDonald's globally via a supplier survey. In line with our Commitment on Forests we have identified the following areas as high priority regions - Argentina, Cambodia, China, Indonesia, Laos, Malaysia, Russia, and Vietnam. We track the volumes and type of fiber-based material coming from each country as part of our deforestation risk mapping. Where information is not available, we extrapolate the volume and conservatively assume that this is sourced from a high priority forest location.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

117548

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

74.5

Please explain

We are aware that a fully aligned definition of verified DCF is still in development and so we have reported the percentage of our supply which is physically certified. This is a change from how we have previously reported against this data point using the total palm oil volume that supports deforestation-free supply chains through all forms of certification. In 2022, 74.5% of palm oil sourced for use in McDonald's restaurants, par fry and used as an ingredient in McDonald's global core products was RSPO physically certified (Segregated or Mass Balance Chain of Custody System). The data required for the raw material metrics outlined here is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification for all palm oil sourced globally for use as McDonald's restaurant cooking oil and supplier par fry-oil, as well as palm oil used as an ingredient in all global core products via a supplier survey. In line with our commitment on Forests we consider all palm oil sourcing areas as high priority regions, and all palm oil must be Roundtable for Sustainable Palm Oil (RSPO) certified. We also require the largest volume of palm oil in the McDonald's system (sourced for restaurant cooking oil, supplier par fry and as an ingredient in Global core products) to be RSPO physically certified where commercially available. Where segregated oil is not commercially viable for use as restaurant cooking oil or supplier par fry oil, McDonald's requires that palm oil is sourced to RSPO Mass Balance and provide information on mill lists and IRF profiles and invest in landscape initiatives. Where information is not available through our raw material tracking or where annual compliance to our sustainable sourcing standard was not met, McDonald's ensures these volumes are covered by RSPO book and claim credits while also working with the relevant markets and suppliers to ensure continuous improvement and adherence to our sourcing standards and forest commitments.

Forest risk commodity

Cattle products

Data type

Consumption data

Commodity production/ consumption volume

879686

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

98.4

Please explain

We are aware that a fully aligned definition of verified DCF is still in development and so we have reported the percentage of our supply which is from low priority regions or traced to a sub regional level and sourced in line with McDonald's Deforestation Free Beef Procurement Policy. Includes all beef suppliers to the McDonald's System and their raw material suppliers globally and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell beef. McDonald's requires all beef raw material sourced from high-deforestation priority regions to comply with McDonald's Deforestation-Free Beef Procurement Policy and meet the requirements as outlined in McDonald's Commitment on Forests. Countries with regions currently identified as high priority for beef include Brazil, Paraguay, Argentina and Australia. Exclusions: Beef used as secondary ingredients in McDonald's products, for example, as flavoring in a sauce. We estimate that the volume coverage through our annual raw material survey of suppliers, TraQtion, is 99.6% of our global raw material beef volume. We add an extrapolated volume to account for missing data.

Forest risk commodity

Soy

Data type

Consumption data

Commodity production/ consumption volume

534122

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free**Please explain**

Chicken feed is one of the principal uses of soy in the McDonald's supply chain. Our soy volume is based on chicken raw material sourcing volumes from our annual raw material survey of suppliers, carried out through the TraQtion system. Volume coverage is 99.8% and we add an extrapolated volume to account for any missing data. We convert this raw material volume into a soy equivalent corresponding to the soybean volumes used in the feed of chicken used in McDonald's products. We require that all soy sourced for the feed of chicken used in McDonald's products is either sourced from low priority regions or, when sourced from high priority regions, including Argentina (Chaco biome), Brazil (Amazon and Cerrado biomes) and Paraguay (Chaco biome), must support responsible soy production. Given the complexity of soy supply chains, we consider that, unless demonstrated, all of McDonald's sources of soy for chicken fall into high priority regions, with the exception of chicken sourced in the U.S. and Canada, where soy used in feed is locally produced and therefore volumes are considered low priority. We support responsible soy production through the purchase of RTRS credits. A number of our chicken suppliers to Europe also use physical certification through ProTerra standards. We are aware that a fully aligned definition of verified DCF is still in development and so while some of our volume of soy relating to our chicken supply is physically certified and some has been sourced from low priority locations, we are not in a position to give a definitive figure for the percentage verified as deforestation-conversion free.

Forest risk commodity

Other - Coffee

Data type

Consumption data

Commodity production/ consumption volume

69415

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

99.9

Please explain

The data required for the raw material metrics outlined here is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification for all coffee, including decaffeinated coffee, used in espresso-based drinks and coffee brewed at restaurants and all coffee used in retail products globally via a supplier survey. Coffee extracts and ingredients used in products such as frappes and coffee based baked goods; cold brew drinks if they are brewed off-site and coffee extract in ready-to-drink retail products; and other locally sourced products containing coffee are excluded. In line with our Commitment on Forests we have identified the following areas as high priority regions - Honduras, Indonesia, Vietnam. All coffee sourced from these priority regions must be sourced from Rainforest Alliance Certified™ farms. We track the volumes and type of certification coming from these priority regions as part of our deforestation risk mapping. Where information is not available, we extrapolate the volume and conservatively assume that this is sourced from a high

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
90

% of DCF production/consumption volume verified through monitoring systems
98.7

% of DCF production/consumption volume physically certified
98.7

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Timber products – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
2

% of non-DCF production/consumption volume traceable only as far as country level
98

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

% of DCF production/consumption volume verified through monitoring systems
74.5

% of DCF production/consumption volume physically certified
74.5

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Palm oil – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
2

% of non-DCF production/consumption volume traceable only as far as country level
98

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Cattle – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
94.8

% of DCF production/consumption volume verified through monitoring systems
98.8

% of DCF production/consumption volume physically certified

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Cattle – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems

<Not Applicable>

% of DCF production/consumption volume physically certified

<Not Applicable>

% of non-DCF production/consumption volume from unknown origin

0.4

% of non-DCF production/consumption volume traceable only as far as country level

99.6

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Soy – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

% of DCF production/consumption volume verified through monitoring systems

% of DCF production/consumption volume physically certified

% of non-DCF production/consumption volume from unknown origin

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level

<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level

<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

<Not Applicable>

Soy – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems

<Not Applicable>

% of DCF production/consumption volume physically certified

<Not Applicable>

% of non-DCF production/consumption volume from unknown origin

% of non-DCF production/consumption volume traceable only as far as country level

% of non-DCF production/consumption volume traceable only as far as sub-national area

% of non-DCF production/consumption volume traceable only as far as processing facility level

% of non-DCF production/consumption volume traceable to production unit level

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

Coffee - DCF**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion****% of DCF production/consumption volume verified through monitoring systems**
99.9**% of DCF production/consumption volume physically certified****% of non-DCF production/consumption volume from unknown origin**
<Not Applicable>**% of non-DCF production/consumption volume traceable only as far as country level**
<Not Applicable>**% of non-DCF production/consumption volume traceable only as far as sub-national area**
<Not Applicable>**% of non-DCF production/consumption volume traceable only as far as processing facility level**
<Not Applicable>**% of non-DCF production/consumption volume traceable to production unit level**
<Not Applicable>**Total percentage of production/consumption volume reported (DCF) [auto-calculated]****Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**
<Not Applicable>**Coffee – Non DCF****% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**
<Not Applicable>**% of DCF production/consumption volume verified through monitoring systems**
<Not Applicable>**% of DCF production/consumption volume physically certified**
<Not Applicable>**% of non-DCF production/consumption volume from unknown origin****% of non-DCF production/consumption volume traceable only as far as country level****% of non-DCF production/consumption volume traceable only as far as sub-national area****% of non-DCF production/consumption volume traceable only as far as processing facility level****% of non-DCF production/consumption volume traceable to production unit level****Total percentage of production/consumption volume reported (DCF) [auto-calculated]**
<Not Applicable>**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]****F1.5c****(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.****Forest risk commodity**

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

10.2

Please explain

We currently classify Argentina, Cambodia, China, Indonesia, Laos, Malaysia, Russia, and Vietnam as high priority areas to address forest related risks for timber products. The percentage reflects the proportion of our 2022 fiber sourcing from these countries for our primary guest packaging and Happy Meal toy packaging and any extrapolated volumes for 2022 that are assumed as sourced high deforestation risk regions to be conservative. All other countries are assessed as low priority. The data required for the raw material metrics outlined in this response is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQition). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is also sourced from a high priority forest location.

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

100

Please explain

We consider all palm oil sourcing regions as high priority areas and 100% of our palm supply has been Roundtable for Sustainable Palm Oil (RSPO) certified since 2017. Since 2020 our sustainable sourcing standards require all Palm Oil sourced by suppliers for use as McDonald's restaurant cooking oil and supplier par fry-oil and global core products to be RSPO physically certified. McDonald's calculates sourcing for non-core products and purchases RSPO book and claim credits to support sustainable, deforestation free supply chains for this and any non-compliant volume. We work with markets and suppliers to ensure continuous improvement and adherence to our sourcing standards. The data required for the raw material metrics outlined in this Information request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is sourced from a high priority forest location.

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

16

Please explain

We currently classify Brazil, Argentina, Australia and Paraguay as priority countries to address forest related risks for cattle products. We prioritize regions within these four countries as high priority regions. The percentage above reflects the proportion of our 2022 beef sourcing from these high priority countries and any extrapolated volumes for 2022 that are assumed as sourced from high priority regions to be conservative. We track to sub-national level within high priority countries and in total, along with countries assessed as low priority, 94.8% of our total global supply was sourced from a low priority area. The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey.

Forest risk commodity

Soy

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

63

Please explain

We currently classify Brazil, Argentina, and Paraguay as high priority areas to address forest related risks for soy products used as chicken feed. Due to limitations in soy traceability, unless demonstrated otherwise, we assume our chicken supply from all countries with the exception of the United States and Canada originates from high deforestation priority areas at the percentage reflects this high priority sourcing proportion. The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is sourced from a high priority forest location.

Forest risk commodity

Other - Coffee

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

9.6

Please explain

We classify Honduras, Indonesia, Vietnam as high priority areas to address forest related risks for coffee. The percentage reflects the proportion of our 2022 coffee sourcing from these countries and any extrapolated volumes for 2022 that are assumed as sourced from high deforestation risk regions to be conservative. All other countries are assessed as low priority. The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is sourced from a high priority forest location.

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

<Not Applicable>

Volume produced/consumed

<Not Applicable>

Metric

<Not Applicable>

Country/Area of origin

<Not Applicable>

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

<Not Applicable>

Does the source of your organization's biofuel material come from smallholders?

<Not Applicable>

Comment

We have tracked markets that use palm oil as restaurant oil and are not aware of any markets using biofuel derived from palm oil.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

The Company regularly conducts consumer and stakeholder research to better understand expectations and perceptions of McDonald's. The sustainability of our packaging is an important consideration for our consumers and stakeholders with issues on packaging materials, reducing waste and improving recycling consistently ranking highly in McDonald's customer insights surveys. These insights are one of the factors that drive our responsible sourcing strategy for the timber products used in our consumer packaging.

Primary response

Increased use of sustainably sourced materials

Total financial impact

Description of response

In 2022, 98.7% of our primary fiber-based guest packaging supported deforestation free supply chains. Primary fiber-based guest packaging refers to disposable products used to package guest food on premises at McDonald's restaurants which is given to customers in all order channels, including containers, cups, clamshells, wraps, foodservice bags, folding cartons, salad bowls, lids, straws, napkins and cup carriers, and Happy Meal book and toy packaging. Since 2021 we have expanded the scope of our fiber based guest packaging for our deforestation commitment to also include Happy Meal fiber-based toy packaging. McDonald's requires all wood and wood fiber sourced from high priority regions for our Forest Commitment (Russia, China, Malaysia, Indonesia, Laos, Vietnam, Cambodia, and Argentina) and used for fiber-based packaging, to be either FSC certified or FSC Controlled Wood at mill level with full chain of custody certification. Our certification requirements can result in increased supply chain costs, which our procurement teams and suppliers aim to minimize through our sourcing strategies. We track our volumes, origin and certification from suppliers annually through the TraQion system to ensure we meet our commitments and can report transparently through our website and CDP.

Forest risk commodity

Palm oil

Impact driver type

Regulatory

Primary impact driver

Changes to national legislation

Primary impact

Increased compliance costs

Description of impact

The introduction of the European Union Deforestation Regulation will require our suppliers to demonstrate traceability to farm level for many forest risk commodities. It will also mean that businesses across the world will need to produce due diligence statements on their sourcing. Due to the nature of palm oil supply chains and the complex uses of palm oil in many products, this will require investment in systems and processes to ensure compliance and avoid high regulatory penalties.

Primary response

Greater compliance with regulatory requirements

Total financial impact**Description of response**

We have a global palm oil responsible sourcing policy to ensure palm oil we use supports sustainable production. We expect all restaurant and par-fry oil suppliers be active RSPO members, have a public commitment and strategy to eliminate deforestation, not source from peatlands, HCV and HCS forests, uphold human rights at plantation level, respecting free, prior and informed consent with a grievance procedure and to have a strategy for traceability to mill and plantation. We're committed to increasing traceability for our greatest volumes of palm oil and we engage with groups like the Palm Oil Collaboration Group and the Consumer Goods Forum Forest Positive Coalition to collectively help influence change on a landscape scale. We have recently partnered with Proforest and Tanah Air Lestari (TAL) alongside other company funders to invest in Sustain-Kutim, a new sustainable landscape initiative in Kutai Timur, Indonesia. The program will support the Kutai Timur District Government in the implementation of the East Kutai Declaration and Sustainable Plantation Plan 2021-2030, including monitoring land use management and identifying HCV areas; support smallholders in meeting certification standards (ISPO and RSPO) and village land-use planning working with cooperative farmer groups and communities to secure land, monitor and manage community forests, improve agricultural practices and support alternative livelihoods.

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

The Company regularly conducts consumer and stakeholder research to better understand expectations and perceptions of McDonald's. Beef is an iconic product for McDonald's and we recognize the opportunity for positive impact and industry transformation through responsible sourcing investments in our beef supply chain.

Primary response

Greater traceability of forest-risk commodities

Total financial impact**Description of response**

McDonald's initially partnered with WWF and suppliers to assess the risk of deforestation for cattle products and worked with Proforest to develop the McDonald's Deforestation-Free Beef Procurement Policy (available on our website) to implement our Commitment on Forests in our beef supply chain. Proforest supports McDonald's to develop and deploy strategies to implement their Commitment on Forests across five priority areas including beef. This Policy applies to priority countries (Argentina, Australia, Brazil and Paraguay), where deforestation has taken place or is projected to take place and involves satellite mapping areas of deforestation activity, tracking supply from those areas and taking action in collaboration with suppliers to address deforestation linked to our supply. Our commitment to the sustainability of beef production is wider than forests and we are a founding member of the Global Roundtable for Sustainable Beef (GRSB). McDonald's is represented on the Executive Committee of the GRSB and at board level of affiliated regional roundtables across the world. We have also been actively involved with the Consumer Goods Forum Forest Positive Coalition Beef Working Group in 2021 to take collective action on the potential impact on forests from beef production.

Forest risk commodity

Soy

Impact driver type

Regulatory

Primary impact driver

Changes to national legislation

Primary impact

Increased compliance costs

Description of impact

The introduction of the European Union Deforestation Regulation will require suppliers to demonstrate traceability to farm level for many forest risk commodities. It will also mean that impacted businesses will need to produce due diligence statements on their sourcing. Due to the nature of soy supply chains and the complex uses of soy in many products, including that embedded in animal feed, this will require investment in systems and processes to ensure compliance and avoid high regulatory penalties.

Primary response

Greater compliance with regulatory requirements

Total financial impact**Description of response**

The soy used for the feed of chicken for McDonald's products worldwide supports deforestation-free supply chains globally. We support responsible soy production through the purchase of RTRS credits. A number of our chicken suppliers to Europe also use physical certification through Proterra. We track our chicken volumes, origin and any soy certification associated with this from suppliers annually through the TraQtion system to ensure we can meet our commitments and can report transparently through our website and CDP. The European Union Deforestation Regulation will require suppliers to increase the amount of traceable, deforestation free soy in our supply chain, not only for chicken but any use of soy. It will also mean that impacted businesses will need to produce due diligence statements on their sourcing.

Forest risk commodity

Other - Coffee

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

The Company regularly conducts consumer and stakeholder research to better understand expectations and perceptions of McDonald's. The sustainability of our coffee supply was identified through stakeholder research as priority expectation with potential for positive impact. Consumers want and expect brands like McDonald's to be environmentally and socially responsible. These insights drive our responsible sourcing strategy for the coffee used in our supply chain. We know that if we are not effective in addressing social and environmental responsibility matters or achieving relevant sustainability goals, the trust in our brand from customers and internal and external stakeholders may suffer.

Primary response

Increased use of sustainably sourced materials

Total financial impact**Description of response**

We have identified Honduras, Indonesia, and Vietnam as high-deforestation priority regions for coffee and require all coffee sourced from these regions to be Rainforest Alliance Certified™. Coffee sourced for McDonald's restaurants is considered as supporting deforestation-free supply chains when: It is sourced from low-deforestation priority regions or sourced as Rainforest Alliance Certified™. We also require that all coffee sourced for McDonald's restaurants from low-deforestation priority regions is sustainably sourced in compliance with Rainforest Alliance, UTZ, Fairtrade or McCafé SIP. McCafé Sustainability Improvement Platform (McCafé SIP) program, established by McDonald's in partnership with Conservation International and our coffee roasters, is a framework to engage our coffee supply chain in responsible sourcing and to invest in coffee growers and their communities over the long term. We're also enabling coffee roasters to leverage their expertise and relationships to innovate and advance sustainable farming practices. Our McCafé SIP Advisory Council provides input on the strategic direction of program with members including Conservation International and the Committee on Sustainability Assessment (COSA). The Council developed a set of minimum requirements focused on social and environmental impacts, including deforestation, human rights and health & safety, that all farms must meet.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify (In 2021)

Known or estimated deforestation/ conversion footprint (hectares)

2846

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

This is an estimate produced by 3Keel based on our 2021 fiber sourcing for guest packaging. Of the total footprint in 2021, 96% was compliant with our sustainable sourcing requirements and sourced through physical certification which we consider to be DCF and so have adjusted the footprint accordingly.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify (In 2021)

Known or estimated deforestation/ conversion footprint (hectares)

7642

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

This is an estimate produced by 3Keel based on our 2021 palm oil sourcing. Of the total footprint in 2021, 78% of our palm oil supply was sourced through physical certification which we consider to be DCF and so have adjusted the footprint accordingly. We additionally purchased book and claim certificates to support sustainable production practices for the remaining volume.

Forest risk commodity

Cattle products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify (In 2022)

Known or estimated deforestation/ conversion footprint (hectares)

4081

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

This is an estimate based on our 2022 beef sourcing in Brazil using figures from Agrotools. Prioritized biomes for Brazil according to the Deforestation Free Beef Procurement Policy are Amazon and Cerrado. All farms eligible to supply are monitored for compliance with our policy. In total 14.4 million hectares were monitored across all biomes in Brazil. Our 2022 sourcing volume equates to 1.1 million hectares and we have adjusted this footprint as 99.7% of our volumes in Brazil were compliant with our policy and sourced in line with our cut off dates of 2009 in the Amazon or 2018 in the Cerrado which we consider as DCF volumes.

Forest risk commodity

Soy

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Since a specified cutoff date, please specify year (In 2021)

Known or estimated deforestation/ conversion footprint (hectares)

130968

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

This is an estimate produced by 3Keel based on our 2021 sourcing of direct and embedded soy linked to our supply chain. We have worked with Proforest to estimate the percentage relating to our chicken supply in scope of this disclosure. We balance this footprint relating to our chicken sourcing each year through the purchase of book and claim credits to support sustainable soy production. A number of our chicken suppliers to Europe also use physical certification.

Forest risk commodity

Other - Coffee

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

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 products**Value chain stage**

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

External consultants

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Stakeholders considered

Customers

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Please explain

The Company works closely with HAVI, our supply chain partner, and various stakeholders such as World Wildlife Fund (WWF) to regularly assess risk (operational, regulatory, and reputational) in our supply chain. In partnership with HAVI, we conduct an annual raw material survey of suppliers, TraQtion which includes a risk assessment in which we evaluate the origin of our packaging and review origin against a list of relevant high- priority countries. Unless made from 100% recycled content as verified by a third-party, we require FSC certification, at mill level with full chain of custody certification, for any fiber sourced from these countries and continue to work for greater visibility into the amount of fiber coming from these countries. McDonald's is a lead member of the CDP Supply Chain program and in 2022 requested 145 suppliers to report to CDP Supply Chain Climate and Forests . We request that our top 80% of packaging suppliers by volume report to CDP Forests on their forest risk commodities within their supply chain. We review the information on risk our suppliers provide and give feedback on the areas most important to McDonald's for them to disclose information on. most important to McDonald's for them to disclose information on.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

External consultants

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Stakeholders considered

Customers

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Please explain

The Company works with various stakeholders such as World Wildlife Fund (WWF) and Proforest to regularly assess risk (operational, regulatory, and reputational) in our supply chain. We assess supplier compliance annually against our sustainable palm oil policy using our annual raw material survey of suppliers, TraQtion. We are Roundtable on Sustainable Palm Oil (RSPO) members and all of our palm oil volume supports sustainable palm oil production through RSPO, responding to industry risks through the evolution of the RSPO Principles and Criteria. We are committed to increasing traceability for the palm oil used in the McDonald's System in the greatest volumes, which means we are increasing our physical RSPO volumes (Identity Preserved, Segregated and Mass Balance) to better quantify and manage risk. As of the end of 2022, 74.5% of our palm oil was RSPO physically certified (Mass Balance or Segregated) and the remaining 25.6% supported the production of sustainable palm oil through RSPO book and claim credits. McDonald's is a lead member of the CDP Supply Chain program and in 2022 requested 145 suppliers to report to CDP Supply Chain Climate and Forests. We use the insights from this to give feedback to suppliers and assess the risk to our supply chain. In addition, we are members of the Palm Oil Collaboration Group to accelerate effective implementation of our no deforestation, no peat expansion, no exploitation (NDPE) commitment and members of the Consumer Goods Forum Forest Positive Coalition to collaborate with others on landscape scale activity to address key risks to forests.

We recently engaged with one of our major palm oil suppliers, Wilmar, on a series of projects to improve transparency and sustainability outcomes for our palm oil supply chain, alongside our joint partners in Proforest. Through this collaboration, we have been engaged in the development of the NDPE Implementation Reporting Framework (IRF), building on progress made to date to provide an overview of progress for all palm oil mills supporting a refinery. Our work will drive greater improvement in NDPE IRF Deforestation and Peat profiles as well as Land and Labor profiles within our supply chains, including greater engagement with smallholders to help improve traceability and sustainability outcomes.

Cattle products**Value chain stage**

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

External consultants

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Stakeholders considered

Customers

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Please explain

The Company works with various stakeholders such as World Wildlife Fund (WWF), Proforest and Agrottools to regularly assess risk (operational, regulatory, and reputational) in our supply chain. As a WWF corporate partner, we collaborate with WWF on our sustainable beef strategy and are informed of new or emerging beef related deforestation risks. The assessment of our approach to prioritize actions in each country is determined in consultation with industry and external stakeholders with consideration to local factors. We work with Agrottools, an agri-tech company, to annually assess the biomes and regions in the priority countries, identify the locations we source beef from and assess compliance with our Deforestation Free Beef Procurement Policy. We have made significant investments in satellite mapping and tracking our beef supply chain in priority sourcing countries of Brazil, Argentina, Australia and Paraguay. We track our volumes, origin and sustainability engagement from beef suppliers annually through the TraQtion system to ensure we meet our commitments and can report transparently through our website and CDP. McDonald's is a lead member of the CDP Supply Chain program and in 2022 requested 145 suppliers to report to CDP Supply Chain Climate and Forests I All global beef suppliers are requested to disclose their use of forest risk commodities within their supply chain to CDP Forests annually. In 2022, all globally managed beef suppliers responded to the CDP Forest Questionnaire. We use the insights from this to give feedback to suppliers and assess the risk to our supply chain. McDonald's is a member of the Global Roundtable for Sustainable Beef and works collaboratively with others to assess and discuss industry level response to the sustainability risks from beef production. In 2022, we joined the Consumer Goods Forum Forest Positive Coalition after participating in the Beef Working Group as observers to assess and address forest positive actions in collaboration with others at an industry level.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

External consultants

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Stakeholders considered

Customers

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Please explain

The Company works with various stakeholders such as World Wildlife Fund (WWF) and Proforest to regularly assess risk (operational, regulatory, and reputational) in our supply chain. A large portion of soy use in our supply chain is for poultry feed, and this was identified as a priority product for our 2020 forest commitment. The Company has formed a cross-functional team to evaluate the sustainability issues within the poultry supply chain and develop strategies to address risks. This cross-functional group oversees the development of soy risk assessments and strategies in order to reach our Commitment on Forests. We have worked with Agrottools, an agri-tech company and certified B-Corp and with suppliers across the world to create a detailed tool that can assess the soy footprint related to our poultry supply. We use our annual raw material survey of suppliers, TraQtion to annually track the origin, volume, destination and type of poultry meat sourced from suppliers across the world. We assess our soy footprint annually to understand the volume covered by physical certification and the investment we need to make in book and claim credits. McDonald's is a lead member of the CDP Supply Chain program and in 2022 we now requested 145 suppliers report to CDP Supply Chain Climate and Forests. All global chicken suppliers are requested to disclose their use of forest risk commodities within their supply chain to CDP Forests annually. In 2022, all globally managed chicken suppliers responded to the CDP Forest Questionnaire. We use the insights from this to give feedback to suppliers and assess the risk to our supply chain.

Other - Coffee

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities

Quality of forests risk commodities

Impact of activity on the status of ecosystems and habitats

Regulation

Climate change

Stakeholders considered

Customers

Investors

Local communities

NGOs

Other forest risk commodity users/producers at a local level

Regulators

Suppliers

Please explain

The Company works with various stakeholders such as World Wildlife Fund (WWF) and Proforest to regularly assess risk (operational, regulatory, and reputational) in our supply chain. We assess supplier compliance annually against our coffee and forest policy using our annual raw material survey of suppliers, TraQtion. We ensure that all of the ground and whole bean coffee, including decaffeinated coffee, used in espresso-based drinks and coffee brewed at McDonald's restaurants, and all ground and whole bean coffee in McDonald's branded retail products from high deforestation priority countries of Honduras, Indonesia, and Vietnam is sourced from Rainforest Alliance Certified™ farms. Coffee sourced for McDonald's restaurants is considered as supporting deforestation-free supply chains when: It is sourced from low-deforestation priority regions, or; Sourced as Rainforest Alliance Certified™. We also require that all coffee sourced for McDonald's restaurants from low-deforestation priority regions is sustainably sourced in compliance with Rainforest Alliance, UTZ (now part of Rainforest Alliance), Fairtrade or McCafé SIP. In 2022, 99.9% of coffee sourced for McDonald's restaurants supported deforestation-free supply chains. In addition, we are members of the Sustainable Coffee Challenge, a collaborative network focused on accelerating collective action and innovation on key social and environmental issues relating to coffee including forests and climate.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Cattle products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Soy	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

Other, please specify (Country of Origin)

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Data gathering that enables mapping of supply chains, including Tier 1, 2 and country of origin, is performed through annual tracking of our volumes, origin and certification from suppliers annually through the TraQtion system. This allows us to continue working towards our sustainable sourcing requirements and reporting transparently on our compliance. We require all suppliers within the scope of the fiber-based primary packaging 2025 goal to participate in annual reporting. Primary Converter Suppliers (that is, those who purchase fiber-based raw materials such as paper and/or paperboard) submit data to McDonald's regarding their packaging, and volumes; they also engage secondary suppliers (that is, Paper mills) to provide details of sourcing practices (e.g., forest origin, tree species, risk procedures). Where information is not, or only partially available from a supplier, we extrapolate a volume to account for this data and conservatively assume that this is sourced from a high priority forest location, and non-compliant.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

Other, please specify (Country of Origin)

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is sourced from a high priority forest location. We use TraQtion to annually map our value chain – Tier 1 and Tier 2 suppliers, commodity volumes, Chain of Custody, McDonald's market supplied, Sustainable Sourcing Requirements, and compliance with our forest commitment.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Cattle products

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

Other, please specify (Country of Origin)

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is sourced from a high priority forest location. We use TraQtion to annually map our value chain – Tier 1 and Tier 2 suppliers (finished product suppliers and raw material suppliers, including slaughterhouses), commodity volumes, Chain of Custody, McDonald's market supplied, Sustainable Sourcing Requirements, and track our progress towards compliance with our forest commitment. In high priority countries of Argentina, Australia, Brazil and Paraguay, we track to subnational level to better determine compliance with our Deforestation Free Beef Procurement Policy.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Soy

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

Other, please specify (Country of Origin)

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

We cover 100% of our chicken supply in our disclosure, comprising the largest use of soy in the McDonald's system. The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is sourced from a high priority forest location. We use TraQtion to annually map the part of our value chain closest to our business – Tier 1 and Tier 2 suppliers finished chicken product suppliers and raw material suppliers, including chicken slaughterhouses), commodity volumes, Chain of Custody, McDonald's market supplied, Sustainable Sourcing Requirements, and compliance with our forest commitment.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Other - Coffee

Scope of value chain mapping

Tier 1 suppliers
 Other, please specify (Country of Origin)

% of total suppliers covered within selected tier(s)
 100

Description of mapping process and coverage

The data required for the raw material metrics outlined in this Information Request is collected primarily through the McDonald's Global Supply Chain annual raw material survey of suppliers (TraQtion). The system gathers information on the volume, origin and sustainability certification across six categories of products supplied to McDonald's across the world via a supplier survey. Where information is not available, we extrapolate a volume and conservatively assume that this is sourced from a high priority forest location. We use TraQtion to annually map our value chain – Tier 1 suppliers, country of origin, commodity volumes, Chain of Custody, McDonald's market supplied, Sustainable Sourcing Requirements, and compliance with our forest commitment.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1 Yes, we use a classification system	When setting out our Forest Commitment, McDonald's worked with organizations including WWF to classify and prioritize sourcing area by commodity. We used the findings of the Living Forest and Deforestation Fronts reports to determine where we should take action. Since this we have also collaborated with WWF, Proforest and partners in the Consumer Goods Forum Forest Positive Coalition to continue to assess, classify and prioritize our actions.	High priority regions are defined as countries, biomes, municipalities, postcodes or farms/ plantations that are identified as areas where deforestation occurs or is projected to occur as determined through regular assessments that rely on the latest supply chain data and trends. McDonald's assesses this risk annually with third parties, including WWF, to take into account the latest supply chain data and trends. Low priority regions refers to countries, biomes, municipalities, postcodes or farms/ plantations that are classified as no or low risk of deforestation, as determined through regular assessments that rely on the latest supply chain data and trends. McDonald's assesses this risk annually with third parties, including WWF, to take into account the latest supply chain data and trends.	

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 identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Yes

F3.1a

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

The Company's risk management process identifies, prioritizes and addresses a broad range of risks that can directly or indirectly impact the organization in the short-, medium-, and long-term, and we tier risks accordingly. The risks are determined as substantive based on a variety of quantitative and qualitative factors that our risk management process uses to monitor and assess the complexity of these topics. Climate, forests, water and other natural resource related risks are assessed based on both breadth as well as depth of impact to the McDonald's System (Company, Franchisees, suppliers). Each is measured distinctly depending on the topic, but may include impact on factors such as sales, price stability, competitive advantage, restaurants and Franchisees, customers and communities, supply chain commodities, suppliers and producers/farmers. Assessment of substantive impact may include magnitude, duration and/or dependency. We also assess impact based on existing crisis preparedness or the ability to develop such crisis preparedness, contingency and resiliency plans, and expressed external stakeholder concern or inquiry.

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 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

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to responsibly estimate.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

In 2022, 98.7%, of our primary fiber-based guest packaging supported deforestation free supply chains. Primary fiber-based guest packaging includes products that are used to package guest food on premises at McDonald's restaurants including containers, cups, wraps, and bags for food, beverages, napkins, paper straws and lids, Happy Meal cartons and cup carriers. Since 2021, we have expanded the scope of our fiber based guest packaging in scope for our deforestation commitment to also include Happy Meal fiber-based toy packaging. McDonald's requires all wood and wood fiber sourced from high priority regions for our Forest Commitment (Russia, China, Malaysia, Indonesia, Laos, Vietnam, Cambodia, and Argentina) and used for fiber-based packaging, to be either FSC certified or FSC Controlled Wood at mill level with full chain of custody certification.

Cost of response

Explanation of cost of response

Our certification requirements can result in increased supply chain costs, which our procurement teams and suppliers aim to mitigate through our sourcing strategies. We track our volumes, origin and certification from suppliers annually through the TraQtion system to ensure we meet our commitments and can report transparently through our website and CDP. We do not allocate these traceability and reporting costs to particular commodities and so have not provided a figure.

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

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust

among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts. As a member of the Palm Oil Collaboration Group (POCG) we are actively engaged in addressing the key environmental and social challenges associated within the palm oil sector and in accelerating the effective implementation of our no deforestation, no peat expansion, no exploitation (NDPE) commitment.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

We have a global palm oil responsible sourcing policy to ensure that the palm oil we use supports sustainable production. We expect all centrally managed suppliers of restaurant and par-fry oil to be active RSPO members and report through ACOP; have a public commitment to eliminate deforestation and supporting strategy; a strategy for traceability to the mill and plantation level; be committed not to source from peatlands, high conservation value land and high carbon stock forest; commit to uphold human rights at the plantation level and Free and Prior Informed Consent; have third-party verification processes; and a strategy to address any open grievances. We're committed to increasing traceability for palm oil we use in the greatest volumes. We are increasing our physical RSPO volumes (Identity Preserved, Segregated and Mass Balance). At the end of 2022, 74.5% of our palm oil was RSPO physically certified (Mass Balance or Segregated) and the remaining 25.6% supported the production of sustainable palm oil through RSPO credits. We know that our certification requirements can result in increased supply chain costs, which we and our suppliers aim to minimize through sourcing strategies. We track volumes, origin and certification from key suppliers through TraQtion to ensure we meet and can report on our commitments. We also engage with groups like the Palm Oil Collaboration Group and have joined the Consumer Goods Forum Forest Positive Coalition.

Cost of response

Explanation of cost of response

Our certification requirements can result in increased supply chain costs, which our procurement teams and suppliers aim to mitigate through our sourcing strategies. We track our volumes, origin and certification from suppliers annually through the TraQtion system to ensure we meet our commitments and can report transparently through our website and CDP. We do not allocate these traceability and reporting costs to particular commodities and so have not provided a figure.

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

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Primary response to risk

Greater traceability of forest-risk commodities

Description of response

The McDonald's Deforestation-Free Beef Procurement Policy ("Policy") was developed to implement the McDonald's Commitment on Forests in our beef supply chain. This Policy applies to priority countries (Argentina, Australia, Brazil and Paraguay), where deforestation has taken place or is projected to take place and involves satellite mapping areas of deforestation activity, tracking supply from those areas and taking action in collaboration with suppliers to address deforestation linked to our supply. We make investments in satellite mapping and tracking our beef supply chain in the priority countries above. We recognize that the sustainability of beef production extends to many factors alongside forest risk and we are a founding member and significant supporter of the work of the Global Roundtable for Sustainable Beef (GRSB). We are represented on the Executive Committee of the GRSB and at board level of affiliated regional roundtables across the world. We track our volumes, origin and engagement in GRSB aligned programs from beef suppliers annually through the TraQtion system to ensure we meet our commitments and can report transparently through our website and CDP. In 2022 we joined the Consumer Goods Forum Forest Positive Coalition to collectively tackle issues and influence change on a landscape scale.

Cost of response

Explanation of cost of response

We track our volumes and origin from suppliers annually through the TraQtion system. We have invested with Agrottools in a satellite mapping and traceability process to apply our Deforestation Free Beef Procurement Policy (DFBPP) in high priority countries to ensure we meet our commitments and can report transparently through our website and CDP. Finally our suppliers commit time and resource to ensuring the McDonald's DFBPP is applied in priority countries. The cost of this work is spread over many different countries and businesses and we do not collate a definitive cost for our response to this risk.

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

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

The soy used for the feed of chicken for McDonald's products worldwide supports deforestation-free supply chains globally. We support responsible soy production through the purchase of RTRS credits. A number of our chicken suppliers to Europe also use physical certification through Proterra. We have identified the soy sourcing regions that have high deforestation risks. Using a traceability analysis, we have taken a conservative approach and assumed that all soy used in the feed of chickens supplied to our restaurants in Europe, APMEA and Latin America may originate from high deforestation-risk regions. At a minimum, approved third party certification is used to cover all soy volumes used in poultry feed where the soy is assessed as produced in Argentina, Brazil or Paraguay. We are reviewing alternative programs to determine if they can verify that soy is produced under conditions that meet all of our Commitment on Forests criteria. We track our chicken volumes, origin and any soy certification associated with this from suppliers annually through the TraQtion system to ensure we can meet our commitments and can report transparently through our website and CDP. In 2022

we joined the Consumer Goods Forum Forest Positive Coalition to collectively tackle issues and influence change on a landscape scale.

Cost of response

Explanation of cost of response

Our certification requirements can result in increased supply chain costs, which our procurement teams and suppliers aim to mitigate through our sourcing strategies. We track our volumes, origin and certification from suppliers annually through the TraQtion system to ensure we meet our commitments and can report transparently through our website and CDP. We do not allocate these traceability and reporting costs to particular commodities and so have not provided a figure.

Forest risk commodity

Other - Coffee

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

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

In line with our Commitment on Forests, we identify Honduras, Indonesia, and Vietnam as high- and require all coffee sourced from deforestation priority regions for coffee are Rainforest Alliance Certified™. Coffee sourced for McDonald's restaurants is considered as supporting deforestation-free supply chains when: It is sourced from low deforestation priority regions, or; Sourced as Rainforest Alliance Certified™. We also require that all coffee sourced for McDonald's restaurants from low-deforestation priority regions is sustainably sourced in compliance with Rainforest Alliance, UTZ (now part of Rainforest Alliance), Fairtrade or McCafé SIP. Through McCafé SIP, we have better information about the farmers growing our coffee, verified annually by third parties. We are also enabling coffee roasters to leverage their expertise and relationships at origin to innovate and advance sustainable farming practices. Our McCafé SIP Advisory Council provides input on the strategic direction of the program with members including Conservation International and the Committee on Sustainability Assessment (COSA). The Council has developed a set of minimum requirements focused on social and environmental impacts – including deforestation as well as human rights and health and safety – that all farms must meet.

Cost of response

Explanation of cost of response

Our certification requirements can result in increased supply chain costs, which our procurement teams and suppliers aim to mitigate through our sourcing strategies. We track our volumes, origin and certification from suppliers annually through the TraQtion system to ensure we meet our commitments and can report transparently through our website and CDP. We do not allocate these traceability and reporting costs to particular commodities and so have not provided a figure.

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 products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Yes

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 products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased brand value

Company-specific description

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts. By positively investing in our supply chain through traceability, third party certification with FSC and engagement with cross industry action at a landscape scale, we are able to bring to life our commitment and continue to build trust in a way that matters most to customers. 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. 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

>6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased brand value

Company-specific description

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts. By positively investing in our supply chain through traceability, third party certification with RSPO and engagement with cross industry action at a landscape scale through groups like the Palm Oil Collaboration Group, and the Consumer Goods Forum Forest

Positive Coalition, which we joined in 2022, we are able to bring to life our commitment and continue to build trust in a way that matters most to customers.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Cattle products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased brand value

Company-specific description

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 more sustainable practices when it comes to beef. Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts. By positively investing in our supply chain through traceability, using satellite mapping to implement our Deforestation Free Beef Procurement Policy, and engagement with cross industry action at a landscape scale through groups including the Global Roundtable for Sustainable Beef and the Forest Positive Coalition Beef Working Group of the Consumer Goods Forum, we are able to bring to life our commitment and continue to build trust in a way that matters most to customers.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Cost to realize opportunity

Strategy to realize opportunity

Forest risk commodity

Soy

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased brand value

Company-specific description

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We believe we have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts. By positively investing in our supply chain through traceability, third party certification, and engagement with cross industry action at a landscape scale through the Consumer Goods Forum Forest Positive Coalition which we joined in 2022, we look forward to further being able to bring to life our commitment and continue to build trust in a way that matters most to customers.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Cost to realize opportunity**Strategy to realize opportunity**

Forest risk commodity

Other - Coffee

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased brand value

Company-specific description

Our consumer research consistently shows that impact on the environment is a key concern for McDonald's customers and stakeholders. Our brand reputation and trust among our customers and stakeholders is vital to our business success. We have a responsibility to ensure that our forest-related products are sourced sustainably or support sustainable production to avoid negative business impacts. By positively investing in our supply chain through traceability, third party certification through Rainforest Alliance, engagement with suppliers through the McCafe SIP program, and engagement with cross industry action at a landscape scale through the Conservation International and the Sustainable Coffee Challenge, we are able to bring to life our commitment and continue to build trust in a way that matters most to customers.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Unknown

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Brand trust and reputation is inherently linked to many different factors. The precise or range of financial impact from brand impact relating to one forest-related commodity is not a figure we are able to estimate responsibly.

Cost to realize opportunity**Strategy to realize opportunity**

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Chief Sustainability Officer (CSO)	The Company's Executive Vice President (EVP) Global Chief Impact Officer and reporting Vice President (VP) Chief Sustainability & Social Impact Officer are responsible for overseeing performance, actions, and goals relating to forests and McDonald's broader climate-related issues. They serve as the executive sponsor of McDonald's sustainability aspirations. Examples of specific forest related decision making by the Chief Sustainability & Social Impact Officer includes formal approval of all McDonald's forest policies and CDP disclosures.
Other C-Suite Officer	The Company's EVP Global Chief Impact Officer and VP Chief Sustainability & Social Impact Officer serve together with the EVP Chief Supply Chain Officer, EVP Global Chief People Officer, EVP Global Chief Marketing Officer and New Business Ventures, and EVP Chief Legal Officer overseeing cross-functional aspects of McDonald's Impact Strategy, which ensures the organization fulfills its overall global sustainability performance, including goals and actions relating to climate-related issues.
Board-level committee	Our Board of Directors' Sustainability and Corporate Responsibility Committee (the "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. The Committee also reviews and monitors the development and implementation of performance metrics with respect to the Company's sustainability priorities. The Committee regularly reports to the full Board regarding its activities, and from time to time, other Board committees and the full Board receive reports on the Company's sustainability efforts as circumstances warrant. See the Committee's charter and page 39 of the Company's 2023 Proxy Statement, available here: https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/MCD_2023_Proxy_Statement.pdf Committee Charter: https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf

F4.1b

(F4.1b) 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 Providing employee incentives 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 reviewing and monitoring: (1) 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 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, as well as the development of metrics and procedures to gauge progress toward achievement of those goals the Company's progress against those goals; The Sustainability & Corporate Responsibility Committee met four times in 2022.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

McDonald's Directors have senior executive experience, including having served as CEOs or high-level executives of large, complex, global organizations and more than half have significant sustainability / corporate responsibility expertise. For example, Sustainability & Corporate Responsibility Committee members have leadership and Director experience at leading global food and real estate companies with their own strategic climate and sustainability agendas, which is highly pertinent experience for the forest strategy context for McDonald's. They have significant experience working with management to incorporate and balance perspectives from a wide range of stakeholders to inform the Company's sustainability approach, including regular reviews of its climate strategy and feedback from scientists, non-governmental organizations, partners and investors.

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	Half-yearly	The Company's EVP Global Chief Impact Officer and VP Chief Sustainability & Social Impact Officer are responsible for overseeing actions relating to forests. They serve as the executive sponsors of McDonald's sustainability aspirations and in accordance with our 2030 forest commitment. They present report on these issues as a whole to the Board biannually. As an example, both individuals were responsible for partnering with other functions of the business to address Company sourcing and sustainability priorities, including forests-related commitments, such as our 2020 responsible sourcing goals and our 2030 forest commitment.
Other, please specify (Cross-Functional Leadership Team)	Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	As important matters arise	The EVP Global Chief Impact Officer and VP Chief Sustainability & Social Impact Officer serve together with the EVP Chief Supply Chain Officer, EVP Global Chief Marketing Officer and New Business Ventures, EVP Global Chief People Officer, and EVP Chief Legal Officer overseeing cross-functional aspects of McDonald's Impact Strategy, which ensures the organization fulfills its overall global sustainability performance, including goals and actions relating to climate-related issues. The Impact Strategy and this cross-functional leadership team is endorsed by the Chief Executive Officer, placing accountability at the top of the organization.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Chief Sustainability Officer (CSO) Other, please specify (Global Supply Chain Officers and Environmental & Sustainability Managers)	Other, please specify (McDonald's Impact Strategy, which includes aspirations on forest-related issues, responsible sourcing and environmental efficiency progress, and supply chain sustainability goals and projects)		Officers are the executive sponsors of McDonald's impact strategy, which includes the aspirations to source food and packaging sustainably and to develop and operate the most environmentally efficient McDonald's restaurants; this involves the management of forest related issues. Where 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 vision to eliminate deforestation from our global supply chains by the end of 2030.
Non-monetary reward	Other, please specify (Environmental & Sustainability Managers)	Other, please specify (McDonald's Impact Strategy, which includes aspirations on forest-related issues, responsible sourcing and environmental efficiency progress, and supply chain sustainability goals and projects)		We recognize the importance of forest-related issues to our business, our customers and our stakeholders. McDonald's celebrates and recognizes the work of individuals and teams within the organization that help us make progress towards our sustainability and sourcing goals. For example, we recognize the performance of our employees that work to eliminate deforestation from our global supply chains by the end of 2030.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

MCD Proxy Statement 2023.pdf

MCD_2023_Annual_Report & 10-K.pdf

Attached (optional): McDonald's 10-K_2022.pdf MCD 2023 Proxy Statement.pdf 10-K references forest-related risks in the Risk Factors section on p.34 and the Proxy Statement references forest-related risks throughout (Ex. p. 11, 52, 95)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

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

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

General forests policy covering all commodities

Content

- Commitment to eliminate deforestation
- Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Commitment to best management practices for soils and peat
- Commitment to resolving both social and environmental issues in own operations and supply chain
- Commitment to protect rights and livelihoods of local communities
- Commitments beyond regulatory compliance
- Commitment to transparency
- Commitment to stakeholder awareness and engagement
- Recognition of the overall importance of forests and other natural ecosystems
- Description of business dependency on forests
- Recognition of potential business impact on forests and other natural ecosystems
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
- List of timebound milestones and targets
- Other, please specify (McDonald's is working to eliminate deforestation from our global supply chains by the end of 2030. We have prioritized the raw materials where we can have the biggest impact: beef, soy, palm oil, coffee, and the fiber used in customer packaging)

Document attachment

Please explain

Our Commitment on Forests and its supporting addendum set out our vision to eliminate deforestation from our supply chains by the end of 2030. Our commitment also extends beyond forests, to areas of high conservation value, and to the individuals and communities around the world who depend on forests. Our Commitment applies to all our raw material supply chains. Our Commitment on Forests outlines our expectation that our suppliers operate their businesses ethically and abide by all applicable laws and regulations. Additionally, we set out that we will work throughout our supply chains to achieve the following: No deforestation of primary forests or areas of High Conservation Value; No development of High Carbon Stock forest areas; No development on peatlands, regardless of depth, and the utilization of best management practices for existing commodity production on peatlands; Respect human rights; Respect the right of all affected communities to give or withhold their free, prior and informed consent for plantation developments on land they own legally, communally or by custom; Resolve land rights disputes through a balanced and transparent dispute resolution process; Verify origin of raw material production; Support smallholders, farmers, plantation owners and suppliers to comply with this commitment. This commitment is underpinned by responsible sourcing policy requirements for suppliers and our actions in public forums to further the goals of our commitment at a landscape scale. These policies are reviewed regularly and, in some cases, annually for continued relevance with our sourcing strategy and risks, public sentiment and local stakeholder feedback. Information on our Commitment and work underway can be accessed on our website here: <https://corporate.mcdonalds.com/corpmcd/ourpurpose-and-impact/our-planet/nature-forests-water.html>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other – Coffee	Yes

F4.6a

(F4.6a) 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
- Cerrado Manifesto
- Soy Moratorium
- Other, please specify (We Mean Business, America's Pledge, Palm Oil Collaboration Group, CGF Forest Positive Coalition, Cerrado Protocol)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

Zero gross deforestation/ no deforestation

No new development on peat regardless of depth
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
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%

Cutoff date

1993-1997

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Compliance with initiative, please specify (FSC)

Commitment target date

2020

Please explain

Each of the criteria listed is included in McDonald's Commitment on Forests, which sets out our aim to eliminate deforestation from our global supply chains by the end of 2030. We initially partnered with the World Wildlife Fund (WWF) and suppliers to map our five priority commodity supply chains to identify product origins and assess the projected risk of deforestation. Through this process we were able to identify high-priority geographies from which we source. This assessment paired McDonald's supply chain data with that of the eleven world regions accounting for the majority of deforestation, based on WWF's Living Forests report. It was an important first step for us to understand exactly where our commodities were at risk, and where we could take action to drive the greatest positive impact. Additionally, working with Proforest - a not-for-profit organization focused on responsible production and sourcing - we first confirm that each of the criteria are material in the area that we consider high risk for deforestation. We conduct this analysis by working with local NGO partners in each high-risk region and using global guidance such as The Accountability Framework. If the criteria are material in a high-risk region, we ensure that our chosen solution to address this risk appropriately covers each of the criteria. As a first step we map each standard against our forest criteria to identify any gaps. We then discuss these gaps and create a strategy to address them with the certification scheme, standard body and NGO partners. For fiber, we have selected to work with the Forest Stewardship Council and have ongoing conversations with FSC, WWF and Proforest about how their standard addresses each of these criteria. Our 2020 goal was for 100% of primary fiber-based guest packaging to come from recycled or certified sources where no deforestation occurs. Additionally, McDonald's requires all wood and wood fiber sourced from high-deforestation risk regions (Russia, China, Malaysia, Indonesia, Laos, Vietnam, Cambodia, and Argentina) and used for fiber-based packaging, to be either FSC certified or FSC Controlled Wood at mill level. To meet our commitment to eliminate deforestation by the end of 2030 as outlined above, we annually track our sourcing in detail using our supplier reporting system annual raw material survey of suppliers, TraQtion. By the end of 2022 98.7% of our primary fiber-based guest packaging and our Happy Meal fiber-based toy packaging supported deforestation free supply chains.

Forest risk commodity

Palm oil

Criteria

Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
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%

Cutoff date

2005

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Compliance with initiative, please specify (RSPO)

Commitment target date

2020

Please explain

2005 is the cutoff date for deforestation and 2018 is the cutoff date for conversion, aligned to RSPO. Each of the criteria listed is included in McDonald's Commitment on Forests, which sets out our aim to eliminate deforestation from our global supply chains by the end of 2030, but prioritizing palm oil by 2020. We initially partnered with the World Wildlife Fund (WWF) and suppliers to map our five priority commodity supply chains to identify product origins and assess the projected risk of deforestation. Through this process we were able to identify high-priority geographies from which we source. This assessment paired McDonald's supply chain data with that of the eleven world regions accounting for the majority of deforestation, based on WWF's Living Forests report. It was an important first step for us to understand exactly where our commodities were at risk, and where we could take action to drive the greatest positive impact. For palm oil, we have selected to work with the Roundtable for Sustainable Palm Oil and have ongoing conversations with the RSPO, WWF and Proforest about how their standard addresses each of these criteria. We track our sourcing in detail using our annual raw material survey of suppliers, TraQtion. In 2022, 100% of the palm oil used in McDonald's restaurants and as ingredients in McDonald's products supported sustainable production of palm oil. (Includes any type of palm oil used directly as an ingredient in a McDonald's product and listed on the product's ingredient statement) We are committed to increasing traceability for the palm oil used in the McDonald's system in the greatest volumes, which means we are increasing our physical RSPO volumes (Mass Balance, Segregated and Identity Preserved).

Forest risk commodity

Cattle products

Criteria

Zero gross deforestation/ no deforestation
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
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%

Cutoff date

2018

Forest risk countries/areas that the cutoff date applies to

Argentina
Australia
Brazil
Paraguay

Reason for selecting cutoff date

Compliance with initiative, please specify (AFI)

Commitment target date

2020

Please explain

Cutoff date details: 2008 for any illegal deforestation in Brazil; 2009 for any deforestation in Amazon; 2018 for any deforestation in the Cerrado; 2019 for any deforestation in Chaco; 2020 for any deforestation in Queensland, Australia. Each of the criteria listed is included in McDonald's Commitment on Forests, which sets out our aim to eliminate deforestation from our global supply chains by the end of 2030. We initially partnered with the World Wildlife Fund (WWF) and suppliers to map our five priority commodity supply chains to identify product origins and assess the projected risk of deforestation. Through this process we were able to identify high-priority geographies from which we source. This assessment paired McDonald's supply chain data with that of the eleven world regions accounting for the majority of deforestation, based on WWF's Living Forests report. It was an important first step for us to understand exactly where our commodities were at risk, and where we could take action to drive the greatest positive impact. For beef, we have created a traceability system working with Agrottools and Proforest and a Deforestation-Free Beef Procurement Policy that requires each of the criteria to be fulfilled. This policy applies to all beef produced in Argentina, Australia, Brazil and Paraguay being supplied to McDonald's globally. The policy is adapted for local conditions and involves detailed traceability, risk mapping and verification through bespoke systems. These expectations have been embedded in McDonald's Global Sustainability Specifications for beef. In 2022, 98.4% of beef sourced for McDonald's restaurants supported deforestation-free supply chains.

Forest risk commodity

Soy

Criteria

Zero gross deforestation/ no deforestation
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
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%

Cutoff date

2009

Forest risk countries/areas that the cutoff date applies to

Argentina
Brazil
Paraguay

Reason for selecting cutoff date

Compliance with initiative, please specify (RTRS and Proterra)

Commitment target date

2020

Please explain

Cutoff Date Details: 2004 for Proterra certification; 2009 for RTRS credits for native forests, riparian vegetation, natural wetlands, steep slopes, areas designated by law to serve the purpose of native conservation and/or cultural and social protection; 2016 for RTRS credits for any "natural land", steep slopes and in areas designated by law to serve the purpose of native conservation and/or cultural and social protection Each of the criteria listed is included in McDonald's Commitment on Forests, which sets out our aim to eliminate deforestation from our global supply chains by the end of 2030. We use our annual raw material survey of suppliers, TraQtion to annually track the origin, volume, destination and type of poultry meat sourced from suppliers across the world and estimate our soy footprint with this data using a bespoke conversion factor relevant to McDonald's production. We survey the volume covered by physical certification and support responsible production through the use of third party certification linked to priority areas for our forest commitment. Given the complexity of soy supply chains, we consider that, unless demonstrated, all of McDonald's sources of soy for chicken feed fall into high-deforestation priority regions, with the exception of chicken sourced in North America where soy used in chicken feed is locally produced and considered low risk. We are reviewing programs to determine if they can verify that soy is produced under conditions that meet all of our Commitment on Forests criteria. In 2022 100% of soy sourced for feed of chicken used in McDonald's products supported deforestation-free supply chains globally.

Forest risk commodity

Other - Coffee

Criteria

Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
No conversion of High Carbon Stock forests
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
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%

Cutoff date

2014

Forest risk countries/areas that the cutoff date applies to

Honduras
Indonesia
Viet Nam

Reason for selecting cutoff date

Compliance with initiative, please specify (RFA)

Commitment target date

2020

Please explain

Each of the criteria listed is included in McDonald's Commitment on Forests, which sets out our aim to eliminate deforestation from our global supply chains by the end of 2030. In line with our Commitment on Forests, we identify Honduras, Indonesia, and Vietnam as high-priority regions and require all coffee sourced from there to be Rainforest Alliance Certified™. Coffee sourced for McDonald's restaurants is considered as supporting deforestation-free supply chains when: It is sourced from low-deforestation priority regions, or; Sourced as Rainforest Alliance Certified™. We also require that all coffee sourced for McDonald's restaurants from low-deforestation priority regions is sustainably sourced in compliance with Rainforest Alliance, UTZ (now part of Rainforest Alliance), Fairtrade or McCafé SIP. McCafé Sustainability Improvement Platform (McCafé SIP) was established by McDonald's in partnership with Conservation International and our coffee roasters and is a framework to engage and guide our coffee supply chain in responsible sourcing, as well as invest in coffee growers and their communities over the long term. Through McCafé SIP, we have better information about the farmers growing our coffee, verified annually by third parties. We are also enabling coffee roasters to leverage their expertise and relationships at origin to innovate and advance sustainable farming practices. Our McCafé SIP Advisory Council provides input on the strategic direction of the program and has developed a set of minimum requirements focused on social and environmental impacts – including deforestation as well as human rights and health and safety – that all farms must meet. These two approaches are complementary efforts, and we will continue to support both certification and direct collaboration with farmers as methods to achieve positive impacts. In 2022 99.9% of ground and whole bean coffee, including decaffeinated coffee, to be used in espresso-based drinks and coffee brewed at McDonald's restaurants and all ground and whole bean coffee in McDonald's branded retail products supported deforestation-free supply chains.

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	Addressing forest-related sustainability issues is a key part of our business objectives and brand purpose to feed and foster communities, specifically outlined through our Commitment on Forests. Our Commitment on Forests and its supporting addendum set out our vision to eliminate deforestation from our supply chains by 2030. Running up to 2020 we focused on commodities our suppliers buy in the greatest volume and where we can have the biggest impact: beef, chicken (soy in feed), palm oil, coffee, and the fiber used in customer packaging. Our Commitment on Forests is strongly linked with other Planet and Food business objectives including our Science Based Target and our targets on Packaging, Toys & Waste. It is also connected to our wider responsible sourcing goals on palm oil, coffee, and poultry, which we continue to evaluate progress against with our suppliers.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Our Commitment on Forests is a key part of one of the four areas of our business objective to Feed and Foster Communities. It is strongly linked with other Planet and Food business objectives including our Science Based Target and our targets on Packaging, Toys & Waste. It is also connected to our wider responsible sourcing goals on palm oil, coffee, and poultry which we continue to evaluate progress against with our suppliers.
Financial planning	Yes, forests-related issues are integrated	5-10	We regularly assess the risk and resiliency of forest-related commodities to our supply chain and invest in long term programs to address these risks and meet our 2030 Commitment on Forests.

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 2

Forest risk commodity

Palm oil

Year target was set

2015

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO Identity Preserved
RSPO Segregated
RSPO Mass Balance
RSPO Book and Claim

Base year

2015

Base year figure

Target year

2020

Target year figure

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

<Calculated field>

Target status in reporting year

Achieved

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

In 2022, an estimated 98.8% of fiber based guest packaging came from renewable, recycled or certified sources. In addition, 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. We estimate that we collected data for 99.84% of our global volumes of primary fiber-based packaging (excluding Happy Meal). Where information is not available, we extrapolate the volume and conservatively assume that this is sourced from a high priority forest location. We have not reported on base year figures due to changes in scope as our approach developed since our Commitment in 2015.

Target reference number

Target 3

Forest risk commodity

Cattle products

Year target was set

Target coverage

Company-wide

Target category

Other, please specify (Traceability; Assess and verify compliance; Engagement with direct suppliers; Engagement with indirect suppliers)

Metric

Other, please specify (% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments)

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Base year

2015

Base year figure**Target year**

2020

Target year figure**Reporting year figure**

98.4

% of target achieved relative to base year [auto-calculated]

<Calculated field>

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

In 2022, 98.4% of the beef sourced for McDonald's restaurants supported deforestation-free supply chains. We estimate that we collected data for 99.6% of our global volumes of beef in 2022, up from the percentage achieved in 2021. Where information is not available, we extrapolate the volume and, in the absence of further data, we conservatively assume that this was all non-compliant. By default, we assume that volumes that we are unable to collect are not compliant to be conservative and are therefore reporting the 0.4% of volumes which we were unable to collect as non-compliant. We continue to work to improve the completeness of our data collection systems. We verify all beef sourced from deforestation priority regions (Brazil, Argentina, Paraguay and Australia) via satellite imagery to the location of the supplying farm using the best available information in that country. Data is received, analyzed and assessed for compliance with McDonald's Deforestation-Free Beef Procurement Policy ("Policy"), followed by all McDonald's Direct Beef Suppliers and their raw material suppliers (slaughterhouses) in these 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, the Forest Positive Coalition Beef Working Group of the Consumer Goods Forum and other local beef sustainability roundtables. We have not reported on base year figures due to changes in scope as our approach developed since our Commitment in 2015.

Target reference number

Target 4

Forest risk commodity

Soy

Year target was set

2015

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

RTRS Credits

ProTerra certification

Base year**Base year figure****Target year**

2020

Target year figure

100

Reporting year figure**% of target achieved relative to base year [auto-calculated]**

<Calculated field>

Target status in reporting year

Achieved

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

In 2022, 100% of soy sourced for feed of chicken in McDonald's products supported deforestation-free supply chains. We support responsible soy production through the purchase of RTRS credits. A number of our chicken suppliers to Europe also use physical certification through ProTerra. We have identified the regions where our suppliers source soy that have high deforestation risks. We have also taken a conservative approach and assumed that all soy used in the feed of chickens supplied to our restaurants in Europe, APMEA and Latin America may originate from high deforestation-risk regions, until further traceability is established as to their origin. This approach was informed by a traceability analysis we completed which demonstrated that the soy produced in Latin America is flowing into the chicken supply chain of Europe, APMEA and Latin America. Our strategy to achieve our goal states that, approved third party certification will cover all soy volumes used in poultry feed where the soy is

produced in Argentina, Brazil or Paraguay. We also reviewing alternative programs to determine if they can verify that soy is produced under conditions that meet all of our Commitment on Forests criteria. To achieve this, we engage with multi-stakeholder initiatives including the RTRS. We have also developed a calculator to assess the soy equivalent associated with our global chicken supply to inform the investment in certification needed. We track our chicken volumes, origin and any soy certification associated with this from suppliers annually through the TraQtion system to ensure we can meet our commitments and can report transparently through our website and CDP. We have not reported on base year figures due to changes in scope as our approach developed since our Commitment in 2015.

Target reference number

Target 5

Forest risk commodity

Other - Coffee

Year target was set

2015

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

Please select

Base year**Base year figure****Target year**

2020

Target year figure

100

Reporting year figure

99.9

% of target achieved relative to base year [auto-calculated]

<Calculated field>

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

We require that all coffee sourced for McDonald's restaurants be sustainably sourced in compliance with Rainforest Alliance, UTZ (now part of the Rainforest Alliance standard), Fairtrade or McCafé SIP. McCafé SIP is a framework to engage and guide our coffee supply chain in responsible sourcing, as well as invest in coffee growers and their communities over the long term. Through McCafé SIP, we have better information about the farmers growing our coffee, which is verified by third parties. We're also enabling coffee roasters to leverage their expertise and relationships at origin to innovate and advance sustainable farming practices. In addition, we trace coffee back to all countries of origin via TraQtion. For countries identified as high-deforestation priority regions for coffee (Honduras, Indonesia, and Vietnam), McDonald's requires all coffee sourced from these regions to be Rainforest Alliance Certified™. Coffee sourced for McDonald's restaurants is considered as supporting deforestation-free supply chains when: It is sourced from low-deforestation priority regions, or; Sourced as Rainforest Alliance Certified™ By the end of 2022, 99.9% of ground and whole bean coffee, including decaffeinated coffee, to be used in espresso-based drinks and coffee brewed at McDonald's restaurants and all ground and whole bean coffee in McDonald's branded retail products supported deforestation-free supply chains. We have not reported on base year figures due to changes in scope as our approach developed since our Commitment in 2015.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

2015

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody

FSC Recycled

PEFC Chain of Custody

Other, please specify (Supplier Chain of Custody SFI)

Base year

Base year figure

Target year

2020

Target year figure

Reporting year figure

98.8

% of target achieved relative to base year [auto-calculated]

<Calculated field>

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

In 2022, an estimated 98.8% of fiber-based guest packaging supported deforestation-free supply chains. In addition, 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. We estimate that we collected data for 99.8% of our global volumes of primary fiber-based packaging in 2022. Where information is not available, we extrapolate the volume and conservatively assume that this is sourced from a high priority forest location. We have not reported on base year figures due to changes in scope as our approach developed since our Commitment in 2015.

F6.2

(F6.2) 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?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Volume from direct and indirect suppliers	Third Party certification Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) or a PEFC-endorsed national program (e.g., SFI), or made from 100% recycled content as verified by a third-party. McDonald's requires all wood and wood fiber sourced from high deforestation-priority regions (Russia, China, Malaysia, Indonesia, Laos, Vietnam, Cambodia, and Argentina) to be either FSC CoC certified at mill level.	Specific product line(s)	Primary fiber-based packaging in food packaged off-site McDonald's restaurants, tray liners, and limited locally sourced items.
Palm oil	Yes	Volume from direct suppliers only	Our goal states that 100% of the palm oil used in McDonald's restaurants and as ingredients in McDonald's products will support sustainable production. This is achieved through RSPO certification. We are committed to increasing traceability for the palm oil used in the McDonald's System in the greatest volumes, which means we are increasing our physical Roundtable on Sustainable Palm Oil (RSPO) certified volumes (Mass Balance, Segregated and Identity Preserved). Our volumes of physical certified oils represented 74.5% of system palm oil volumes in 2022. We are currently engaging with globally managed suppliers to verify reporting against traceability systems and NPDE policy implementation.	Specific product line(s)	Palm oil, palm kernel oil or their derivative used as secondary ingredients in McDonald's products. This is when palm oil is used as an ingredient within an ingredient; for example, an emulsifier.
Cattle products	Yes	Volume from direct and indirect suppliers	Geolocation or postcode. McDonald's currently tracks all beef supply at the country level. For priority regions (Brazil, Argentina, Paraguay and Australia) we trace cattle by supplying farm location and assess deforestation by farm or postcode.	Specific product line(s)	Beef used as secondary ingredients in McDonald's products, for example as flavoring in a sauce.
Soy	Yes	Volume from direct and indirect suppliers	McDonald's has traceability to slaughterhouse for all poultry purchased. From there, the soy supply chain is mapped based on a simple risk assessment, considering chicken from the U.S. and Canada as not exposed to soy from priority countries while all the other regions are exposed. We track our chicken volumes, origin and any soy certification associated with this from suppliers annually through the TraQtion system to ensure we can meet our commitments and can report transparently through our website and CDP. We use this to calculate our global soy footprint from our chicken supply, assess the volumes associated with third party physical certification and ensure we have invested in the equivalent amount of third-party book and claim credits which meet our Forest Commitment.	Specific product line(s)	Soy used as an ingredient in McDonald's products sold in restaurants, for example, soy oil, and soy used to feed animals aside from chickens
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes	Volume from direct and indirect suppliers	Third party Certification – Segregated coffee. We trace coffee back to countries of origin via TraQtion. We identify Honduras, Indonesia, and Vietnam as high priority regions for our Forest Commitment. McDonald's requires all coffee sourced from high priority regions to be Rainforest Alliance Certified™. Coffee sourced for McDonald's restaurants is considered as supporting deforestation-free supply chains when: It is sourced from low priority regions, or; sourced as Rainforest Alliance Certified™.	Specific product line(s)	Coffee extracts and ingredients used in products such as frappés and coffee in baked goods; coffee in cold brew drinks if they are brewed off-site; coffee extract in ready-to-drink retail products; and other locally sourced products containing coffee.

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Country	Argentina Australia Austria Belarus Belgium Belize Bosnia & Herzegovina Brazil Bulgaria Burundi Canada Chile China Colombia Croatia Cyprus Czechia Denmark Estonia Eswatini Finland France French Polynesia Germany Greece Guatemala Hungary India Indonesia Ireland Italy Japan Latvia Lithuania Luxembourg Malta Mexico Micronesia (Federated States of) Netherlands New Zealand Norway Paraguay Philippines Poland Portugal Romania Russian Federation Serbia Slovakia Slovenia South Africa Spain Sweden Switzerland Thailand Turkey Ukraine United Kingdom of Great Britain and Northern Ireland United States Minor Outlying Islands United States of America Uruguay Viet Nam	99.8

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Country	Argentina Australia Austria Belarus Belgium Belize Bosnia & Herzegovina Brazil Bulgaria Burundi Canada Chile China Colombia Croatia Cyprus Czechia Denmark Estonia Eswatini Finland France French Polynesia Germany Greece Guatemala Hungary India Indonesia Ireland Italy Japan Latvia Lithuania Luxembourg Malta Mexico Micronesia (Federated States of) Netherlands New Zealand Norway Paraguay Philippines Poland Portugal Romania Russian Federation Serbia Slovakia Slovenia South Africa Spain Sweden Switzerland Thailand Turkey Ukraine United Kingdom of Great Britain and Northern Ireland United States Minor Outlying Islands United States of America Uruguay Viet Nam	98

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Cattle products	Country	Argentina Australia Austria Belarus Belgium Belize Bosnia & Herzegovina Brazil Bulgaria Burundi Canada Chile China Colombia Croatia Cyprus Czechia Denmark Estonia Eswatini Finland France French Polynesia Germany Greece Guatemala Hungary India Indonesia Ireland Italy Japan Latvia Lithuania Luxembourg Malta Mexico Micronesia (Federated States of) Netherlands New Zealand Norway Paraguay Philippines Poland Portugal Romania Russian Federation Serbia Slovakia Slovenia South Africa Spain Sweden Switzerland Thailand Turkey Ukraine United Kingdom of Great Britain and Northern Ireland United States Minor Outlying Islands United States of America Uruguay Viet Nam	99.6

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Other - Coffee	Country	Argentina Australia Austria Belarus Belgium Belize Bosnia & Herzegovina Brazil Bulgaria Burundi Canada Chile China Colombia Croatia Cyprus Czechia Denmark Estonia Eswatini Finland France Germany Greece Guatemala Hungary India Indonesia Ireland Italy Japan Latvia Lithuania Luxembourg Malta Mexico Micronesia (Federated States of) Netherlands New Zealand Norway Paraguay Poland Portugal Romania Russian Federation Serbia Slovakia Slovenia South Africa Spain Sweden Switzerland Thailand Turkey Ukraine United Kingdom of Great Britain and Northern Ireland United States Minor Outlying Islands United States of America Uruguay Viet Nam	99.9

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	98.7
Palm oil	Yes	100
Cattle products	No, we have not adopted any third-party certification schemes for this commodity	<Not Applicable>
Soy	Yes	100
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes	99.9

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

Other, please specify (FSC Chain of Custody; FSC Recycled; PEFC Chain of Custody; Supplier Chain of Custody SFI)

Chain-of-custody model used

Mass balance

% of total production/consumption volume certified

98.7

Form of commodity

Primary packaging

Volume of production/ consumption certified

826236

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Please select

Please explain

In 2022, 98.7% of primary fiber-based guest packaging sourced for McDonald's restaurants supported deforestation-free supply chains. McDonald's requires all wood fiber sourced to be Forest Stewardship Council® (FSC®) Certified or FSC Controlled Wood sources with full chain of custody certification. Any fiber-based guest packaging that originates from high-deforestation risk countries (Russia, China, Malaysia, Indonesia, Laos, Vietnam, Cambodia, and Argentina) should be FSC standard for Chain of Custody Certification and the FSC standard for Requirements for Sourcing FSC Controlled Wood. In addition, suppliers operating in these regions will complete an annually audit and submit a confirmation statement of this audit to TraQtion.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO (any type)

Chain-of-custody model used

Not applicable

% of total production/consumption volume certified

100

Form of commodity

Refined palm oil

Volume of production/ consumption certified

117548

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

Please select

Please explain

In 2022, 100% of the palm oil sourced for McDonald's restaurants and used as an ingredient in McDonald's products supported the production of sustainable palm oil and deforestation-free supply chains through RSPO certification. We are committed to increasing traceability for the palm oil used in the McDonald's System in the greatest volumes, through physical Roundtable on Sustainable Palm Oil (RSPO) certified volumes (Mass Balance, Segregated and Identity Preserved). Our volumes of physical certified palm oil was 74.5% in 2022. 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

Soy

Third-party certification scheme

Other, please specify (RTRS Segregated, RTRS Mass Balance, RTRS Credits, ProTerra certification)

Chain-of-custody model used

Certificate trading

% of total production/consumption volume certified

100

Form of commodity

Whole soy beans

Volume of production/ consumption certified

511130

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Yes

Please explain

In 2022, 100% of soy sourced for feed of chicken used in McDonald's products supported deforestation-free supply chains. We support responsible soy production through the purchase of RTRS credits. A number of our chicken suppliers to Europe also use physical certification through Proterra. We have identified the regions where our suppliers source soy that have high deforestation risks. We have also taken a conservative approach and assumed that all soy used in the feed of chickens supplied to our restaurants in Europe, APMEA and Latin America may originate from high deforestation-risk regions, unless further traceability is established as to their origin. This approach was informed by a traceability analysis we completed which demonstrated that the soy produced in Latin America is flowing into the chicken supply chain of Europe, APMEA and Latin America. Our strategy to achieve our goal states that, at a minimum, approved third party certification will cover all soy volumes used in poultry feed where the soy is produced in Argentina, Brazil or Paraguay. We are also reviewing alternative programs to determine if they can verify that soy is produced under conditions that meet all of our Commitment on Forests criteria. To achieve this, we engage with multi-stakeholder initiatives including the RTRS. We have also developed a calculator to assess the soy equivalent associated with our global chicken supply to inform the investment in certification needed. We track our chicken volumes, origin and any soy certification associated with this from suppliers annually through the TraQtion system to ensure we can meet our commitments and can report transparently through our website and CDP. We use this to calculate our global soy footprint from our chicken supply and ensure we meet our commitments.

Forest risk commodity

Other - Coffee

Third-party certification scheme

Other, please specify (Rainforest Alliance)

Chain-of-custody model used

Segregation

% of total production/consumption volume certified

99.9

Form of commodity

Other, please specify (Ground and whole bean coffee)

Volume of production/ consumption certified

69415

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

Please select

Please explain

In 2022, 99.9% of ground and whole bean coffee, including decaffeinated coffee, to be used in espresso-based drinks and coffee brewed at McDonald's restaurants and all ground and whole bean coffee in McDonald's branded retail products supported deforestation-free supply chains. In line with our Commitment on Forests, we identify Honduras, Indonesia, and Vietnam as high deforestation priority regions for coffee and require that all coffee sourced from these locations is Rainforest Alliance Certified™. Coffee sourced for McDonald's restaurants is considered as supporting deforestation-free supply chains when: It is sourced from low-deforestation priority regions, or; Sourced as Rainforest Alliance Certified™. We also require that all coffee sourced for McDonald's restaurants from low-deforestation priority regions is sustainably sourced in compliance with Rainforest Alliance, UTZ (now part of Rainforest Alliance), Fairtrade or McCafé SIP. McCafé Sustainability Improvement Platform (McCafé SIP), established by McDonald's in partnership with Conservation International and our coffee roasters, is a framework to engage and guide our coffee supply chain in responsible sourcing, as well as invest in coffee growers and their communities over the long term. Through McCafé SIP, we have better information about the farmers growing our coffee, verified by third parties. These two approaches are complementary efforts, and we will continue to support both certification and direct collaboration with farmers as methods to achieve positive impacts. In addition, we track our volumes, origin and certification from suppliers annually through the TraQtion system to ensure we meet our commitments and can report transparently on our progress.

F6.4**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Soy	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>

F6.4a**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).****Forest risk commodity**

Timber products

Operational coverage

Supply chain

Description of control systems

All primary guest packaging made from paper/ board sold to McDonald's globally must be certified by Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or a PEFC-endorsed national program (e.g., SFI), or made from 100% recycled content as verified by a third-party by 2020. McDonald's requires all wood and wood fiber sourced from high-risk regions (Russia, China, Malaysia, Indonesia, Laos, Vietnam, Cambodia, and Argentina) and used for fiber-based packaging, to be either FSC certified or FSC Controlled Wood at mill level. All suppliers are expected to report raw material data to enable McDonald's to manage end-to-end sustainability and compliance elements in our supply chain.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

100%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Other, please specify (McDonald's global and market-based teams follow up with suppliers who choose not to report or report inaccurate or non-compliant information through a process led by the McDonald's Global Supply Chain Compliance team.)

Please explain

McDonald's engages suppliers to ensure that they are capable and have plans in place to meet our commitments. As outlined in our Commitment on Forests, we suspend or eliminate purchases from a supplier if an audit or other credible source reveals or confirms that the supplier is seriously violating McDonald's requirements, and if that supplier does not acknowledge and immediately move to acceptably remediate the concern. We are lead members of CDP Supply Chain and use this to engage further with our key suppliers on the importance of taking positive action on forests through webinars and direct feedback on their CDP disclosure.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

The palm oil used in McDonald's restaurants and as ingredients in McDonald's products supports sustainable production. This is achieved through RSPO certification. All suppliers are expected to report raw material data to enable McDonald's to manage end-to-end sustainability and compliance elements in our supply chain.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

<Not Applicable>

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Other, please specify (McDonald's global and market-based teams follow up with suppliers who choose not to report or report inaccurate or non-compliant information through a process led by the McDonald's Compliance team.)

Please explain

McDonald's is working to eliminate deforestation from our global supply chains. This means engaging our suppliers to ensure that they are capable and have plans in place to meet our commitments. For example, McDonald's have, through Proforest, conducted additional supplier engagement with T1 suppliers in Japan, conducting supplier scorecards and providing support on NDPE policy and IRF profiles. As outlined in our Commitment on Forests, we will move to suspend or eliminate purchases from a supplier if an audit or other credible source reveals or confirms that the supplier is seriously violating McDonald's requirements, and if that supplier does not acknowledge and immediately move to acceptably remediate the concern. We are lead members of CDP Supply Chain and use this to engage further with our key suppliers on the importance of taking positive action on forests through webinars and direct feedback on their CDP disclosure.

Forest risk commodity

Cattle products

Operational coverage

Supply chain

Description of control systems

McDonald's currently tracks all beef supply at the country level through the TraQtion system. We have worked with our supplier partners to develop geospatial monitoring and traceability systems to the farms supplying for cattle in Brazil Argentina, Australia, and Paraguay with application of our Deforestation Free Beef Procurement Policy tailored to local conditions.

Monitoring and verification approach

Geospatial monitoring tool
Second-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

100%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities
Other, please specify (McDonald's global and market-based teams follow up with suppliers who choose not to report or report inaccurate or non-compliant information through a process led by the McDonald's Global Supply Chain Compliance team.)

Please explain

McDonald's is working to eliminate deforestation from our global supply chains. This means engaging our suppliers to ensure that they are capable and have plans in place to meet our commitments. As outlined in our Commitment on Forests, we will move to suspend or eliminate purchases from a supplier if an audit or other credible source reveals or confirms that the supplier is seriously violating McDonald's requirements, and if that supplier does not acknowledge and immediately move to acceptably remediate the concern. As our Deforestation Free Beef Procurement Policy is applied at a raw material supplier rather than finished product supplier level, we have calculated the percentage of total suppliers in compliance by the proportion of reported raw material volume in compliance supplied to the global system. We are lead members of CDP Supply Chain and use this to engage further with our key suppliers on the importance of taking positive action on forests through webinars and direct feedback on their CDP disclosure.

Forest risk commodity

Soy

Operational coverage

Supply chain

Description of control systems

At a minimum, Roundtable on Responsible Soy Book & Claim certificates will cover all soy volumes used in poultry feed where the soy is produced in Argentina, Brazil or Paraguay. All suppliers are expected to report raw material data to enable McDonald's to manage end-to-end sustainability and compliance elements in our supply chain.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

<Not Applicable>

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities
Other, please specify (McDonald's global and market-based teams follow up with suppliers who choose not to report or report inaccurate or non-compliant information through a process led by the McDonald's Compliance team.)

Please explain

McDonald's is working to eliminate deforestation from our global supply chains. This means engaging our suppliers to ensure that they are capable and have plans in place to meet our commitments. As outlined in our Commitment on Forests, we will move to suspend or eliminate purchases from a supplier if an audit or other credible source reveals or confirms that the supplier is seriously violating McDonald's requirements, and if that supplier does not acknowledge and immediately move to acceptably remediate the concern. We are lead members of CDP Supply Chain and use this to engage further with our key suppliers on the importance of taking positive action on forests through webinars and direct feedback on their CDP disclosure.

Forest risk commodity

Other - Coffee

Operational coverage

Supply chain

Description of control systems

Sourcing coffee certified to international sustainability standards such as Rainforest Alliance, UTZ, and Fair Trade is key to our strategy. In parallel with our certification work, we've also launched the McCafé Sustainability Improvement Platform (SIP) in partnership with Conservation International. These two approaches are complementary efforts, and we will continue to support both certification and direct collaboration with farmers as methods to achieve positive impacts. Suppliers of coffee sourced from high priority regions (Honduras, Indonesia and Vietnam) are expected to cover 100% of those volumes with Rainforest Alliance Certification. All suppliers are expected to report raw material data to enable McDonald's to manage end-to-end sustainability and compliance elements in our supply chain.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

<Not Applicable>

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Other, please specify (McDonald's global and market-based teams follow up with suppliers who choose not to report or report inaccurate or non-compliant information through a process led by the McDonald's Compliance team.)

Please explain

McDonald's is working to eliminate deforestation from our global supply chains. This means engaging our suppliers to ensure that they are capable and have plans in place to meet our commitments. As outlined in our Commitment on Forests, we will move to suspend or eliminate purchases from a supplier if an audit or other credible source reveals or confirms that the supplier is seriously violating McDonald's requirements, and if that supplier does not acknowledge and immediately move to acceptably remediate the concern. All suppliers are expected to report raw material data to enable McDonald's to manage end-to-end sustainability and compliance elements in our supply chain. We add an additional calculated volume to represent information missing from this annual data collection and conservatively classify this volume as noncompliant. For this reason, we report 99.9% of global volume in compliance with our sustainable sourcing standards in 2022. All suppliers reporting that they sourced coffee from high deforestation-priority countries were in compliance with our Commitment on Forests policy for coffee in 2022. We are lead members of CDP Supply Chain and use this to engage further with our key suppliers on the importance of taking positive action on forests through webinars and direct feedback on their CDP disclosure.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from suppliers	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	Yes, from suppliers	<Not Applicable>
Soy	Yes, from suppliers	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes, from suppliers	<Not Applicable>

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

We use the following tools to ensure legal compliance: Supplier Codes of Conduct, supplier declarations, and third party certification.

Country/Area of origin

Angola
Argentina
Australia
Bolivia (Plurinational State of)
Brazil
Cambodia
Cameroon
Central African Republic
Colombia
Congo
Côte d'Ivoire
Democratic Republic of the Congo
Ecuador
Gabon
Ghana
Guatemala
Guinea
Guinea-Bissau
Honduras
India
Indonesia
Kenya
Lao People's Democratic Republic
Liberia
Madagascar
Malaysia
Mexico
Mozambique
Myanmar
Nepal
Nicaragua
Nigeria
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Sierra Leone
Thailand
United Republic of Tanzania
Venezuela (Bolivarian Republic of)
Viet Nam
Zambia
Zimbabwe

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Palm oil

Procedure to ensure legal compliance

We use the following tools to ensure legal compliance: Supplier Codes of Conduct, supplier declarations, and third party certification.

Country/Area of origin

Angola
Argentina
Australia
Bolivia (Plurinational State of)
Brazil
Cambodia
Cameroon
Central African Republic
Colombia
Congo
Côte d'Ivoire
Democratic Republic of the Congo
Ecuador
Gabon
Ghana
Guatemala
Guinea
Guinea-Bissau
Honduras
India
Indonesia
Kenya
Lao People's Democratic Republic
Liberia
Madagascar
Malaysia
Mexico
Mozambique
Myanmar
Nepal
Nicaragua
Nigeria
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Sierra Leone
Thailand
United Republic of Tanzania
Venezuela (Bolivarian Republic of)
Viet Nam
Zambia
Zimbabwe

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Cattle products

Procedure to ensure legal compliance

We use the following tools to ensure legal compliance: Supplier Codes of Conduct, supplier declarations, traceability and satellite monitoring.

Country/Area of origin

Angola
Argentina
Australia
Bolivia (Plurinational State of)
Brazil
Cambodia
Cameroon
Central African Republic
Colombia
Congo
Côte d'Ivoire
Democratic Republic of the Congo
Ecuador
Gabon
Ghana
Guatemala
Guinea
Guinea-Bissau
Honduras
India
Indonesia
Kenya
Lao People's Democratic Republic
Liberia
Madagascar
Malaysia
Mexico
Mozambique
Myanmar
Nepal
Nicaragua
Nigeria
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Sierra Leone
Thailand
United Republic of Tanzania
Venezuela (Bolivarian Republic of)
Viet Nam
Zambia
Zimbabwe

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Soy

Procedure to ensure legal compliance

We use the following tools to ensure legal compliance: Supplier Codes of Conduct, supplier declarations, and third party certification.

Country/Area of origin

Angola
Argentina
Australia
Bolivia (Plurinational State of)
Brazil
Cambodia
Cameroon
Central African Republic
Colombia
Congo
Côte d'Ivoire
Democratic Republic of the Congo
Ecuador
Gabon
Ghana
Guatemala
Guinea
Guinea-Bissau
Honduras
India
Indonesia
Kenya
Lao People's Democratic Republic
Liberia
Madagascar
Malaysia
Mexico
Mozambique
Myanmar
Nepal
Nicaragua
Nigeria
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Sierra Leone
Thailand
United Republic of Tanzania
Venezuela (Bolivarian Republic of)
Viet Nam
Zambia
Zimbabwe

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Other - Coffee

Procedure to ensure legal compliance

We use the following tools to ensure legal compliance: Supplier Codes of Conduct, supplier declarations, and third party certification.

Country/Area of origin

- Angola
- Argentina
- Australia
- Bolivia (Plurinational State of)
- Brazil
- Cambodia
- Cameroon
- Central African Republic
- Colombia
- Congo
- Côte d'Ivoire
- Democratic Republic of the Congo
- Ecuador
- Gabon
- Ghana
- Guatemala
- Guinea
- Guinea-Bissau
- Honduras
- India
- Indonesia
- Kenya
- Lao People's Democratic Republic
- Liberia
- Madagascar
- Malaysia
- Mexico
- Mozambique
- Myanmar
- Nepal
- Nicaragua
- Nigeria
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Sierra Leone
- Thailand
- United Republic of Tanzania
- Venezuela (Bolivarian Republic of)
- Viet Nam
- Zambia
- Zimbabwe

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not actively target smallholders for engagement over other producers in our sustainability programs to promote good agricultural practices and reduce deforestation and conversion.
Palm oil	Yes, working with smallholders	Please select	Please select		While we do not actively target smallholders for engagement over other producers in our sustainability programs to promote good agricultural practices and reduce deforestation and conversion our supply chains will include smallholders.
Cattle products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	While we do not actively target smallholders for engagement over other producers in our sustainability programs to promote good agricultural practices and reduce deforestation and conversion, our supply chains will include smallholders.
Soy	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	We do not actively target smallholders for engagement over other producers in our sustainability programs to promote good agricultural practices and reduce deforestation and conversion.
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes, working with smallholders	Please select	Please select		While we do not actively target smallholders for engagement over other producers in our sustainability programs to promote good agricultural practices and reduce deforestation and conversion, our supply chains will include smallholders.

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Supplier questionnaires on environmental and social indicators
Developing or distributing supply chain mapping tool
Supplier audits
Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation
Support suppliers to develop public time-bound action plans with clear milestones
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement

Our sourcing requirements and guidance are clearly laid out for suppliers on the McDonald's Global Sustainable Sourcing Guide. We provide annual feedback on the areas of importance to us in relation to forest-related commodities through CDP Supply Chain. HAVI actively engage with fiber suppliers to ensure they can meet our requirements and we ensure that suppliers are involved and can feed into strategy development to meet our goals. We engage others within the industry to align our requirements with third parties to improve the capacity for suppliers to meet our goals. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (1)

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Supplier questionnaires on environmental and social indicators
Developing or distributing supply chain mapping tool
Supplier audits
Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation
Support suppliers to develop public time-bound action plans with clear milestones
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement

Our sourcing requirements and guidance are clearly laid out for suppliers on the McDonald's Global Sustainable Sourcing Guide. We provide annual feedback on the areas of importance to us in relation to forest-related commodities through CDP Supply Chain. We ensure that suppliers are involved and can feed into strategy development to meet our goals, including support on building NDPE policies and completing NDPE-IRF profiles. We engage others within the industry to align our requirements with third parties to improve the capacity for suppliers to meet our goals. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (2)

Forest risk commodity

Cattle products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Supplier questionnaires on environmental and social indicators
Developing or distributing supply chain mapping tool
Supplier audits
Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation
Support suppliers to develop public time-bound action plans with clear milestones
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement

Our sourcing requirements and guidance are clearly laid out for suppliers on the McDonald's Global Sustainable Sourcing Guide and, in priority countries, the Deforestation-Free Beef Procurement Policy. We provide annual feedback on the areas of importance to us in relation to forest-related commodities through CDP Supply Chain to all globally managed beef suppliers. Through the Supplier Sponsorship Program, we ensure that suppliers are involved and can feed into strategy development to meet our goals and we resource Agrotools and Proforest to support our strategy development, including tailoring the application of our strategy at a country level. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (3)

Forest risk commodity

Soy

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Supplier questionnaires on environmental and social indicators
Developing or distributing supply chain mapping tool
Supplier audits
Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation
Support suppliers to develop public time-bound action plans with clear milestones
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement

Our sourcing requirements and guidance are clearly laid out for suppliers on the McDonald's Global Sustainable Sourcing Guide. We provide annual feedback on the areas of importance to us in relation to forest-related commodities through CDP Supply Chain to globally managed chicken suppliers. We ensure that suppliers are involved and can feed into strategy development to meet our goals. We engage others within the industry to align our requirements with third parties to improve the capacity for suppliers to meet our goals. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (4)

Forest risk commodity

Other – Coffee

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Supplier questionnaires on environmental and social indicators
Developing or distributing supply chain mapping tool
Supplier audits
Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation
Support suppliers to develop public time-bound action plans with clear milestones
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement

Our sourcing requirements and guidance are clearly laid out for suppliers on the McDonald's Global Sustainable Sourcing Guide. We provide annual feedback on the areas of importance to us in relation to forest-related commodities through CDP Supply Chain. We ensure that suppliers are involved and can feed into strategy development to meet our goals. We engage others within the industry to align our requirements with third parties to improve the capacity for suppliers to meet our goals. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (5)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.
Forest risk commodity

Timber products

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building

Details of engagement

Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
On-site meetings with indirect suppliers
Supplier audits
Offering on-site training and technical assistance
Disseminating technical materials
Participating in workshops
Investing in pilot projects

Description of engagement

All primary guest packaging made from paper/ board sold to McDonald's globally must be certified by Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) or a PEFC-endorsed national program (e.g., SFI), or made from 100% recycled content as verified by a third-party. McDonald's requires all wood and wood fiber sourced from high-risk regions (Russia, China, Malaysia, Indonesia, Laos, Vietnam, Cambodia, and Argentina) and used for fiber-based packaging, to be FSC certified at mill level. The majority of the McDonald's fiber supply chain is managed by HAVI, our supply chain partner tracking this data. To meet our Commitment on Forests, HAVI engages their suppliers to the mill level to ensure compliance with our commitment. Raw material suppliers (e.g. paper mills) are included in the TraQtion collection process to request that these suppliers disclose their fiber sourcing practices and chain of custody. High risk mitigation procedures have been developed in partnership with mills to demonstrate compliance with high-risk requirements. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition.

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (1)

Forest risk commodity

Palm oil

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
On-site meetings with indirect suppliers
Supplier audits
Offering on-site training and technical assistance
Disseminating technical materials
Participating in workshops
Investing in pilot projects

Description of engagement

The focus of our strategy is to achieve 100% RSPO certification of our palm oil and we are committed to increasing traceability for the palm oil used in the McDonald's system in the greatest volumes, which means we are increasing our physical RSPO volumes (Mass Balance, Segregated, and Identity Preserved). We are members of RSPO and the Palm Oil Collaboration group and collaborate with a number of direct and indirect suppliers through these forums to manage and mitigate risks. We also carry out additional supply chain mapping through the NDPE Implementation Reporting Framework and conduct onsite meetings with producers. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition.

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (2)

Forest risk commodity

Cattle products

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building
Innovation and collaboration

Details of engagement

Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
On-site meetings with indirect suppliers
Supplier audits
Disseminating technical materials
Participating in workshops
Investing in pilot projects

Description of engagement

We recognize that each commodity supply chain is different and production practices vary depending on the local context. That's why it is critical that we work collaboratively with suppliers and expert partners to develop tailored solutions, strategies and definitions that are practical and effective. For example, no existing certification scheme or credible process existed for tackling deforestation in beef supply chains so we established a relationship with Proforest, a not-for-profit organization focused on responsible production and sourcing, and Agrottools, a Brazilian ag-tech company and certified B-Corp that provides advanced monitoring technology, to increase our ability to monitor our beef supply chain and to help our suppliers take targeted action. During this process we aligned closely with NGOs like the World Wildlife Fund and tested emerging standards from groups like the Accountability Framework Initiative. Using our Supplier Sponsorship Program, we actively map our beef sourcing locations in high priority regions through our direct suppliers, and their raw material suppliers to the location of at least the last farm before slaughter to understand the risk from deforestation to our supply and take steps to mitigate that risk through compliance action in coordination with our direct and indirect suppliers. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition.

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our

supply base to address the changing expectations of stakeholders and regulators.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (3)

Forest risk commodity

Soy

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building

Details of engagement

Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
Disseminating technical materials
Participating in workshops

Description of engagement

To understand our soy footprint globally, McDonald's developed a soy calculator with our partners Agrotools and Proforest. We linked the outputs from our annual raw material survey of suppliers, TraQtion, with this calculator to better understand our soy footprint related to our poultry supply chain. We have taken steps to work with direct suppliers to mitigate this risk by supporting deforestation free supply chains through third party certification. McDonald's is working beyond our first-tier chicken suppliers to cascade commitments by asking suppliers to engage their own suppliers in order to report to both TraQtion and CDP. We are lead members of CDP Supply Chain. We use this program to engage key suppliers of forest-risk commodities and build knowledge and capacity of our supplier base through webinars and direct feedback on supplier performance. We also use this engagement route to talk about the forest positive approach and theory of change advocated as members of the Consumer Goods Forum Forest Positive Coalition. Through sectoral initiatives like CGF Forest Positive Coalition and UK Soy Roundtable, in which soy traders are engaged, we also reach beyond our direct first-tier suppliers.

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (4)

Forest risk commodity

Other – Coffee

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping
Capacity building

Details of engagement

Developing or distributing supply chain mapping tool
Supplier questionnaires on environmental and social indicators
On-site meetings with indirect suppliers
Supplier audits
Offering on-site training and technical assistance
Disseminating technical materials
Participating in workshops
Investing in pilot projects

Description of engagement

We require all of our coffee to be Rainforest Alliance, UTZ (now part of Rainforest Alliance), Fair Trade certified or to come from a McCafé SIP approved program. In line with our Commitment on Forests, we identify Honduras, Indonesia, and Vietnam as high deforestation priority regions for coffee and require all coffee sourced from these locations to be Rainforest Alliance Certified™. We engage our suppliers through these programs and via the Sustainable Coffee Challenge (SCC) which aims to make coffee the world's first sustainable agricultural product. As an Advisory Council member of the SCC, we are uniting with other key industry players – retailers, roasters, industry associations and non-governmental organizations – to help make the changes needed to transform the industry.

Explain the impact of your engagement on the selected action

We have retained a high level of compliance with our stated goal since our initial 2020 target date. Through this engagement, we aim to continue building capacity in our supply base to address the changing expectations of stakeholders and regulators.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (5)

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, we do not engage in landscape/jurisdictional approaches, but we plan to in the next two years	Important, but not an immediate priority	We have recently partnered with Proforest and Tanah Air Lestari (TAL) alongside other company funders to invest in Sustain-Kutim, a new sustainable landscape initiative in Kutai Timur, Indonesia. The program will support the Kutai Timur District Government in the implementation of the East Kutai Declaration and Sustainable Plantation Plan 2021-2030, including monitoring land-use management and identifying HCV areas; as well as support smallholders in meeting certification standards (ISPO and RSPO) and village land-use planning working with cooperative farmer groups and communities to secure land, monitor and manage community forests, improve agricultural practices and support alternative livelihoods. As this is a new initiative, we are finalizing details and will share more details in the 2024 disclosure.

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA)

Forest Stewardship Council (FSC)

Programme for the Endorsement of Forest Certification (PEFC)

Other, please specify (Consumer Goods Forum Forest Positive Coalition, The Accountability Framework (AFi), Collaboration on Forests and Agriculture, The Accountability Framework, The Good Growth Partnership)

Please explain

We know that we must work on wider industry transformation to help achieve our ultimate aim of eliminating deforestation. To do this, we work in partnership with others – suppliers, governments, non-governmental organizations (NGOs) and other key stakeholders. McDonald's is active in many multi-stakeholder dialogues to bring attention to forests and help drive action toward our goals. We also engage with a range of industry organizations and forums to identify solutions. We have also participated in the Global Forest & Trade Network (GFTN) and CDP Supply Chain Forests.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA)

Roundtable on Sustainable Palm Oil (RSPO)

Other, please specify (Collaboration on Forests and Agriculture, The Accountability Framework, The Good Growth Partnership, Palm Oil Collaboration Group (POCG))

Please explain

We know that we must work on wider industry transformation to achieve our ultimate aim of eliminating deforestation by the end of 2030. To do this, we work in partnership with others – suppliers, governments, non-governmental organizations (NGOs) and other key stakeholders. McDonald's is active in many multi-stakeholder dialogues to bring attention to forests and help drive action toward our goals. We also engage with a range of industry organizations and forums to identify solutions including the Palm Oil Collaboration Group (POCG) and the Consumer Goods Forum Forest Positive Coalition. We communicate annually through the RSPO Annual Communication of Progress and our website. We also continuously update our Global Sustainable Sourcing Guide, which outlines our priorities and expectations for suppliers, including for palm oil.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA)

Global Roundtable for Sustainable Beef (GRSB)

Other, please specify (European Roundtable of Beef Sustainability (ERBS), Consumer Goods Forum Forest Positive Coalition, Collaboration on Forests and Agriculture, The Accountability Framework (AFI), The Good Growth Partnership, Australian Beef Sustainability Framework)

Please explain

We know that we must work on wider industry transformation to achieve our ultimate aim of eliminating deforestation. To do this, we work in partnership with others – suppliers, governments, non-governmental organizations (NGOs) and other key stakeholders. McDonald's is active in many multi-stakeholder dialogues to bring attention to forests and help drive action toward our goals, including the Consumers Goods Forum Forest Positive Coalition. We also engage with a range of industry organizations and forums to identify solutions. We leverage our position on cross sector platforms like the GRSB to drive wider collaboration and action. To support the delivery of the GRSB principles and criteria on the ground, McDonald's has helped set up national and regional multi-stakeholder platforms such as in Canada, the US and Europe, and we participate in several others around the world. Additionally, we continue to partner with farmers, suppliers, academics and NGO experts like the World Wildlife Fund, as well as with our industry partners across the value chain to accomplish our beef sustainability commitments. We are supportive of jurisdictional approaches as they enable companies sourcing agricultural commodities to collaborate with local governments, communities, and producers in their sourcing region. By working together, we can all ensure that local laws, regional efforts, and corporate policies work in concert to make regions deforestation-free. Additionally, some of our other multi-stakeholder platforms and dialogues at global and local level that McDonald's representatives are involved in include: Brazilian Roundtable on Sustainable Livestock (GPTS), 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, Consumers Goods Forum Forest Positive Coalition. Voluntary Monitoring Protocol for Cattle Suppliers in the Cerrado.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA)

Other, please specify (Consumer Goods Forum Forest Positive Coalition, The Accountability Framework (AFI), Collaboration on Forests and Agriculture, The Accountability Framework, The Good Growth Partnership)

Please explain

We know that we must work on wider industry transformation to achieve our ultimate aim of eliminating deforestation. To do this, we work in partnership with others – suppliers, governments, non-governmental organizations (NGOs) and other key stakeholders. McDonald's is active in many multi-stakeholder dialogues to bring attention to forests and help drive action toward our goals including the Consumer Goods Forum Forest Positive Coalition. We also engage with a range of industry organizations and forums to identify solutions. 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 2016, McDonald's actively supported the indefinite extension of the Moratorium. We also participate in the Consumer Goods Forum Forest Positive Coalition, The Accountability Framework (AFI), the Collaboration on Forests and Agriculture and CDP Supply Chain Forests.

Forest risk commodity

Other - Coffee

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA)

Other, please specify (Sustainable Coffee Challenge, Consumer Goods Forum Forest Positive Coalition, Accountability Framework (AFI), Certification schemes - capacity building with Rainforest Alliance, Fairtrade, CFA,P)

Please explain

We know that we must work on wider industry transformation to achieve our ultimate aim of eliminating deforestation. To do this, we work in partnership with others – suppliers, governments, non-governmental organizations (NGOs) and other key stakeholders. McDonald's is active in many multi-stakeholder dialogues to bring attention to forests and help drive action toward our goals. We also engage with a range of industry organizations and forums to identify solutions. For example, we have created an Advisory Council to provide input on the strategic direction of McCafé SIP. In partnership with Conservation International and with input from the Advisory Council, we developed and introduced a set of minimum requirements that all farms must meet and that will be assessed through third-party audits. These requirements are focused on social and environmental impacts such as human rights, health and safety and deforestation. In partnership with COSA, we have also expanded performance metrics, which measure continuous improvement towards social, environmental and economic standards annually. Through analysis of these metrics, our roasters can better target investments in programs that support income diversification or food security and help to build the resilience of these communities. Additionally, we engage our suppliers

through these programs and via the Sustainable Coffee Challenge (SCC) which aims to make coffee the world's first sustainable agricultural product. As an Advisory Council member of the SCC, we are uniting with other key industry players – retailers, roasters, industry associations and non-governmental organizations – to help make the changes needed to transform the industry.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Expected benefits of project

Net gain in biodiversity and ecosystem integrity

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

One of the ways McDonald's has expanded its work beyond our initial forest commitment is to engage in efforts to halt conversion of ecosystems that host critical biodiversity, including forests, grasslands and savannahs, such as our support of the Instituto Onça-Pintada in Brazil. The presence of an apex predator such as the jaguar indicates a robust and thriving ecosystem. The Certificado Onça-Pintada, or Jaguar Friendly Ranch Certification, by the Instituto Onça-Pintada recognizes accomplishments related to protecting this threatened species.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2019

Target year

Please select

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area

Brazil

Latitude

Longitude

Monitoring frequency

Please select

Total investment over the project period (currency)

100000

For which of your expected benefits are you monitoring progress?

Reduce/halt biodiversity loss

Please explain

By exemplifying actions and conduct that allow for the coexistence of cattle production and the jaguar, landowners are taking a leadership role in decisions that will help determine the jaguar's existence for future generations.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

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

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Lack of adequate traceability systems

Comment

Challenges with verifying traceability systems and NPDE policy implementation.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Inexistent or immature certification standards

Comment

Not a suitable third-party certification scheme, 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

Lack of adequate traceability systems

Comment

Forest risk commodity

Other - Coffee

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Development of certification and sustainability standards across entire landscapes/jurisdictions

Comment

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Investment in monitoring tools and traceability systems

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

Investment in monitoring tools and traceability systems

Comment

National monitoring and traceability programs in country of origin to improve the ability to track the impact of indirect supply in a standardized way for all purchasers.

Forest risk commodity

Other - Coffee

Coverage

Supply chain

Main measure

Investment in monitoring tools and traceability systems

Comment

F17 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.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Sustainability & Social Impact Officer	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms