

W0. Introduction

W0.1

(W0.1) 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 the raw material metrics is collected primarily through the McDonald's annual raw material survey of suppliers (TraQtion). It gathers data on volume, origin and sustainability certification across six categories of products supplied to McDonald's. TraQtion analyzes all supplier responses for variance from previous reported data. Where significant variances exist, manual review is conducted by the relevant McDonald's sourcing lead to ensure accuracy. Information is not approved or used without review. A governance team of Global Supply Chain (GSC) and Global Impact members meets weekly on reporting. McDonald's GSC Compliance team leads follow up with suppliers who do not report or report inaccurate or non-compliant information. We have worked with third parties to undertake supplier audits to ensure the rigor of our 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>.

W0.2

(W0.2) 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 |

W0.3

(W0.3) Select the countries/areas in which you operate.

- Australia
- Austria
- Canada
- France
- Germany
- Ireland
- Italy
- Netherlands
- New Zealand
- Poland
- Portugal
- Republic of Korea
- Slovakia
- Spain
- Switzerland
- Ukraine
- United Kingdom of Great Britain and Northern Ireland
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

| Exclusion | Please explain |
|--|---|
| Company-owned or controlled office facilities. | Data availability constraints for office water usage. Relative to the Company's restaurant water consumption worldwide, Company-owned or controlled office facilities use a negligible amount of water. |

W0.7

(W0.7) 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 |

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

| | Direct use importance rating | Indirect use importance rating | Please explain |
|--|------------------------------|--------------------------------|---|
| Sufficient amounts of good quality freshwater available for use | Vital | Vital | Vital for direct use, water is a requirement for the preparation of McDonald's food and beverage products, as well as for maintaining the Company's food safety, quality, service and cleanliness (QSC) standards. McDonald's restaurants use freshwater for public and staff amenities, cleaning and sanitation, beverage systems, and landscaping, all of which enable the restaurants to provide the experience that our customers expect. For indirect use, water is also a critical input to the agricultural systems and processing facilities that grow and support the food produced by our suppliers for McDonald's restaurants. |
| Sufficient amounts of recycled, brackish and/or produced water available for use | Important | Important | In areas where water scarcity is a significant concern, such as Australia or the southwest U.S., we implement water sensitive landscaping where possible and utilize the Water Sensitive Urban Design (WSUD) principals when designing our landscaping which utilizes the rainwater within our garden beds which also act as a filter before it enters the storm water system. |

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

| | % of sites/facilities/operations | Frequency of measurement | Method of measurement | Please explain |
|--|----------------------------------|--------------------------|--|---|
| Water withdrawals – total volumes | 1-25 | Monthly | Utility bills | We monitor water withdrawal data at the corporate level from over 600 Company-owned McDonald's restaurants in the U.S., our largest market. Other markets' water withdrawals are tracked at the local level. Office water usage data is excluded in 2022 reporting. Offices represent a negligible part of our water withdrawals relative to total restaurant withdrawals and it is not tracked centrally in the same way as restaurants. |
| Water withdrawals – volumes by source | 1-25 | Please select | | We monitor water withdrawal data at the corporate level from over 600 Company-owned McDonald's restaurants in the U.S., our largest market. These restaurants represent over 89% of U.S. Company-owned restaurants in the 2022 reporting year (nearly 23% of Company-owned restaurants globally). Other markets' water withdrawals are tracked at the local level. Office water usage data is excluded in 2022 reporting. Offices represent a negligible part of our water withdrawals relative to total restaurant withdrawals and it is not tracked centrally in the same way as restaurants. |
| Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors] | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector] | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Water withdrawals quality | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water discharges – total volumes | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water discharges – volumes by destination | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water discharges – volumes by treatment method | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water discharge quality – by standard effluent parameters | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances) | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water discharge quality – temperature | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water consumption – total volume | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| Water recycled/reused | Not monitored | <Not Applicable> | <Not Applicable> | We do not regularly monitor this metric at the corporate level. Rather, this is tracked at the restaurant and/or regional level. |
| The provision of fully-functioning, safely managed WASH services to all workers | 100% | Continuously | McDonald's performs several unscheduled site evaluations throughout the year | Providing sanitation and hygiene to restaurant workers and customers is core to the operations of our restaurants and a necessary requirement to open our doors. McDonald's complies with all local health and safety standards in the workplace. In addition, food safety standards, which includes WASH guidance and services, are implemented at every McDonald's restaurant. Restaurant food safety and quality management procedures are integrated into McDonald's Operations and Training Program and based on Hazard Analysis of Critical Control Points principles. |

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

| | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Five-year forecast | Primary reason for forecast | Please explain |
|-------------------|--------------------------|---|--|--------------------|--|--|
| Total withdrawals | 8017.83 | Higher | Increase/decrease in business activity | About the same | Increase/decrease in business activity | In the U.S., we estimate this aggregate figure using average annual withdrawal data from over 600 Company-owned restaurants where we have annual water usage data. This data is then extrapolated for the remaining Company-owned restaurants worldwide. For 2022, we captured a full year of billing data for over 600 McDonald's U.S. Company-owned restaurants. When comparing water performance across the restaurants with a full year of data in both 2022 and 2021 the average Company-owned restaurant withdrawal in 2022 was approximately 15.8% higher than in 2021. |
| Total discharges | | Please select | Please select | Please select | Please select | |
| Total consumption | | Please select | Please select | Please select | Please select | |

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

| | Withdrawals are from areas with water stress | % withdrawn from areas with water stress | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Five-year forecast | Primary reason for forecast | Identification tool | Please explain |
|-------|--|--|---|--|--------------------|-----------------------------|---------------------|--|
| Row 1 | Yes | 26-50 | About the same | Please select | About the same | Please select | WRI Aqueduct | Between 40-50% restaurants worldwide as of the December 31, 2022 restaurant count (Company-owned and Franchisee) were evaluated to be in high or extremely-high baseline water stress areas, based on the WRI Aqueduct Water Risk Assessment in 2017. We do not breakdown this percentage between Company-owned locations vs. Franchisee locations. In 2016, the Company and WRI scoped a Water Risk Assessment which assesses water-related business risks across McDonald's value chain, from raw material sourcing, through manufacturing and distribution, to Company-owned and Franchisee restaurants. The assessment leverages data from the Aqueduct Water Risk Atlas and uses standardized estimated water usage in the restaurants to provide quantitative estimates of where water risk could impact McDonald's value chain. |

W1.2h

(W1.2h) Provide total water withdrawal data by source.

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Please explain |
|--|---------------|--------------------------|---|--|--|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Please select | <Not Applicable> | <Not Applicable> | <Not Applicable> | McDonald's restaurants rely on municipal supply for water sourcing. |
| Brackish surface water/Seawater | Please select | <Not Applicable> | <Not Applicable> | <Not Applicable> | McDonald's restaurants rely on municipal supply for water sourcing. |
| Groundwater – renewable | Please select | <Not Applicable> | <Not Applicable> | <Not Applicable> | McDonald's restaurants rely on municipal supply for water sourcing. |
| Groundwater – non-renewable | Please select | <Not Applicable> | <Not Applicable> | <Not Applicable> | McDonald's restaurants rely on municipal supply for water sourcing. |
| Produced/Entrained water | Please select | <Not Applicable> | <Not Applicable> | <Not Applicable> | McDonald's restaurants rely on municipal supply for water sourcing. |
| Third party sources | Relevant | 8017.8 | Higher | Please select | In the U.S., we estimate this aggregate figure using average annual withdrawal data from over 600 Company-owned restaurants where we have annual water usage data. This data is then extrapolated for the remaining Company-owned restaurants worldwide. For 2022, we captured a full year of billing data for over 600 McDonald's U.S. Company-owned restaurants. When comparing water performance across the restaurants with a full year of data in both 2022 and 2021, the average Company-owned restaurant withdrawal in 2022 was approximately 15.8% higher than in 2021 due to increased business activity. |

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

| | Revenue | Total water withdrawal volume (megaliters) | Total water withdrawal efficiency | Anticipated forward trend |
|-------|------------|--|-----------------------------------|---------------------------|
| Row 1 | 2318000000 | 8017.8 | | Unknown |

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

| | Products contain hazardous substances | Comment |
|-------|---------------------------------------|---------|
| Row 1 | No | |

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

| | Engagement | Primary reason for no engagement | Please explain |
|--|------------|----------------------------------|------------------|
| Suppliers | Yes | <Not Applicable> | <Not Applicable> |
| Other value chain partners (e.g., customers) | Yes | <Not Applicable> | <Not Applicable> |

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

No, we do not assess the impact of our suppliers and have no plans to do so within the next two years

Considered in assessment

<Not Applicable>

Number of suppliers identified as having a substantive impact

<Not Applicable>

% of total suppliers identified as having a substantive impact

<Not Applicable>

Please explain

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

| | Suppliers have to meet specific water-related requirements | Comment |
|-------|---|------------------|
| Row 1 | Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts | <Not Applicable> |

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Incentivization

Details of engagement

Other, please specify (Water management and stewardship action is integrated into your supplier evaluation)

% of suppliers by number

100%

% of suppliers with a substantive impact

<Not Applicable>

Rationale for your engagement

As part of the McDonald's Supplier Code of Conduct, every supplier is responsible for managing, measuring and minimizing the environmental impact of their facilities. Specific focus areas include air emissions, waste reduction, recovery and management, water use and disposal, and greenhouse gas emissions. Our Global Sustainable Sourcing Guide (GSSG), which houses all of McDonald's global sustainable sourcing requirements on an internal website that all McDonald's suppliers and employees have access to, calls out water stewardship as one of McDonald's Priority Impact Areas (PIAs), which are key issues in our business where we want to drive positive sustainability outcomes. This includes a page dedicated to water, that encourages our suppliers to work through a checklist we developed that asks suppliers if they have a company level water strategy, questions about their owned processing facilities water data and plans, and questions about their engagement with their supply chain and their industries. These are our expectations for all suppliers and will be the basis for sustainability evaluations going forward.

Impact of the engagement and measures of success

We are evaluating the best measurement approaches to capture progress as different programs unfold.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

| | |
|--------------------------|-----------|
| United States of America | Not known |
|--------------------------|-----------|

Type of impact driver & Primary impact driver

| | |
|------------------|-------------------------|
| Chronic physical | Declining water quality |
|------------------|-------------------------|

Primary impact

Disruption to sales

Description of impact

In the last few years, numerous restaurants experienced temporary closures or restrictions on operations that impacted sales for the locations.

Primary response

Adopt water efficiency, water reuse, recycling and conservation practices

Total financial impact

Description of response

Due, in part, to these types of events, McDonald's implements projects within some restaurants to increase the adoption of leading water efficiency, reuse, and conservation efforts. Recently, certain restaurants in the U.S. have begun leveraging more of these technologies. These efforts include greater engagement with the communities where we operate around local water issues.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

| | Water-related regulatory violations | Fines, enforcement orders, and/or other penalties | Comment |
|-------|-------------------------------------|---|---------|
| Row 1 | Unknown | <Not Applicable> | |

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

| | Identification and classification of potential water pollutants | How potential water pollutants are identified and classified | Please explain |
|-------|--|--|----------------|
| Row 1 | No, we do not identify and classify our potential water pollutants | <Not Applicable> | |

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Not defined

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

International methodologies and standards

Tools and methods used

WRI Aqueduct

IPCC Climate Change Projections

Contextual issues considered

Please select

Stakeholders considered

Please select

Comment

In 2020-2021, the Company initiated an initial assessment of climate-related risks to establish a foundational scenario for assessing the physical risk related to climate change and water. We used a business-as-usual scenario to assess physical risks. This scenario assessed the exposure to water-related risks for McDonald's restaurants across North America, Latin America, Europe and APMEA under the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 scenario. The analysis focused on water stress under the conditions of a rapidly heating planet. We are now in the process of analyzing medium- and long-term implications from such water-related risks for McDonald's restaurants. While our scenario modeling has been used to identify and address water risk at a global level, many McDonald's markets have also been conducting water related risk assessments to identify and mitigate risk at a local level.

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Not defined

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
International methodologies and standards

Tools and methods used

WRI Aqueduct
IPCC Climate Change Projections

Contextual issues considered

Please select

Stakeholders considered

Please select

Comment

In 2020-2021, the Company initiated an initial assessment of climate-related risks to establish a foundational scenario for assessing the physical risk related to climate change and water. We used a business-as-usual scenario to assess physical risks. This scenario assessed the exposure to water-related risks for McDonald's key commodities under the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 scenario. The analysis focused on water stress under the conditions of a rapidly heating planet. We are now in the process of analyzing medium- and long-term implications from such water-related risks for McDonald's supply chain. While our scenario modeling has been used to identify and address water risk at a global level, many McDonald's markets have also been conducting water related risk assessments to identify and mitigate risk at a local level.

Value chain stage

Other stages of the value chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Not defined

How far into the future are risks considered?

Unknown

Type of tools and methods used

Tools on the market

Tools and methods used

WRI Aqueduct

Contextual issues considered

Please select

Stakeholders considered

Please select

Comment

In 2017, McDonald's worked with The World Resources Institute (WRI) to quantify water-related business risks across McDonald's value chain, from raw material sourcing, through manufacturing and distribution, to Company-owned and Franchisee restaurants. The assessment leverages data from the Aqueduct Water Risk Atlas and provides quantitative estimates of where water risk could impact McDonald's value chain. The work combined science-based information on water risk with key business insights.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

| | Rationale for approach to risk assessment | Explanation of contextual issues considered | Explanation of stakeholders considered | Decision-making process for risk response |
|-------|---|---|--|---|
| Row 1 | <p>The Company's risk management process identifies, prioritizes and addresses a range of risks that can directly or indirectly impact the organization in the short-, medium-, and long-term. Examples of the risks identified include: risks to brand reputation or trust among our customers and stakeholders; risks to the ongoing functions of our operations and assets, including our restaurants and supply chain; financial risks; legal risks, and risks to the continuing viability of our business model. In 2017, the McDonald's team worked with World Resources Institute (WRI) to quantify water-related business risks across McDonald's value chain, from raw material sourcing, through manufacturing and distribution, to Company-owned and Franchisee restaurants. The assessment leveraged data from the Aqueduct Water Risk Atlas and business insights to provide quantitative estimates of where water risk could impact McDonald's value chain.</p> <p>More recently in 2020-2021, the Company initiated an initial assessment of climate-related risks to establish a foundational scenario for assessing the physical risk related to climate change and water. This assessed the exposure to water-related risks for McDonald's restaurants across North America, Latin America, Europe and APMEA and key suppliers under the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 scenario. The analysis focused on water stress under the conditions of a rapidly heating planet.</p> | | <p>Senior managers in a wide range of functional areas have lead responsibility for identifying and managing risks within their areas of expertise. In many cases, they have their own formal risk identification and management processes. Input is also incorporated from partners outside the Company, such as strategic suppliers and industry experts. For example, we leverage partnerships and insights from leading external environmental stakeholders and industry groups to continually monitor and integrate the latest factors (science, policy, geo-politics, trends) into our climate risk and resiliency planning.</p> <p>One such functional area is our supply chain, which has a process in place to identify, assess and manage risks in our supply chain, and to design, develop and implement a comprehensive risk management strategy for our supply chain organization around the world. They regularly assess supply chain risks, working with the VP Chief Sustainability & Social Impact Officer and EVP Global Chief Impact Officer (both overseeing climate strategy) and other Sustainable Sourcing Directors on identified environmental risks.</p> | |

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) 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.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

| | Total number of facilities exposed to water risk | % company-wide facilities this represents | Comment |
|-------|--|---|--|
| Row 1 | 1000 | 26-50 | Between 40-50% Company-owned and Franchisee restaurants worldwide as of December 31, 2022 restaurant count were evaluated to be in high or extremely-high baseline water stress areas, based on the WRI Aqueduct Water Risk Assessment in 2017. We do not breakdown this percentage between Company-owned locations and Franchisee locations. In 2016, the Company and WRI scoped a Water Risk Assessment which assesses water-related business risks across McDonald's value chain, from raw material sourcing, through manufacturing and distribution, to Company-owned and Franchisee restaurants. The assessment leverages data from the Aqueduct Water Risk Atlas and uses standardized estimated water usage in the restaurants to provide quantitative estimates of where water risk could impact McDonald's value chain. The percentage of global facilities represented in this 26-50% range is greater than the input limit of 1,000 facilities at left. |

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

| | |
|--------------------------|---|
| United States of America | Other, please specify (Represents several basins worldwide. U.S. selected as country with most restaurants, however the risk drivers and response strategy information applies to restaurants throughout the world) |
|--------------------------|---|

Type of risk & Primary risk driver

| | |
|------------------|--------------|
| Chronic physical | Water stress |
|------------------|--------------|

Primary potential impact

Increased operating costs

Company-specific description

The Company relies on local watersheds for agricultural production, making our food and drinks, and running our restaurants. With worldwide agriculture accounting for 70% of the planet's freshwater use, it is clear water is vital to our business and the communities we impact. We recognize our role in responsibly managing a vital resource, playing our part in protecting the availability and quality of our water. Depending on the nature of the region and issues at hand, water stress, degradation of water quality and poor water stewardship, could result in a number of risks relating to restaurant operations and supply chain, including but not limited to higher operating costs due to disruption to sales, supply chain disruption, water supply disruption, fines/penalties, brand damage, loss of license to operate.

Timeframe

Unknown

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

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

These selections represent hypothetical examples only. Exact response strategies are still to be determined and will vary by region.

Cost of response

Explanation of cost of response

Depending on the nature of the region and issues, response strategies and costs will vary. Selections above are possibilities only at this stage.

For example: McDonald's Global Restaurant Standard (GRS) covers Water Conservation as a minimum standard. All new restaurants plumbing fixtures shall be specified as low-flow.

U.S. restaurant construction and remodel standards include low flow urinals, high efficiency toilets and faucets. We encourage sustainable design practices through our U.S. Restaurant Design Site Planning Guide such as utilizing native and/or drought tolerant landscaping, and storm water management through the use of rain gardens, permeable pavement, rainwater collection and reuse where it makes sense. In addition, we have begun developing community engagement projects in high priority water basins in the U.S. to proactively engage with key water stakeholders in communities where water is a stressed resource.

In Australia, current water management initiatives vary by restaurant and include: rainwater harvesting for irrigation and toilet flushing; water efficient fixtures with flows set to optimize use, including a water-efficient spray rinse gun, which has reduced both flow rates and water consumption; crew and manager training on water usage; and detailed landscaping guidelines. We utilize water sensitive landscaping where possible and follow Water Sensitive Urban Design (WSUD) principals when designing our landscaping which utilizes the rainwater within our garden beds. McDonald's Australia has branded its on-site exterior rainwater storage tanks to educate the public the importance of water reuse and McDonald's commitment to sustainability.

Further information is available at <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/our-planet/nature-forests-water.html>

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

| | |
|--------------------------|--|
| United States of America | Other, please specify (Represents several basins worldwide. U.S. selected as country with largest supply chain, however the risk drivers and response strategy information applies to our value chain throughout the world.) |
|--------------------------|--|

Stage of value chain

Supply chain

Type of risk & Primary risk driver

| | |
|------------------|--------------|
| Chronic physical | Water stress |
|------------------|--------------|

Primary potential impact

Increased operating costs

Company-specific description

The Company relies on local watersheds for agricultural production, making our food and drinks, and running our restaurants. With worldwide agriculture accounting for 70% of the planet's freshwater use, it is clear water is vital to our business and the communities we impact. We recognize our role in responsibly managing a vital resource, playing our part in protecting the availability and quality of our water.

Depending on the nature of the region and issues at hand, water stress, degradation of water quality and poor water stewardship, could result in a number of risks relating to restaurant operations and supply chain, including but not limited to higher operating costs due to disruption to sales, supply chain disruption, water supply disruption, fines/penalties, brand damage, loss of license to operate.

Timeframe

Unknown

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

Primary response to risk

| | |
|-------------------|-----------------------|
| Direct operations | Other, please specify |
|-------------------|-----------------------|

Description of response

These selections represent hypothetical examples only. Exact response strategies are still to be determined and will vary by region.

Cost of response

Explanation of cost of response

Depending on the nature of the region and issues, response strategies and costs will vary. Selections above are possibilities only.

For example: Facilities producing products for McDonald's in the U.S. are expected to have an environmental management system (EMS), of which water is a component, and to meet one of three environmental goals – including a goal to reduce water intensity by 20%.

As a Priority Impact Area, water is incorporated in our sustainable sourcing strategies; with approaches varying by commodity: COFFEE: The McCafe Sustainability Improvement Platform (McCafé SIP) launched in partnership with Conservation International (CI), based on years of providing support for sustainable coffee roaster programs and on-the-ground technical assistance. Access to safe water and water conservation practices are incorporated into McCafe SIP on farm actions. BEEF: The Company is active in the Global Roundtable for Sustainable Beef (GRSB) executive committee and is engaged with local roundtables that align with GRSB principles and criteria, some of which incorporate water quality and quantity attributes as part of their programs. PALM OIL: We require certification by the Roundtable on Sustainable Palm Oil (RSPO) as part of our palm oil policy, which includes protecting water resources and water quality/quantity measures in its principles and criteria.

Further information: <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/food-quality-and-sourcing.html>, or <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/our-planet/nature-forests-water.html>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

| | Primary reason | Please explain |
|-------|------------------------|----------------|
| Row 1 | Evaluation in progress | |

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

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

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

| | Scope | Content | Please explain |
|-------|--------------|---------------|---|
| Row 1 | Company-wide | Please select | <p>Our Company website states that water is vital to our business. We need safe, readily available water to run our restaurants and serve the drinks our customers love. Additionally, to create our iconic food items, we rely on agricultural produce, which in turn depends on freshwater sources. With water sources under increasing pressure from climate change, extreme weather, floods, drought and growing population demands, we need to treat every drop as precious.</p> <p>We focus on water quality, availability, efficiency and stewardship in our restaurants. This includes utilizing rainwater harvesting, condensate recovery and greywater use in toilet facilities in many markets.</p> <p>Water stewardship practices are embedded in our sourcing requirements. We expect suppliers to proactively manage, measure and minimize the environmental impact of their own operation, including through responsible water use and disposal. We also expect suppliers to influence their own supply chains to consistently improve the sustainability of sourcing practices and encourage them to report their progress through the CDP Supply Chain water disclosure.</p> <p>Guidance for suppliers on best practice water stewardship and management is included in our Global Sustainable Sourcing Guide, an internal resource that is in line with internal targets, emerging risks and developing best practices. This resource guides our food, packaging and logistics suppliers at the market and global levels.</p> |

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

| Position of individual or committee | Responsibilities for water-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 environmental issues such as water stewardship and climate change. They served as the executive sponsor of McDonald's sustainability aspirations. |
| Other C-Suite Officer | The Company's EVP Global Chief Global Impact Officer and reporting VP Chief Sustainability & Social Impact Officer served together with the EVP Global Chief People Officer, EVP Chief Supply Chain Officer, EVP Global Chief Global Marketing Officer and New Business Ventures, and Chief Legal Officer overseeing cross-functional aspects of McDonald's Impact Strategy, which ensures the organization fulfils its overall global sustainability performance, including goals and actions relating to environmental issues such as water stewardship and climate change. |
| Other, please specify ((Board of Directors/Committee of the BOD)) | <p>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, both of which are attached in C12.4. Also available here:</p> <p>Proxy Statement: https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/MCD_2023_Proxy_Statement.pdf</p> <p>Committee Charter: https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf</p> |

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

| | Frequency that water-related issues are a scheduled agenda item | Governance mechanisms into which water-related issues are integrated | Please explain |
|-------|---|--|---|
| Row 1 | Sporadic - as important matters arise | Monitoring implementation and performance Reviewing and guiding major plans of action | Water-related issues are embedded among the general sustainability strategy impact areas that the Board oversees and are considered when the Company provides regular updates about sustainability performance. |

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

| | Board member(s) have competence on water-related issues | Criteria used to assess competence of board member(s) on water-related issues | Primary reason for no board-level competence on water-related issues | Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future |
|-------|---|---|--|---|
| Row 1 | Please select | <Not Applicable> | <Not Applicable> | <Not Applicable> |

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Sustainability Officer (CSO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

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 actions relating to environmental issues, including our approach to water management and climate change. They serve as the executive sponsor of McDonald’s sustainability aspirations.

Name of the position(s) and/or committee(s)

Other committee, please specify (Cross-Functional Leadership Team)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

The Company’s EVP Global Chief Impact Officer and VP Chief Sustainability Officer serve together with the EVP Global Chief People Officer, EVP Chief Supply Chain Officer, EVP Global Chief Marketing Officer and New Business Ventures, and Chief Legal Officer overseeing cross-functional aspects of McDonald’s Impact Strategy, which ensures the organization fulfils its overall global sustainability performance, including goals and actions relating to climate-related issues. Water-related issues are viewed as connected to the Company’s 2030 goals for Climate Action. This cross-functional leadership team is supported by the Chief Executive Officer, placing accountability at the top of the organization.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

| | Provide incentives for management of water-related issues | Comment |
|-------|---|---------|
| Row 1 | Please select | |

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

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

MCD_2023_ProxyStatement (2).pdf

MCD_2022_Annual_Report (1).pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

| | Are water-related issues integrated? | Long-term time horizon (years) | Please explain |
|---|--|--------------------------------|--|
| Long-term business objectives | Yes, water-related issues are integrated | 11-15 | Conserving the planet's freshwater – and the quality of that water – is vital to our business model. For example, farming uses over two-thirds of the world's freshwater, making it critical to our business as a restaurant company. We also need clean water to process raw materials in our food and drinks, and to keep Company-owned and Franchisee restaurants clean. Water-related issues are identified among the Company's Priority Impact Areas for long-term sustainability, and protecting water resources is considered foundational to the Company's Global Impact Strategy, especially as it relates to the responsible sourcing of food and packaging. |
| Strategy for achieving long-term objectives | Yes, water-related issues are integrated | 11-15 | As a company, we intend to develop a holistic strategy, spanning water conservation, stewardship, quality and use. We have partnered with experts like WWF and the World Resources Institute to identify the risks and create a stewardship approach that will drive actions and improvements across our entire value chain. That said, as climatic events, extreme weather and growing demand for water are all adding pressure to water supplies, water-related issues are viewed as connected to the Company's existing strategy and 2030 goals for Climate Action, particularly as it relates to the agricultural supply chain. |
| Financial planning | No, water-related issues were not reviewed and there are no plans to do so | <Not Applicable> | The Company does not currently incorporate water-related issues into long-term financial planning. We will consider doing so in the future as more robust data becomes available about the direct connection between water-related issues and the Company's revenues and financial plans. |

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

| | Use of scenario analysis | Comment |
|-------|--------------------------|--|
| Row 1 | Yes | In 2020-2021, the Company initiated an initial assessment of climate-related risks to establish a foundational scenario for assessing the physical risk related to climate change and water. We used a business-as-usual scenario to assess physical risks. This scenario assessed the exposure to water-related risks for McDonald's restaurants across North America, Latin America, Europe and APMEA and McDonald's key commodities under the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 scenario. The analysis focused on water stress under the conditions of a rapidly heating planet. We are now in the process of analyzing medium- and long-term implications from such water-related risks for McDonald's restaurants and supply chain. |

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

| | Type of scenario analysis used | Parameters, assumptions, analytical choices | Description of possible water-related outcomes | Influence on business strategy |
|-------|--------------------------------|---|--|--------------------------------|
| Row 1 | Please select | | | |

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

At this time we have not yet assessed the relevancy of an internal price on water to our business.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

| | Products and/or services classified as low water impact | Definition used to classify low water impact | Primary reason for not classifying any of your current products and/or services as low water impact | Please explain |
|-------|---|---|---|---|
| Row 1 | Yes | <p>For example:</p> <p>McDonald's Global Restaurant Building & Equipment Standard (GRS) covers Water Conservation as a minimum standard. All new restaurants plumbing fixtures shall be specified as low-flow.</p> <p>U.S. restaurant construction and remodel standards include low flow urinals, high efficiency toilets and faucets. We encourage sustainable design practices through our U.S. Restaurant Design Site Planning Guide such as utilizing native and/or drought tolerant landscaping, and storm water management through the use of rain gardens, permeable pavement, rainwater collection and reuse where it makes sense. In addition, we have begun developing community engagement projects in high priority water basins in the U.S. to proactively engage with key water stakeholders in communities where water is a stressed resource.</p> <p>In Europe, the Company formalized European green building guidelines in 2009, including recommendations to reduce water consumption. The guidelines support efforts to reduce water consumption through sharing best practice and presenting the latest technologies available.</p> <p>In Australia, current water management initiatives vary by restaurant and include: rainwater harvesting for irrigation and toilet flushing; water efficient fixtures with flows set to optimize use, including a water-efficient spray rinse gun, which has reduced both flow rates and water consumption; crew and manager training on water usage; and detailed landscaping guidelines. We utilize water sensitive landscaping where possible and follow Water Sensitive Urban Design (WSUD) principals when designing our landscaping which utilizes the rainwater within our garden beds. McDonald's Australia has branded its on-site exterior rainwater storage tanks to educate the public the importance of water reuse and McDonald's commitment to sustainability.</p> | <Not Applicable> | Water impacts related to McDonald's products and ingredients are currently assessed as part of the Company's climate risk and resiliency priorities. As we continue to drive climate strategy, we will assess whether stand-alone classification of low-water impact is relevant for ingredients or products. |

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

No, and we do not plan to within the next two years

W8.1c

(W8.1c) Why do you not have water-related target(s) and what are your plans to develop these in the future?

| | Primary reason | Please explain |
|-------|--|--|
| Row 1 | Important but not an immediate business priority | Goal-setting at the global level for a localized issue like water is complex, especially given McDonald's franchise model. Thus, we have not set global water-related goals as part of our global Impact Strategy. The protection of water resources is identified as a Priority Impact Area for McDonald's and we have conducted a Water Risk Assessment with WRI which assessed water-related business risks across McDonald's value chain, from raw material sourcing, through manufacturing and distribution, to Company-owned and Franchisee restaurants. The assessment leveraged data from the Aqueduct Water Risk Atlas to provide quantitative estimates of where water risk could impact McDonald's value chain. Our collaboration provide a deeper understanding of what can be done to better steward water and reduce impacts in our value chain and connect us to partners and leaders in the water stewardship field. We continue to integrate water as a critical natural resource into our environmental and sustainability strategies and assess opportunities for future water strategy, such as developing a 'context-based' approach, focused on areas such as water quality, water quantity and source water protection across the value chain and in 2021 we joined the Taskforce for Nature Related Financial Disclosure to collaborate with others to assess our impacts and dependencies on a range of natural resources, including water. |

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

| | Plastics mapping | Value chain stage | Please explain |
|-------|------------------|-----------------------------------|---|
| Row 1 | Yes | Supply chain Product use phase | <p>McDonald's collects consumer-facing plastic packaging data across markets, representing approximately 85% of the total global plastic usage. The data includes primary guest packaging, while pre-packaged items, operational packaging, transport packaging, and Happy Meal toys are not included in CDP plastics module reporting. McDonald's plastic portfolio is made up of the following categories, listed in order of magnitude: polypropylene (PP), polystyrene (PS), low-density polyethylene (LDPE), polyethylene terephthalate (PET), and high-density polyethylene (HDPE).</p> <p>As part of McDonald's efforts to source all food and packaging sustainably, we also partner with our suppliers and industry partners to collect data on primary guest packaging composition, usage, and waste.</p> |

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

| | Impact assessment | Value chain stage | Please explain |
|-------|-------------------|-------------------|--|
| Row 1 | Yes | Product use phase | <p>McDonald's assessment focuses on the GHG emissions associated with use of plastics in primary guest packaging on an annual basis. This data is used and reported in Company-wide GHG emissions disclosures as part of the CDP climate-change questionnaire. We also publicly disclose our plastic usage annually through WWF's ReSource Plastic Progress Report and annual progress updates to achieving McDonald's global packaging and waste goals.</p> |

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

| | Risk exposure | Value chain stage | Type of risk | Please explain |
|-------|---------------|--|----------------------------|--|
| Row 1 | Yes | Direct operations Product use phase | Regulatory Reputational | <p>Emerging laws and regulations are assessed regularly to identify actual or perceived risks relating to areas such as climate, packaging, waste, and energy to support the development of mitigation strategies.</p> <p>McDonald's markets in Europe have been responding to legislation related to disposable packaging, specifically the European Union's Single-Use Plastics Directive (SUPD). As part of this directive, from July 2021, the EU no longer allows certain single-use plastic items, such as plastic cutlery and straws, to be placed on the Member States market. Specialist teams on packaging have identified and developed strategies to respond to such risks. EU compliant alternatives to single-use plastic straws, cutlery and stirrers are currently in place across European McDonald's markets.</p> <p>Climate change and other environmental factors are included in the criteria we evaluate regularly for customer and external stakeholder feedback that allow us to understand expectations and gauge reputation within the context of the food and beverage industry and among corporate sustainability leaders. These insights inform our communications and engagement on sustainability topics and are considered in our sustainability strategies including Climate Action, Nature, Forests & Water, Responsible Sourcing, and Packaging, Toys & Waste, which are intended to demonstrate to customers and internal and external stakeholders that the Company understands the interconnectivity of environment, social and economic business drivers. For example, packaging and waste topics have emerged as an environmental concern for customers from recent multi-market customer research, which reinforces this work as a priority for the Company.</p> <p>A key pillar of our strategy has been to reduce materials used by lightweighting and optimizing our packaging. We are accelerating our progress towards our commitments by redesigning some of our most iconic products, innovating materials, and increasing opportunities for recovery.</p> |

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

| | Targets in place | Target type | Target metric | Please explain |
|-------|------------------|--|---|---|
| Row 1 | Yes | Plastic packaging Plastic goods Waste management | <p>Eliminate problematic and unnecessary plastic packaging</p> <p>Increase the proportion of post-consumer recycled content in plastic packaging</p> <p>Increase the proportion of renewable content from responsibly managed sources in plastic packaging</p> <p>Increase the proportion of plastic packaging that is recyclable in practice and at scale</p> <p>Increase the proportion of renewable content from responsibly managed sources in plastic goods</p> <p>Increase the proportion of our goods that are recyclable in practice and at scale</p> <p>Increase the proportion of recyclable plastic waste that we collect, sort, and recycle</p> | <p>We aim to source 100% of our primary guest packaging from renewable, recycled or certified materials by the end of 2025. By the end of 2022, McDonald's was approximately 81.0% of the way toward its target.</p> <p>Our goal is to drastically reduce plastics in Happy Meal toys around the globe and transition to more sustainable materials by the end of 2025. Achieving this goal is expected to result in an approximately 90% reduction in the virgin fossil fuel-based plastic used to make Happy Meal toys. Since 2018, we have reduced virgin fossil fuel-based plastic in Happy Meal toys by 47.8% globally, and we continue to work on sourcing materials used in Happy Meal toys from renewable, recycled or certified sources.</p> <p>We aim to implement global and local solutions across our business to advance the reduction, reuse or recycling of guest packaging, and help create demand for recycled materials by the end of 2025.</p> <p>In 2022, more than 85.1%, of restaurants in markets with advanced infrastructure* offered guests the opportunity to recycle packaging items. In these restaurants, guest packaging is collected in customer-facing recycling bins or for back-of-house or off-site sorting and recycling utilizing existing local waste infrastructure systems.</p> <p>* Markets with Advanced Infrastructure: Mature waste and recycling infrastructure at a national level that has: (1) recycling infrastructure network across the entire market, (2) multiple materials being recycled within this national infrastructure network, (3) existing legislation on recycling, (4) high customer awareness of waste and recycling. At the end of 2022, that included 21 markets where McDonald's operates.</p> |

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

| | Activity applies | Comment |
|--|------------------|--|
| Production of plastic polymers | No | McDonald's does not produce plastic polymers |
| Production of durable plastic components | No | McDonald's does not produce durable plastic components |
| Production / commercialization of durable plastic goods (including mixed materials) | Yes | McDonald's commercializes durable plastic goods in Happy Meal toys. |
| Production / commercialization of plastic packaging | No | McDonald's does not produce or commercialize plastic packaging |
| Production of goods packaged in plastics | Yes | Certain McDonald's products use plastic packaging. The majority of McDonald's global packaging portfolio by weight is fiber (approximately 83%), with the remaining comprised of plastics (approximately 17%). |
| Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services) | Yes | Certain McDonald's products use plastic packaging. The majority of McDonald's global packaging portfolio by weight is fiber (approximately 83%), with the remaining comprised of plastics (approximately 17%). |

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

Raw material content percentages available to report

% virgin fossil-based content

<Not Applicable>

% virgin renewable content

<Not Applicable>

% post-industrial recycled content

<Not Applicable>

% post-consumer recycled content

<Not Applicable>

Please explain

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

| | Total weight of plastic packaging sold / used during the reporting year (Metric tonnes) | Raw material content percentages available to report | % virgin fossil-based content | % virgin renewable content | % post-industrial recycled content | % post-consumer recycled content | Please explain |
|------------------------|---|---|-------------------------------|----------------------------|------------------------------------|----------------------------------|---|
| Plastic packaging sold | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Plastic packaging used | 164485 | % virgin fossil-based content % virgin renewable content % post-industrial recycled content % post-consumer recycled content | 95.5 | 2.9 | 0.3 | 1.3 | Data is limited to primary plastic guest packaging, which includes disposable products used to package guest food on premises at McDonald's restaurants that 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. These figures were collected from suppliers through an annual reporting process. The data is based on reporting for 22 of McDonald's markets. This reflects approximately 85% of overall volumes. Renewable and recycled sources include mass balance certified claims |

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

| | Percentages available to report for circularity potential | % of plastic packaging that is reusable | % of plastic packaging that is technically recyclable | % of plastic packaging that is recyclable in practice at scale | Please explain |
|------------------------|---|---|---|--|------------------|
| Plastic packaging sold | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Plastic packaging used | Please select | <Not Applicable> | <Not Applicable> | <Not Applicable> | |

W11. Sign off

W-FI

(W-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.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water 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 | Non-public |

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No

Please confirm below

I have read and accept the applicable Terms