

Feeding and Fostering Communities

McDonald's Purpose & Impact
Summary Report 2019–2020

There when people need us most

In a difficult year, McDonald's
showed up for its communities

Accelerating circular solutions

How we are reimagining
packaging

Our food journey

Sourcing quality ingredients
while helping people, animals
and the planet thrive



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Driving positive impact in the communities we serve



Welcome from our CEO
Chris Kempczinski

2020 brought extraordinary challenges for us all, and no community around the world has gone untouched. We have focused on showing up for our communities – because we know there's a difference between operating in a community and being part of one.

Since becoming CEO in 2019, I've had the opportunity to work with so many incredible people across the McDonald's System and witness the actions they've taken in service of our purpose – to feed and foster community.

In response to the global COVID-19 pandemic, we have enhanced hygiene and cleanliness practices to ensure customer and crew safety across our global markets and are continuing to make changes as science around the pandemic evolves. We worked to support local communities and frontline workers, giving away meals and distributing surplus food. And while the industry struggled to maintain its supply during the early days of the pandemic, we leveraged our network of suppliers to keep providing food and important resources to many of our restaurants and communities across the world.

Despite the impact of the pandemic, I'm proud that we have remained committed to making progress on some of the most pressing challenges of our time – from social inequality to the impacts of climate change. We have continued our investment into sustainable packaging innovation, renewable energy and regenerative farming solutions to help drive action on climate change.

We also renewed our attention to make changes that drive equitable opportunity for all by launching our global aspiration on diversity, equity and inclusion. It allows us to use our influence and scale to accelerate meaningful and overdue societal change for McDonald's employees, franchisees, suppliers, customers and communities.

Delivering on our purpose today and in the future

As we look to the future, it's important that we continue to embrace the changes taking place around us so that we can grow, meet evolving customer expectations and make our brand even stronger. Our customers want to see that the McDonald's they visit locally matches how we act globally. They also expect us to play a critical role in helping drive positive change in the world.

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To ensure we have the greatest positive impact possible, we are focusing on four areas that matter most:

Food quality & sourcing:

We are helping to create a future of quality and secure food sourced in a responsible way, because how our food is produced and where it comes from matter to our customers, communities and the environment.

Our planet: We are partnering with our franchisees, suppliers and farmers to protect our planet by finding innovative ways to keep waste out of nature and drive climate action.

Community connection: Being part of the community means supporting people every day, and especially when they need it most. It's why we're proud to support Ronald McDonald House Charities®, which enables families to stay together when a child is diagnosed with a life-threatening illness.

Jobs, inclusion & empowerment: We're looking to serve up bright futures by providing education and skills opportunities in the communities we serve and accelerating equity and inclusion across our business.

Guided by our values

Underpinning all of the decisions we make – big and small – are our values. They are the backbone of our business and define who we are and how we run our business.

Our values



Serve

We put our customers and people first



Inclusion

We open our doors to everyone



Integrity

We do the right thing



Community

We are good neighbors



Family

We get better together



Chris thanks our emergency workers at Streeterville, Chicago, through our Thank You Meal program in 2020. Find out more on page 13

Our values guide us to always put our customers and people first, and ensure we open our doors to everyone. They guide us to do the right thing, be good neighbors and give back to our communities. As a family, we will continue to get better together.

I'm proud of the meaningful difference that we already make in communities, but I'm also challenging us to do better. The next chapter in our story is already underway.

Chris Kempczinski
President and Chief Executive Officer,
McDonald's Corporation



Our food journey

At McDonald's, we're passionate about our food. That means taking great care of where it comes from, what goes into it and how it's produced. This is key to its quality, and ultimately to creating the "feel-good" moments our customers expect.

McDonald's has been on a journey and continues to work toward responsibly sourcing its food. We partner with producers, NGOs, scientists and suppliers to evaluate our impact on the planet, the livelihoods of the people who produce our food, the communities in which they live and the well-being of the animals we rely on. We prioritize our efforts where we can have the greatest impact, focusing on six products: beef, fish, chicken, coffee, palm oil and fiber for guest packaging.

Together with the World Wildlife Fund (WWF), we identified these products as having significant sustainability impacts. We are prioritizing action on a range of issues, from human rights and animal welfare to responsible antibiotic use. We have set goals against which we measure and track our progress, including a commitment to eliminate deforestation from the global supply chain by 2030.

We invest in initiatives and partnerships to drive progress. By working with key partners, we can ensure our initiatives have the widest impact and achieve real change, both within our supply chain and beyond. As Nicola Robinson, Global Director of Sustainable Sourcing at McDonald's, explains: "Responsibly sourced food doesn't start in the restaurant; it starts in the farms and the fisheries and begins with the dedication of suppliers and producers around the world and the partnerships we have with them. The COVID-19 crisis highlighted the vulnerability of agricultural supply chains and impacted farming communities. As we look ahead, we have an even greater responsibility to use our many relationships – from the farm to the restaurant – to ensure we can continue to serve quality, sustainable food to our communities long into the future."

We're continuously collaborating with farmers and experts to trial new practices around the world and collect important local insights. One of the benefits of this is that we can learn directly from producers who are already making a positive impact while improving farm productivity. This is why McDonald's established the Flagship Farmers program – to recognize leading farmers and provide a platform for knowledge sharing within the farming community. Since its launch in 2007, Flagship Farmers has recognized 34 farmers in 17 countries across four continents.

Our progress



Beef

For almost a decade, we have worked with the Global Roundtable for Sustainable Beef (GRSB) and local roundtables around the world to support the adoption of more sustainable practices. In Brazil, Canada and the U.S., we are sourcing beef from sustainability programs aligned with GRSB Principles and Criteria. We have also established research projects globally to validate pioneering sustainability practices for beef farming. We're supporting or sponsoring sustainability groups, tools or programs that encourage the wider adoption of best practices across six of our top 10 beef sourcing markets, and are on track to achieving this in all 10 markets by the end of 2020. As part of our commitment to responsible antibiotic use, we are also implementing our new Antibiotic Policy for Beef in our top 10 beef sourcing markets, with the long-term goal of reducing the use of antibiotics important to human health,¹ as defined by the World Health Organization.



Fish

In 2019, 99% of the fish sourced for Filet-O-Fish came from sustainably managed wild-caught fisheries, assessed and verified annually against the McDonald's Sustainable Fisheries Standard by the Sustainable Fisheries Partnership.



Chicken

We work with suppliers, animal welfare organizations, scientists and industry experts to continually improve the sustainability of chicken in our supply chain. Since February 2019, we have tracked antibiotics use in over 2.9 billion birds, resulting in significant reductions across our supply chain.



Coffee

In 2019, 75% of our coffee was sustainably sourced through third-party certification programs or the McCafé Sustainability Improvement Platform (SIP), developed in partnership with Conservation International, and we are making good progress toward our goal of sustainably sourcing all our coffee by the end of 2020.²



Palm oil

100% of the palm oil sourced for McDonald's restaurants or as ingredients in McDonald's products supports sustainable production and deforestation-free supply chains through Roundtable on Sustainable Palm Oil (RSPO) credits and certification.³



Fiber for guest packaging

In 2019, 92% of our primary fiber-based guest packaging was derived from recycled or certified sources. Our goal is to reach 100% by the end of 2020.⁴



Helping coffee communities build resilience

For McDonald's, responsible sourcing includes supporting the farmers who grow the ingredients for our food and drinks, and helping their communities to be more resilient over the long term.

We work hard to purchase coffee that is certified to world-leading international sustainability standards such as Rainforest Alliance and UTZ. We also developed McCafé SIP to guide sustainable sourcing in our coffee supply chain, and through which we invest in coffee growers and their communities over the long term. Both of these approaches are key to our coffee sustainability strategy.

Launched in partnership with Conservation International and our coffee roasters, McCafé SIP had reached nearly 6,000 farms in five countries across Central and South America as of 2019. McDonald's partners with roasters to invest in programs that provide, for example, direct premiums to farmers to support economic viability, as well as farmer training, technical assistance, tools and resources, and measurement and evaluation. Together, we can help them better care for the land, increase their overall productivity and improve the quality of the coffee they produce. This support and partnership is particularly valuable as coffee growers work to meet the challenges of rising global demand for coffee alongside the impact of changing and increasingly erratic weather patterns.

The initiative is guided by an Advisory Council, including members from Conservation International, the Rainforest Alliance, Committee on Sustainability Assessment (COSA), Solidaridad, Sustainable Food Lab and Fair Trade USA. All farms are assessed on social, environmental and economic standards through third-party audits. This helps target investments toward priority programs such as income diversification or food security.



1 McDonald's commitment is in line with the 3Rs framework (Replacement, Reduction and Refinement) and the One Health approach, and in line with our Vision for Antimicrobial Stewardship.

2 Includes espresso-based drinks and coffee brewed at restaurants, and all coffee retail products.

3 All palm oil used directly as an ingredient in a McDonald's product and listed on the product's ingredient statement.

4 Refers to products that are used to package guest food on premises at McDonald's restaurants.



Offering choices that kids and parents love

As one of the most visited restaurants in the world, we have a responsibility to support families. Parents are looking for menu choices that they can feel good about feeding their kids, and that's why we're focused on evolving the Happy Meal and making balanced meals more accessible across the globe.



Alistair Macrow
Senior Vice President
and Global Chief
Marketing Officer,
McDonald's
Corporation

We are always listening to our customers to identify ways to evolve our menu offerings while maintaining the great taste our customers know and love. An important part of this work is continuing to take a responsible approach to our Happy Meals by offering balanced options and promoting menu items that contribute to recommended food groups, such as fruits, vegetables and low-fat dairy.

An area I'm particularly proud of is our Global Happy Meal Goals, developed in collaboration with the Alliance for a Healthier Generation, which we're working to achieve across 120 markets by the end of 2022 and will audit across the 20 major markets. The five goals aim to offer more balanced meals, simplify ingredients, increase transparency of nutrition information, reinforce responsible marketing practices and leverage innovative marketing to help increase purchase of foods and beverages that contain recommended food groups in Happy Meals.

In 2020, we published a Progress Report to demonstrate the meaningful progress we've made toward the global goals. I'm

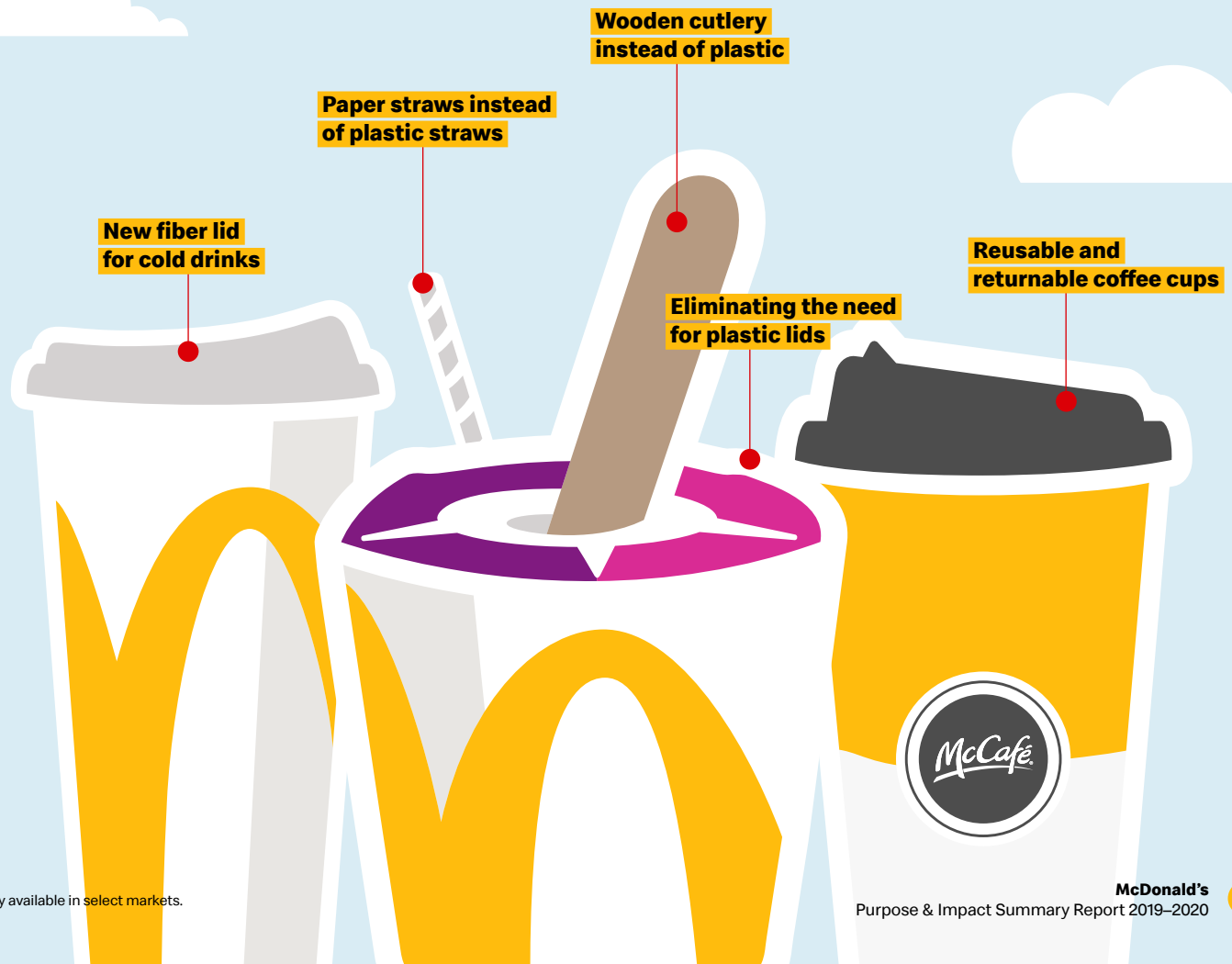
proud that across our 20 major markets, half of all beverages sold in Happy Meals were water, milk or juice in 2019, and over 2.5 billion Happy Meal items sold since 2018 contained fruits, vegetables, low-fat dairy, water, lean protein or whole grains. Additionally, as of early 2020, 93% of Happy Meal menu items have no artificial flavors, added colors from artificial sources or artificial preservatives that could be feasibly reduced.

As part of our broader efforts, it's been exciting to test and learn how we can leverage the power of our brand marketing to have a positive impact. One way to do this is through technology. In the U.K., for example, we reordered our menu display on self-service kiosks. By showing lower-calorie soft drinks first, we have shifted 1.9 million purchases from full-sugar Coca-Cola to options with no added sugar.

We have more work to do but I'm confident we can continue to work with experts and learn from families to find areas where our System has the best opportunity to create positive and meaningful change.

Reimagining packaging

We realize that the linear economic model, where we take, make and dispose of materials, can create waste that harms nature and impacts communities. That's why we believe the future of materials needs to be circular.



McDonald's packaging innovation

Our aim is to identify and scale circular packaging solutions that help keep waste out of nature. This encompasses a wide range of initiatives to reduce our use of packaging, switch to more sustainable materials and help our customers reuse and recycle too.



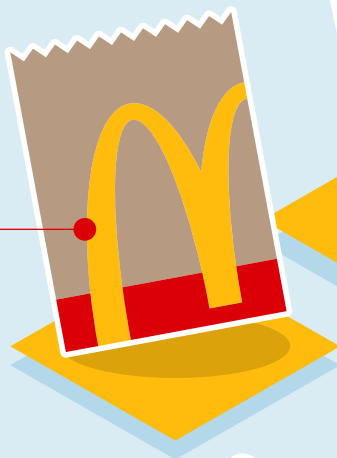
The fabulous fiber lid

We launched an innovative fiber lid for cold drinks in our restaurants in France that will replace plastic lids and eliminate the need for a straw. This will save around 1,200 metric tons of plastic per year.

A lighter lift

We are working to optimize our packaging in clever ways, such as using lighter bags, reducing the weight of cutlery and using recycled materials to make napkins, as well as reducing their size. Even small changes have a dramatic effect. In the Netherlands, for instance, switching to paper wraps instead of card boxes has saved 250 metric tons of packaging.

We also want to help drive circularity by creating market demand for recycled materials. That's why in multiple markets we've incorporated recycled content in both fiber and plastic packaging, such as our coffee, frappé and sundae cups.



Packaging only available in select markets.



Could this be the final straw?

We are trialing paper straws instead of plastic ones, specially designed with customers' needs in mind. We're also running straws-upon-requests initiatives in numerous markets across the world to encourage customer behavior change.



Not your typical wooden spoon

We are testing alternatives to plastic cutlery in a number of countries around the world. We're transitioning to wooden cutlery in Australia, while in Europe, trials are being conducted for wooden and paper alternatives to our McFlurry spoons.

Lifting the lid

We have made major strides to move away from plastic lids on the McFlurry. Across many of our markets in Asia Pacific and Europe, as well as Australia, we've introduced an innovative four-flap design that eliminates the need for a plastic lid.



The cup that keeps on giving

Through an industry-first global partnership with TerraCycle's circular packaging service, Loop, we will be testing a new reusable cup model for hot beverages across select McDonald's restaurants in the U.K. This helps customers enjoy their favorite McDonald's hot drink in a reusable cup while on the go, before returning it to be sanitized and reused.

The initiative aligns with our wider investments to test and scale circular solutions for cups, including the "ReCup" system in Germany, where customers can ask for a reusable coffee cup and return it at partnering McDonald's or other participating restaurants to be cleaned and reused. As a convening member of the NextGen Consortium and its NextGen Cup Challenge, we're also partnering to advance recoverable solutions for the fiber, hot and cold, to-go cup system in the United States.

Taking action on climate change



with Francesca DeBiase

Executive Vice President and Chief Supply Chain Officer, McDonald's Corporation

Our industry, has a significant opportunity – and responsibility – to collectively help mitigate the impact of climate change and find more sustainable ways to feed communities around the world. At McDonald's, we also recognize that our scale puts us in a unique position, not just to make an impact, but to help influence others to do the same. Francesca DeBiase explains how we achieve this.

Why is climate action a priority for McDonald's and the food industry?

We know that growing, processing, packaging and distributing food takes considerable energy and resources. According to scientists at the Intergovernmental Panel on Climate Change (IPCC), nearly 24% of greenhouse gases produced annually can be linked to the global food system and deforestation. That's why reducing emissions at scale has to be the food industry's number one priority. But it's only part of the solution.

Given that natural ecosystems, such as soils, forests and oceans, play a vital role

in absorbing and storing carbon, it's critical that we protect them and invest in food production and agricultural practices that can help restore nature and actively capture carbon.

This matters because the health and prosperity of communities around the world is negatively impacted by climate change. Sadly, those who are already facing hardship will be disproportionately affected.

What climate solutions are McDonald's investing in?

McDonald's has a target to reduce greenhouse gas emissions in our restaurants, offices and supply chain by 2030. Together with our franchisees and

suppliers, we are employing a range of strategies that span everything from the farm to the restaurant.

Advances in science, research and industry collaboration have already started to uncover many solutions that could propel change forward. For example, regenerative agriculture methods have the potential to significantly mitigate climate change by capturing carbon in the soil, reducing greenhouse gas emissions and increasing biodiversity. WWF has launched a program, which McDonald's is backing, along with Cargill and the Walmart Foundation, to help to implement these practices in the Northern Great Plains, one of the last remaining temperate grasslands.

We're also collaborating with Target, Cargill and The Nature Conservancy to support a five-year \$8.5 million project in Nebraska, a key state for both beef and cattle feed production. The project will support farmers to adopt proven soil health practices that can mitigate climate change while also improving the resiliency of their land. What's exciting is that a project like this has the potential to sequester 150,000 metric tons of carbon dioxide over the course of the project – equivalent to removing over 32,000 cars from the road in one year.

How will you scale sustainable practices and solutions?

That's the biggest challenge. Multi-stakeholder platforms and industry-wide collaborations can be transformational in terms of global reach and scale – far outweighing what one corporation can achieve alone. When it comes to beef, we helped to co-found the Global Roundtable for Sustainable Beef (GRSB), and have partnered with beef farmers, ranchers and civil society groups across each of our major sourcing regions to help identify and scale the most sustainable farming practices across the industry.

There is no single roadmap for success, but one thing is certain: we must take bold action in order to truly scale solutions across the industry to make the innovative practices of today commonplace tomorrow.

What if a restaurant could generate all its own power from renewable energy?

In 2020, McDonald's unveiled a first-of-its-kind restaurant designed to create enough renewable energy on-site to cover 100% of its energy needs on a net annual basis.

Solar-powered parking lot lights

Solar-paneled roof

Energy-generating photovoltaic glass windows

Golden Arches illuminated by a static bike that customers can use



The net zero energy-designed restaurant at Walt Disney World Resort in Orlando, Florida, will serve as a learning hub to test solutions for reducing energy and water use.

“
Through addressing their own carbon footprint, McDonald's has shown leadership in helping tackle the climate challenges our planet is currently facing.
”

Marty Spitzer, Senior Director, Climate and Renewable Energy, World Wildlife Fund

Investing in clean energy

We are committed to investing in renewable energy, partnering with franchisees to reduce greenhouse gas emissions across our restaurants and offices by 36% by 2030.

In 2019, McDonald's committed to two renewable energy projects in Texas, both of which took the form of virtual power purchase agreements (VPPAs). Once online, the energy generated by these wind and solar projects will be equivalent to over 2,500 restaurants' worth of electricity.

In Europe, our renewable energy purchases in 2019 covered over 6,500 restaurants' worth of electricity across 11 markets. Our restaurants in France, Portugal, and the U.K. and Ireland are close to obtaining, or already procure, 100% of their energy from renewable sources.



Showing up in times of need

With over 38,000 restaurants in 119 countries, McDonald's has a unique opportunity to play a positive role in communities, especially when they need it most.

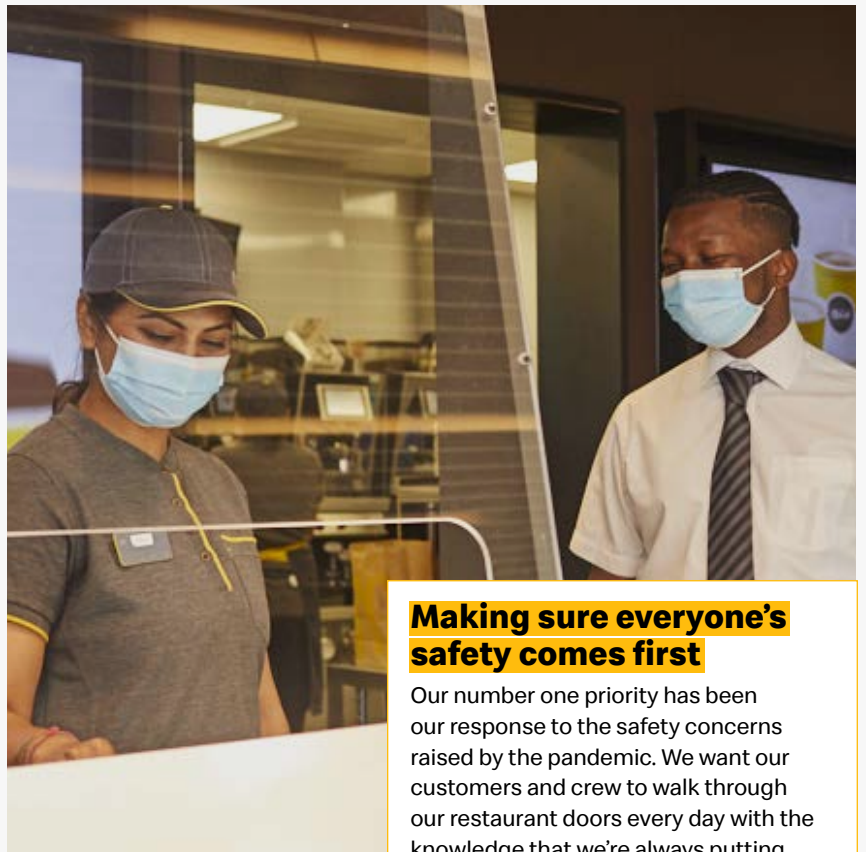




Ian Borden
President, International,
McDonald's Corporation

In 2020, community support has taken on a whole new meaning, as people have had to adapt to new ways of living and faced unprecedented challenges, including accessing food.

While it has been challenging, I'm incredibly proud of McDonald's response. We have rallied together with our suppliers, franchisees and partners, not just to keep our restaurants open and running safely, but also to provide donations of food to help communities get through these difficult times. The bedrock of this support was ensuring that our supply chain was not disrupted, enabling us to continue delivering on our purpose of feeding communities.

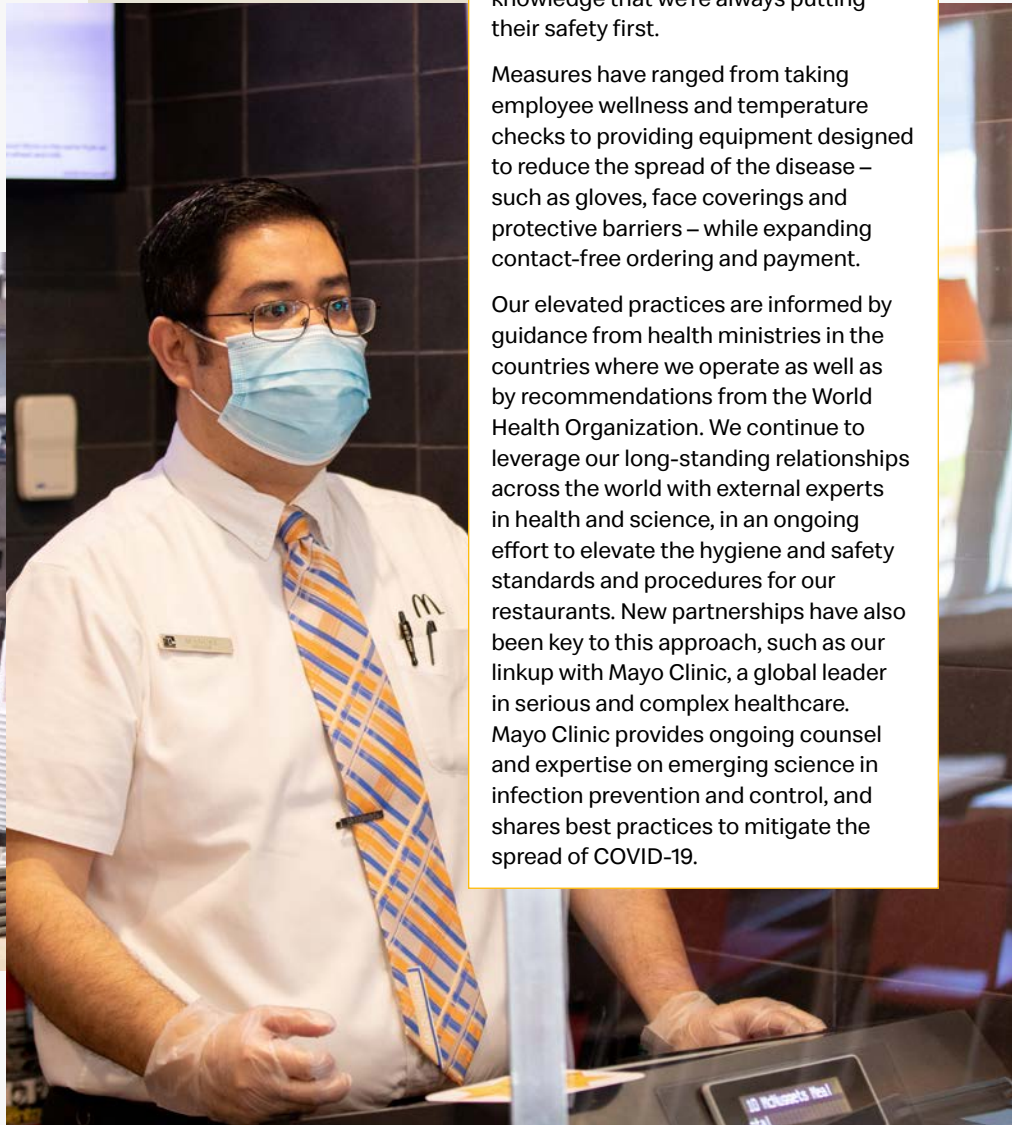


Making sure everyone's safety comes first

Our number one priority has been our response to the safety concerns raised by the pandemic. We want our customers and crew to walk through our restaurant doors every day with the knowledge that we're always putting their safety first.

Measures have ranged from taking employee wellness and temperature checks to providing equipment designed to reduce the spread of the disease – such as gloves, face coverings and protective barriers – while expanding contact-free ordering and payment.

Our elevated practices are informed by guidance from health ministries in the countries where we operate as well as by recommendations from the World Health Organization. We continue to leverage our long-standing relationships across the world with external experts in health and science, in an ongoing effort to elevate the hygiene and safety standards and procedures for our restaurants. New partnerships have also been key to this approach, such as our linkup with Mayo Clinic, a global leader in serious and complex healthcare. Mayo Clinic provides ongoing counsel and expertise on emerging science in infection prevention and control, and shares best practices to mitigate the spread of COVID-19.





Getting food to where it's needed

When the COVID-19 pandemic struck, we found ourselves with a food surplus in many of our markets around the world – either because people were being asked to stay at home or restaurants were required to close due to government restrictions. At the same time, rising unemployment and shortages in supermarkets meant food insecurity was an increasing threat to communities around the world.

We tapped into the power of our supply chain to expand our food donations. For example, we changed our food donation policy to enable us to donate ingredients like meat, lettuce, milk and cheese directly to food banks. With guidance from existing partners like Food Donation Connection and new partners like the

Global FoodBanking Network (GFN) and Feeding America, we also made sure that millions of pounds of unused food didn't go to waste, but instead went to feeding people who needed it most in thousands of communities around the world.

The response across our markets was amazing. In the Philippines, McDonald's restaurants had provided close to 300,000 meals for frontline staff and those affected by the pandemic by September 2020, with volunteer staff delivering food parcels to those most in need.

In several markets throughout Latin America, McDonald's franchisee Arcos Dorados donated over 450 metric tons of meat, eggs, milk and produce to vulnerable communities through local organizations dedicated to reducing hunger.

Across Europe, McDonald's and its franchisees partnered with organizations and local food banks to donate surplus ingredients to families. In the U.K. and Ireland, for example, McDonald's restaurants provided over 70 metric tons of surplus product to the food distribution charity FareShare, equating to 188,099 meals.

Saying thank you

We wanted to say thank you to the emergency workers – from the countless frontline healthcare workers and first responders to key workers, those caring for the elderly and teachers. Our Thank You Meal program in the U.S. has helped serve nearly 12 million free meals to first responders keeping America safe and healthy during the COVID-19 pandemic.

In Russia, restaurants served more than 500,000 free meals to ambulance staff at our Drive-Thrus by May 2020. Restaurants also donated food to hospitals treating COVID-19 patients, and gave free lunches to volunteers taking care of the elderly.

Restaurants in South Korea reached more than 50,000 people through our campaign to give away free burgers to firefighters and medical staff. And in Wuhan in China, our franchisees launched a Charity Kitchen Program to cook meals for hospital workers.





Helping families stay together

We're proud to support Ronald McDonald House Charities® (RMHC®), which for decades has enabled families to stay together near top children's hospitals when they have an ill or injured child.

RMHC core programs

The collective support from our franchisees, suppliers, employees and customers helps RMHC deliver three remarkable programs:



Ronald McDonald House® program offers families a comfortable place to stay, minutes away from the hospital.



Ronald McDonald Family Room® program provides a place for family members to rest within the hospital just a few paces from their child's bedside.



Ronald McDonald Care Mobile® program provides medical, dental and healthcare resources to children and families in underserved communities around the world.

How we're supporting RMHC across the globe

Our markets around the world support local RMHC Chapters through a range of giving programs – from donating a percentage of the sale of specific products or running special promotions in restaurants to donating through kiosks and RMHC Donation Boxes at restaurant counters and Drive-Thru windows. In 2019, approximately \$40 million was raised through these boxes worldwide.



Global donations



\$126m

In total in 2019, McDonald's, our franchisees and customers donated over \$126 million to RMHC, helping provide approximately 1.6 million overnight stays for RMHC families around the world.



CA\$14.4m

In 2019, CA\$ 14.4 million was raised across Canada through direct and facilitated giving efforts. This included coinbox donations and cashless giving at points-of-purchase, or simply by buying a Happy Meal or RMHC Cookie, with a portion of these proceeds going to RMHC across Canada. Every year, Canadians also come together to support RMHC in their community by participating in McHappy Day.



€5.5m

In France, €1.5 million was raised in-restaurant through customer donations in 2019, while restaurants mobilized to donate more than €4 million to RMHC.



\$5m

In the U.S., we launched "Round-Up for RMHC" across approximately 14,000 restaurants in 2019. This innovative technology provides customers the opportunity to round up their purchase to the nearest dollar at the digital self-order kiosks, front counter and at the Drive-Thru. In 2019, Round-Up for RMHC raised nearly \$5 million.



**Change doesn't
happen just
because we want it to...
it takes real work
by all of us**



Throughout 2020, as communities around the world continue to be affected by issues of inequality and systemic racism, we have seen a demand for action that is long overdue.





An interview with Heidi Capozzi, Global Chief People Officer, McDonald's Corporation

In April 2020, McDonald's appointed Heidi Capozzi as its new Global Chief People Officer. She joined the Company just as social justice began dominating the headlines. Recognizing this pivotal backdrop of today's challenges, Heidi began her role with a listening tour, meeting with employees, franchisees and suppliers from around the world to better understand what McDonald's values really meant to them.

"The public outcry has elevated and renewed our attention and deep responsibility to make changes that drive equitable opportunity for all," Heidi explains. "This must be a moment of determination. We will do our part to fight systemic racism and discrimination in all its forms."

"McDonald's has long understood and embraced the importance of diversity. However, we also have to acknowledge that some people feel like they haven't been given a fair opportunity. That's why we have been working diligently to look at what challenges – seen and unseen – are at the root of any barriers to opportunity, and where McDonald's can take action to help drive meaningful change in society," continues Heidi. "We have set up a global advisory council with senior leaders representing all areas of our System, and we are building out specific actions to ensure we not only elevate all voices, but that we drive action and accountability throughout."

Through this process McDonald's has launched a new global aspiration for diversity, equity and inclusion (DEI). It aims to drive accountability across the System to better represent the diverse communities in which McDonald's operates; to accelerate cultures of inclusion and belonging; and to dismantle barriers to economic opportunity. It also builds on existing initiatives from across the business, including long-standing work helping suppliers to create greater diversity in their own operations and a global strategy launched in 2019 to improve the representation of women at all levels of the business.



“ This must be a moment of determination We will do our part to fight systemic racism and discrimination in all its forms. ”



“We know actions are louder than words,” Heidi acknowledges. “Our global aspiration represents a step change in how we view equitable opportunity across our System and we’re committed to pursuing a number of global actions to deliver on it. This includes a focus on tackling any hiring bias and reducing barriers to employment for underrepresented groups. We will enhance efforts to attract and recruit diverse franchisees, as well as reducing obstacles that may be preventing more diverse suppliers from entering the McDonald’s System. We will also be auditing our advertising and restaurant experiences to ensure they reflect the needs of our diverse customers.”

The global aspiration is backed by a Mutual Commitment to Diversity, Equity and Inclusion, which means that anyone who does business with McDonald’s will be asked to make progress across DEI in their own business too. McDonald’s also plans to share specific DEI commitments and annual progress updates.

“Diversity and inclusion is about respecting and appreciating what makes us all different,” says Heidi. “It’s about creating a safe and nurturing environment where we can be our authentic selves and excel.”

“Change doesn’t happen just because we want it to, it takes real work by all of us. Now is the time to increase our effort and speed up progress – we will use our influence and our scale to bring meaningful and overdue societal change for all. Together, the community impact we can have is on a scale unlike any other company.”



“
We will use our influence and our scale to bring meaningful and overdue societal change for all.
”

Some images in this report were taken before the outbreak of coronavirus (COVID-19) and do not necessarily reflect current safety measures. McDonald’s continues to proactively make changes to restaurant operations and office settings based on the expert guidance of health authorities.



Helping people fulfill their potential

We are serving up bright futures by providing opportunities for education and skills in the communities we serve.

Around the world, almost one in four¹ young people is not in any form of employment, education or training. This can have a damaging effect on both the individual's well-being and the economic vibrancy of local communities. That's why we are dedicated to providing learning and development opportunities for people at all stages of their journey, whether they choose to build a career with McDonald's or beyond.

Youth opportunity

We're aiming to reduce barriers to employment for two million young people by 2025 through our Youth Opportunity program. It's designed to help them develop the competencies employers look for in entry-level employees, from communication skills to relationship building.

As of the end of 2019, over 9,500 young people had received training through our Youth Opportunity program across Chicago and Washington D.C.

To ensure our youth training and development efforts make a meaningful impact, we team up with relevant community organizations. In the U.S., we have partnered with local organizations and the International Youth Foundation (IYF) to offer a pre-employment work-readiness and soft skills training program. When we launched the Youth Opportunity program in Chicago in 2018, McDonald's distributed \$1 million in grants to four local organizations. Over 4,200 young people received life skills training through the Chicago pilot.

Following the success of the pilot program, in July 2019 we expanded it to Washington D.C. As of the end of 2019, over 9,500 young people had received training through the program across Chicago and Washington D.C. Of those that completed the program, 71% are either employed or in education, with 73% reporting an increase in life skills.²

McDonald's also partners with local governments and regional initiatives to increase our impact around the world. For example, through the Youth Opportunity program, our Latin American franchisee Arcos Dorados has established strategic alliances with leading NGOs focused on education and skills development. These programs reach an average of 250,000 young adults between 16 and 24 every year.

¹ Source: <https://www.decentjobsforyouth.org/data>

² Percentages were collected from IYF and include results from Chicago participants who elected to share with the local organizations that collect education/employment data. Therefore, not all data sets add up to the total enrollment number.



Offering training & education

McDonald's has invested in comprehensive education programs, like Archways to Opportunity, which offer eligible employees the opportunity to graduate from college, earn a high school diploma, learn English as a second language, complete an apprenticeship and gain access to advising services.

In the U.S., such programs have increased access to education for more than 54,000 people and awarded \$100 million in high school and college tuition assistance. 39,000 restaurant employees have been awarded college tuition maintenance.

McDonald's Australia has been providing nationally recognized training to its employees in areas from barista skills to food safety for nearly a quarter of a century, and as of June 30, 2020, more than 47,000 qualifications have been issued. In the U.K., since 2006, more than 80,000 qualifications have been gained and more than 18,500 qualified apprentices have come through the year-long training program. In addition, over 22,000 employees have achieved math and English qualifications through free Skills for Life training, while 169 restaurant managers have earned a foundation degree.



39,000

restaurant employees have been awarded college tuition maintenance in the U.S.



+80,000

qualifications have been gained in the U.K. since 2006.



+47,000

McDonald's Australia employees have been provided nationally recognized training in areas from barista skills to food safety.

Creating safe and respectful workplaces

Ensuring a workplace that is both safe and respectful is not a simple box-checking exercise. It is an ongoing process that requires continuous effort and improvement. Our approach involves understanding, training and a clear Company-wide commitment that issues such as discrimination and harassment will not be tolerated.

To help employees understand their rights and their duty to respect the rights of others, we provide training to Company employees on our global Human Rights Policy. In addition to the online training, senior leadership received in-person training in partnership with an external human rights consultancy in 2019.

We know we have more work to do to meet the needs of the communities where we live and operate. For example, in 2019, we worked with third-party experts to strengthen our U.S. discrimination, harassment and retaliation policy, and provided enhanced training for U.S. staff and Company-owned restaurant employees – with the aim of creating a more employee-centered approach. Informed by RAINN, the nation's largest anti-sexual violence organization, the policy contains clear language on workplace conduct, manager responsibilities, employee resources and the investigation process. The policy has been shared with the nearly 14,000 U.S. restaurants in the McDonald's System and we have encouraged our franchisees to use this policy, along with other resources, to continue to foster a safe and respectful work environment for their employees.

By strengthening this policy, creating interactive training, launching a third-party-managed anonymous hotline for franchisees and listening to employees across the U.S. market, we show our commitment to creating and sustaining a culture of trust where employees feel safe, valued and respected.

Some images in this report were taken before the outbreak of coronavirus (COVID-19) and do not necessarily reflect current safety measures. McDonald's continues to proactively make changes to restaurant operations and office settings based on the expert guidance of health authorities.

Who we are

McDonald's is the world's leading global foodservice retailer with over **38,000 locations** in **119 countries**. Approximately **93%** of McDonald's restaurants worldwide are owned and operated by independent local businessmen and women.

As one of the world's largest restaurant companies, we have a responsibility to ensure long-term, sustainable value creation for shareholders while taking action on some of the world's most pressing social and environmental challenges.

We're also prioritizing our role and impact in the communities we have been serving for more than 65 years, and speaking up about how we plan to feed and foster the future of those communities over the next 65 years. As we look to the future, we believe we can have an even greater impact by focusing on four areas that matter most to our communities:

- Food quality & sourcing
- Our planet
- Community connection
- Jobs, inclusion & empowerment

About this report

This report summarizes our 2019–2020 progress, unless noted otherwise.

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

Find out more

Our website: **corporate.mcdonalds.com**

McDonald's Flagship Farmers: **flagshipfarmers.com**

Ronald McDonald House Charities®: **www.rmhc.org**



Statements contained in this report about future developments and past occurrences are based on information and assumptions available as of the date of publication. While we are committed to providing timely updates, the Company holds no obligation to update information or statements.