

C0. Introduction

C0.1

**(C0.1) Give a general description 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 39,000 locations in over 100 countries. The McDonald's System is comprised of both Company-owned and franchised 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.

Restaurant energy and emissions data enclosed reflects information from 23 of McDonald's larger markets and the Company extrapolates data for the remaining markets listed in C0.3.

The data required for the raw material metrics is collected primarily through the McDonald's annual raw material survey of suppliers (TraQtion). TraQtion is managed by the Global Supply Chain (GSC) Digitalization team. 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 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.

Russia is included in our response for the purposes of performance reporting to the end of December 2021.

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, 2021, page 13 of McDonald's Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 and at <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/impact-strategy-and-reporting.html>.

C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	Yes	3 years

## C0.3

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### (C0.3) Select the countries/areas in which you operate.

American Samoa  
Andorra  
Argentina  
Aruba  
Australia  
Austria  
Azerbaijan  
Bahamas  
Bahrain  
Belarus  
Belgium  
Bosnia & Herzegovina  
Brazil  
Brunei Darussalam  
Bulgaria  
Canada  
Chile  
China  
China, Macao Special Administrative Region  
Colombia  
Costa Rica  
Croatia  
Cuba  
Curaçao  
Cyprus  
Czechia  
Denmark  
Dominican Republic  
Ecuador  
Egypt  
El Salvador  
Estonia  
Fiji  
Finland  
France  
French Guiana  
French Polynesia  
Georgia  
Germany  
Greece  
Guadeloupe  
Guam  
Guatemala  
Honduras  
Hong Kong SAR, China  
Hungary  
India  
Indonesia  
Ireland  
Israel  
Italy  
Japan  
Jordan  
Kazakhstan  
Kuwait  
Latvia  
Lebanon  
Lithuania  
Luxembourg  
Malaysia  
Malta  
Martinique  
Mauritius  
Mexico  
Morocco  
Netherlands  
New Caledonia  
New Zealand  
Nicaragua  
Northern Mariana Islands  
Norway  
Oman  
Pakistan  
Panama  
Paraguay  
Peru

Philippines  
 Poland  
 Portugal  
 Puerto Rico  
 Qatar  
 Republic of Korea  
 Republic of Moldova  
 Réunion  
 Romania  
 Russian Federation  
 Saint Martin (French part)  
 Samoa  
 Saudi Arabia  
 Serbia  
 Singapore  
 Slovakia  
 Slovenia  
 South Africa  
 Spain  
 Sri Lanka  
 Suriname  
 Sweden  
 Switzerland  
 Taiwan, China  
 Thailand  
 Trinidad and Tobago  
 Turkey  
 Ukraine  
 United Arab Emirates  
 United Kingdom of Great Britain and Northern Ireland  
 United States of America  
 United States Virgin Islands  
 Uruguay  
 Venezuela (Bolivarian Republic of)  
 Viet Nam

C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**  
 USD

C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**  
 Operational control

C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

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

C1. Governance

C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**  
 Yes

C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board-level committee	Our Board of Directors' Sustainability and Corporate Responsibility Committee (the "Committee") reviews and monitors the Company's strategies and efforts to address sustainability and resiliency through its performance as a sustainable organization, including environmental and social issues. This includes updates and discussion on the Company's climate change strategy, risk management practices, commitments and progress. For example, in 2017 the Committee endorsed the commitment to and public launch of McDonald's Climate Action strategy, which includes the Company's Science Based Target for greenhouse gas emissions reductions, approved by the Science Based Targets initiative (SBTi.) The Committee also reviews and monitors the development and implementation of performance metrics with respect to the Company's sustainability priorities. A more recent highlight in 2021 was announcing our commitment to evolve our current 2030 targets to align with the SBTi Business Ambition for 1.5°C campaign, which focuses on reducing emissions by the end of 2030 to keep global temperature rises under 1.5°C, and to develop a longer-term emissions reduction and neutralization strategy to reach net zero emissions by the end of 2050. The Committee drew on its diverse experience to support the development of this strategy and will continue to oversee progress to ensure we hold the Company accountable to its targets. The Committee regularly reports to the full Board and, from time to time, other Board committees regarding its activities, and the full Board receives reports on the Company's sustainability efforts as circumstances warrant. See the Committee's charter and page 45 of the Company's 2022 Proxy Statement, both of which are attached in 12.4. Also available here: Proxy Statement: <a href="https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/events-presentations/meeting-resources/MCD%202022%20Proxy%20Statement.pdf">https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/events-presentations/meeting-resources/MCD%202022%20Proxy%20Statement.pdf</a> Committee Charter: <a href="https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/governance-resources/board-committees-charters-reports/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf">https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/governance-resources/board-committees-charters-reports/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf</a>
Chief Sustainability Officer (CSO)	In 2021, the Company's Executive Vice President (EVP) Chief Global Impact Officer and reporting Vice President (VP) Chief Sustainability Officer were responsible for overseeing performance, actions, and goals relating to climate change and climate-related issues. They serve as the executive sponsors of McDonald's aspirations to source all food and packaging sustainably and develop and operate the most environmentally sustainable McDonald's restaurants.
Other C-Suite Officer	In 2021, the Company's EVP Chief Global Impact Officer and VP Chief Sustainability Officer served together with the EVP Global Chief People Officer, EVP Chief Supply Chain Officer, Senior VP Chief Global Marketing Officer, and Chief Legal Officer as a cross-functional leadership team, leading McDonald's Impact Strategy, which ensures the organization fulfills its overall global sustainability performance, including goals and actions relating to climate-related issues.

**C1.1b**

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p> <p>Other, please specify (Reviewing the Company's global sustainability communications plans and global reports issued in connection with sustainability initiatives.)</p>	<Not Applicable>	<p>The principal oversight responsibilities of the Sustainability &amp; Corporate Responsibility (SCR) Committee, a standing committee of our Board of Directors, include: (1) the review and monitoring of the Company's strategies and efforts to address McDonald's short- and long-term brand trust opportunities and brand leadership priorities that are significant to the Company, its customers, Franchisees, developmental licensees and other stakeholders; including food, sourcing, the environment, community engagement, philanthropy, and diversity and inclusion; (2) the review and monitoring of the development and implementation of the goals the Company may establish from time to time for its performance with respect to its global sustainability framework and initiatives, the review and monitoring of the development of metrics and procedures to gauge progress toward achievement of those goals, and the monitoring of the Company's progress against those goals; (3) the review of the Company's global sustainability communication plans and the global reports issued from time to time in connection with the sustainability initiatives as outlined in the Committee's charter. The Committee also assists the Board of Directors in fulfilling its enterprise risk oversight responsibility by periodically assessing and responding, as appropriate, to risks relating to matters within its purview. pg. 45 of 2022 Proxy Statement, attached in C12.4. The Sustainability &amp; Corporate Responsibility Committee met five times in 2021. McDonald's 2022 Proxy Statement: <a href="https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/events-presentations/meeting-resources/MCD%202022%20Proxy%20Statement.pdf">https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/events-presentations/meeting-resources/MCD%202022%20Proxy%20Statement.pdf</a> The latest SCR Committee Charter can be found at: <a href="https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/governance-resources/board-committees-charters-reports/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf">https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/governance-resources/board-committees-charters-reports/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf</a></p>

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	McDonald's Directors have senior executive experience, including having served as CEOs or high-level executives of large, complex, global organizations and more than half have significant sustainability / corporate responsibility expertise. For example, Sustainability & Corporate Responsibility Committee members have leadership and Director experience at leading global food and real estate companies with their own strategic climate and sustainability agendas, which is highly pertinent experience for the climate strategy context for McDonald's. They have significant experience working with management to incorporate and balance perspectives from a wide range of stakeholders to inform the Company's sustainability approach, including regular reviews of its climate strategy and feedback from scientists, non-governmental organizations, partners and investors.	<Not Applicable>	<Not Applicable>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Other committee, please specify (Chief Global Impact Officer )	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Other C-Suite Officer, please specify (McDonald's Impact Strategy Cross-Functional Leadership Team )	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

In 2021, the Company's Executive Vice President (EVP) Chief Global Impact Officer and Vice President (VP) Chief Sustainability Officer were responsible for overseeing actions relating to climate change. They served as the executive sponsors of McDonald's aspirations to source all food and packaging sustainably, and develop and operate the most environmentally sustainable McDonald's restaurants.

In late 2020, the Company added the role of Executive Vice President Chief Global Impact Officer, as the executive leader of the newly formed Global Impact Team (GIT). Throughout 2021, the Vice President Chief Sustainability Officer reported to the Chief Global Impact Officer and partnered to oversee actions relating to climate change.

The Global Impact Team provides corporate staff leadership, coordination and support for the Company's global impact strategy, ESG and corporate environmental and social responsibility policies, programs and reporting across the business and works in partnership with other corporate functions. GIT also provides support for country-level sustainability staff for localized execution of environmental and social impacts relevant to our markets.

Additionally, the EVP Chief Supply Chain Officer led the Company's Global Supply Chain (GSC) department and worked in partnership with Global Impact leadership to address Company sustainability priorities, including climate-related issues. For example, GSC and Global Impact work with suppliers to embed sustainability commitments, including climate change and deforestation, into global sourcing decisions for food and packaging through Global Sustainable Sourcing Specifications and direct collaboration in initiatives.

In 2021, the EVP Chief Global Impact Officer and VP Chief Sustainability Officer served together with the EVP Chief Supply Chain Officer, Senior VP Global Chief Marketing Officer, and Chief Legal Officer as a cross-functional leadership team, leading McDonald's Impact Strategy, which ensures the organization fulfils its overall global sustainability performance, including goals and actions relating to climate-related issues. The Impact Strategy and this cross-functional leadership team is endorsed by the Chief Executive Officer, placing accountability at the top of the organization.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

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

C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	In 2021, the Chief Impact Officer and Chief Sustainability Officer's annual individual performance plans set out objectives related to the Company's climate change strategy, targets and issues, salary increases and bonuses are directly related to the attainment of those objectives (along with other factors). Examples of such individual performance plan objectives might include advancing progress on McDonald's Climate Action goals to reduce greenhouse gas emissions across McDonald's restaurants, offices and supply chain, such as through energy or emissions reduction projects, efficiency improvements, supplier engagement, and/or behavior changes.
Corporate executive team	Non-monetary reward	Other (please specify) (McDonald's Impact Strategy)	We recognize the importance of our global sustainability vision and goals as a central part of our Company's values. As part of our Global Impact Strategy, climate action is a top global priority: See pages 50-52 of the Company's 2022 Proxy Statement. Page 52 of the Company's 2022 Proxy Statement states: "In partnership with our franchisees, suppliers and producers, we are finding new and innovative ways to drive climate solutions, help keep waste out of nature and help preserve natural resources. From minimizing how much packaging we use to investing in renewable energy and partnering to advance sustainable and regenerative agriculture practices—we want to help protect our planet for communities today and in the future."
Environment/Sustainability manager	Monetary reward	Emissions reduction project Energy reduction project Efficiency project Behavior change related indicator Environmental criteria included in purchases Supply chain engagement	Where these employees' annual individual performance plans set out objectives related to the Company's climate change strategy, targets and issues, salary increases and bonuses are directly related to the attainment of those objectives (along with other factors). Examples of such individual performance plan objectives might include advancing progress on McDonald's Climate Action goals to reduce greenhouse gas emissions across McDonald's restaurants, offices and supply chain, such as through energy or emissions reduction projects, efficiency improvements, supplier engagement, and/or behavior changes.
Buyers/purchasers	Monetary reward	Environmental criteria included in purchases	McDonald's sustainable sourcing and Climate Action goals map out specific environmental priorities for key commodities and supplier engagement in our supply chain. Where these purchasing managers and their employees' annual individual performance plans set out objectives related to sustainable sourcing and climate action strategy, targets and issues, salary increases and bonuses are directly related to the attainment of those objectives (along with other factors). Examples of such individual performance plan objectives might include partnering with the Sustainability team as the Company establishes: - New supplier engagement programs related to beef sustainability (e.g. Flagship Farmers - <a href="https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/food-quality-and-sourcing/responsible-sourcing.html">https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/food-quality-and-sourcing/responsible-sourcing.html</a> ), -Supplier engagement programs to advance progress on McDonald's Climate Action goals to reduce greenhouse gas emissions across McDonald's supply chain or McDonald's Commitment on Forests to eliminate deforestation from its supply chain, - Coordination of supplier recognition and awards for sustainability, and/or behavior changes.
Other, please specify ((Suppliers, Company staff))	Non-monetary reward	Other (please specify) ((Several as described in comment below.))	Supplier Performance Metrics (SPM): The SPM is an evaluation tool which McDonald's and suppliers use to drive consistent high performance and ensure self-managed excellence across a number of areas, including sustainability leadership. Through the SPM self-assessment process, suppliers confirm annually that they have followed a comprehensive Strategic Sustainability Process (SSP), including understanding their upstream supply chain, materiality assessment, and plans for impact and measurement, that they have time-bound roadmaps in place to meet all relevant McDonald's strategic expectations applicable to the supplier's company, facilities and/or product(s) supplied to all McDonald's markets, as outlined in McDonald's Global Sustainable Sourcing Guide (GSSG) and Supplier Quality Expectations (SQE). Through this process they are able to demonstrate their external engagement strategy aimed at industry leadership in quality, sustainability and operational excellence and their support for the McDonald's System to achieve its strategic sustainability expectations through engagement and collaboration beyond the McDonald's system. For strategic suppliers, this self-assessment is reviewed by McDonald's with alignment meetings held to discuss areas in greater depth and provide feedback.

C2. Risks and opportunities

C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	2	Time horizon to nearest term sustainability goals, such as those related to Beef Sustainability and the Commitment on Forests for priority categories, both of which are connected to the Climate Action strategy, and for any analysis leading to the setting of new long-term strategies. Time horizon ranges provided in context of climate-related impacts.
Medium-term	2	11	Time horizon to Climate Action target year, and Packaging & Recycling goals. Time horizon ranges provided in context of climate-related impacts.
Long-term	11	30	Time horizon beyond the Climate Action target year. Time horizon ranges provided in context of climate-related impacts.

C2.1b

**(C2.1b) 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. Our Risk and Sustainability teams partner closely with Global Finance to determine potential financial impact to the Company and its Franchisees. 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. As well, we 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.

**C2.2**

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**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

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. Examples of the risks that are identified throughout this process 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 addition to material risk identification, we account for the varying velocities of change that might occur relative to different risks and incorporate these considerations into contingency planning. The risks, and opportunities, identified also include those related to climate and the environment, and the Company's other sustainability initiatives, such as human rights. The Company's internal time horizons for climate change risk and opportunity considerations vary depending on the topic and scope of impact. For example, increasing regulatory complexity related to climate change could have a different time horizon from country to country. Fluctuations in commodity markets for some of the ingredients we use due to seasonal shifts or climate conditions can vary over place and time. Identifying/Assessing Risk: Senior managers in a wide range of functional areas are responsible for identifying and managing risks within their areas of expertise. In many cases, they have their own formal risk identification and management processes. A cross-functional working group helps ensure timely risk information is shared across internal stakeholders and elevated within the organization as appropriate. Input is also incorporated from partners outside the Company, such as strategic suppliers and industry experts. For example, the Company leverages 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. One such functional area is our supply chain. Identification, assessment and management of risk in our supply chain is overseen by a Corporate Vice-President for Risk Management and Advisory Services that reports directly to the Chief Supply Chain Officer. This vice-president role is supported by a team of colleagues to lead the design, development and implementation of a comprehensive risk management strategy for our supply chain organization around the world. They regularly assess supply chain risks, working with the EVP Chief Global Impact Officer, VP Chief Sustainability Officer and other Sustainable Sourcing Directors on identified environmental risks. Most recently, the Company has committed additional resources to focus on climate-related risks and developed a supply chain cross-commodity working team dedicated to supply chain resiliency, including climate. Commodity risk management strategies are also developed through a collaboration among McDonald's Treasury, Supply Chain and suppliers. The Company and its suppliers manage risks for many of the commodity categories with the goal being to provide predictable and competitive pricing to the restaurants. Other risk management strategies include mitigation and adaption planning to ensure suppliers can meet both our sustainability and Company growth plans. Examples of physical and transition risk assessment and response: We recognize that we need to work with our suppliers to assess and address climate related risks and take opportunities through CDP Supply Chain and internal supplier surveys and workstreams to engage our supply chain. We respond to risks in different ways appropriate to the risk. One example is our approach to deforestation risk which has been identified as having a significant impact on climate change and exacerbating the associated physical and transition risks. We worked with WWF to assess projected deforestation priority areas linked to our beef supply and worked with Agrottools, Proforest and local stakeholders to establish a Deforestation Free Beef Procurement Policy. After determining prioritization, we use a combination of satellite imagery of the farm area and data analysis to assess whether deforestation has happened on the farms which supply McDonald's. Where a farm is linked to deforestation, suppliers are expected to mitigate this risk and implement corrective action plans with any farms in their supply chain that are not in compliance. In 2020-2021, the Company continued its quantitative and qualitative physical risk (medium and long-term) assessments and transition risk (long-term) assessments relating to climate change. Company subject matter leads in Climate worked alongside our climate analytics partners to develop foundational scenarios to assess both carbon pricing and water-related risks that included: 1. A low carbon transition scenario to assess transition risks that considers the financial implications of carbon taxes for McDonald's across its markets, including North America, Europe, Latin America and APMEA, and our suppliers, across priority commodities, under the Sustainable Development Scenario (SDS) from the International Energy Agency (IEA). 2. A business-as-usual scenario to assess physical risks that considers exposure to water-related risks for McDonald's restaurants (across North America, Europe, Latin America and APMEA) and our supply chain (across key commodities), under the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 scenario. We are now in the process of analyzing medium- and long-term implications from such carbon pricing mechanisms and water stress risks for both McDonald's restaurants and supply chain. The results of these assessments will be integrated into our climate modeling tools to advance climate-related risk discussions within the business, to ensure we are appropriately managing these risks and related opportunities, and to support effective alignment with the Task Force on Climate-related Financial Disclosures (TCFD) as part of our future planning.

**C2.2a**

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The Company has global operations and is therefore subject to the laws of the United States and all foreign jurisdictions in which the Company operates, and the rules and regulations of various governing bodies, which may differ among jurisdictions. Compliance to existing regulations is a requirement for our Company and our Franchisees and changes in regulation are assessed regularly and feedback is shared via our Government Relations Team. Many of our markets are subject to increasing, conflicting and highly prescriptive regulations involving, among other matters, product packaging. Our success depends in part on our ability to manage the impact of regulations that can affect our business plans and operations and have increased our costs of doing business and exposure to litigation, governmental investigations or other proceedings. An example of current regulatory impact is the European Union's Single-Use Plastics (SUP) Directive. 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 corporate and cross functional teams on packaging are well established in the Company to identify and develop strategies to respond to such risks. As a result of the SUP directive as it relates to single use plastic items, McDonald's in EU Member states which include, among others, France, Germany, Ireland, Italy, Portugal, Spain and The Netherlands met this legislation with the removal/replacement of plastic straws, stirrers, balloon sticks, cutlery, and some locally sourced plates as of Q1 2021.
Emerging regulation	Relevant, always included	Emerging laws and regulations are assessed regularly with feedback shared via the Government Relations Team. Specialist corporate teams exist within the Company that also identify actual or perceived risks relating to emerging regulation in areas such as climate, packaging and energy to support the development of mitigation strategies. One example of a considered climate-related risk is that of emerging carbon pricing regulation and potential financial impact on restaurants operating in jurisdictions where carbon tax schemes are proposed for implementation and the potential increase in raw material costs associated with production in jurisdictions where carbon pricing systems may be implemented by national governments. Additionally, in the EU, the team is actively monitoring and assessing the potential impact of the 2030 Climate Plan, the strategy on measures to increase EU's 2030 target for GHG emissions to at least -55% compared to 1990 levels to better achieve climate neutrality by 2030, as well as Farm-to-Fork, the EU's sustainable food blueprint and major component of the Green Deal, including an Action Plan with 27 measures aimed at greener food production, healthier and more sustainable diets, and less food waste, among other emerging regulations.
Technology	Relevant, sometimes included	Technology solutions and associated risks, including our investments potentially not generating expected returns, are evaluated as part of both restaurant sustainability and supply chain sustainability programs. Our long-term business objectives depend on the successful systemwide execution of our strategies. We continue to build upon our investments in technology and modernization, in order to transform the customer experience. For Company restaurants this can include the substitution of existing products and services with lower emissions options, including but not limited to renewable energy, packaging, or restaurant equipment. If these initiatives are not well executed, or if we do not fully realize the intended benefits of these significant investments, our business results may suffer.
Legal	Relevant, always included	Our regulatory and legal environment worldwide exposes us to complex compliance, litigation and associated risks including growing climate-related risks. Many of our markets are subject to increasing, conflicting and highly prescriptive regulations involving, among other matters, product packaging, the safety of our food and other products, labelling and other disclosure practices. Compliance efforts with those regulations may be affected by ordinary variations in food preparation among our own restaurants and the need to rely on the accuracy and completeness of information from third-party suppliers. Our success depends in part on our ability to manage the impact of regulations that can affect our business plans and operations and have increased our costs of doing business and exposure to litigation, governmental investigations, or other proceedings. As such, legal compliance is assessed regularly across local laws to ensure our Company is in line with all applicable laws and obligations.
Market	Relevant, sometimes included	We regularly assess fluctuations in commodity markets in partnership with suppliers across different geographies to monitor raw material availability. For example, McDonald's utilizes public commodity reporting to assess anticipated fluctuations in commodities that may impact future prices or assured supply. Beyond direct crop impact, extreme weather incidents may impact manufacturing facilities causing unplanned downtime and resulting pressure on pricing and/or supply. We also monitor trends in consumer preferences and regulatory developments that may impact markets in relation to climate action to implement appropriate mitigation controls and minimize impact on operations.
Reputation	Relevant, always included	Climate change and other environmental factors are included in the criteria we evaluate regularly for customer and external stakeholder feedback. The Company conducts consumer and stakeholder research to better understand expectations and perceptions of McDonald's, which helps us to understand the strength of the McDonald's brand. The Company conducts consumer and stakeholder surveys, interviews and stakeholder engagements that allow us to understand expectations and gauge reputation within the context of the food and beverage industry, as well as 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 and Waste, which are intended to demonstrate to customers, as well as 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 a top environmental concern for customers from recent multi-market customer research, which reinforces our work in this area as a priority for the Company.
Acute physical	Relevant, sometimes included	The impacts of specific events with acute physical risk (e.g. hurricanes or other natural disasters) are included in regular evaluations. Severe weather conditions and natural disasters can adversely affect consumer spending and confidence levels, supply availability and costs, as well as the local operations in impacted markets, all of which can affect our business results and prospects. In the U.S. for example, we recently assessed flood risk to identify restaurants located in high-risk areas and develop local level response plans.
Chronic physical	Relevant, sometimes included	The impact of chronic physical risks (e.g. changes in temperature or water access) are included in regular evaluations, especially for agricultural supply chains. Severe weather conditions and shifting climate patterns can adversely affect consumer spending and confidence levels, supply availability and costs, as well as the local operations in impacted markets, all of which can affect our results and prospects. For example, working with external consulting partners, we recently conducted a bespoke company assessment to understand water risk scenarios and identify long-term physical risk as it relates to our restaurants across North America, Latin America, Europe and APMEA.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Carbon pricing mechanisms are increasing at an international, national and sub-national level and according to The World Bank's "State and Trends of Carbon Pricing" 2021 report, a total of 64 carbon pricing instruments are now in operation around the world. The Company operates in many different countries, including but not limited to the United States, Canada, the U.K., France, and Sweden and within multiple jurisdictions within countries and may therefore be subject to varying forms of emerging climate-related regulations resulting in increased costs for restaurant operations in those jurisdictions where carbon pricing systems, including carbon tax schemes, are in



development or scheduled for implementation.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We are currently in the process of analyzing the potential financial implications of medium- and long-term climate-related risks to McDonald's based on our initial assessment.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

We recognize the actions being taken by national governments across the world to address their climate impact through nationally determined contributions in line with the Paris Agreement. These actions are likely to affect our restaurants with a potential increase in operating costs through regulation or tax. For that reason, we are assessing our potential exposure to this risk. While we take steps to achieve our emissions reduction targets, we are committed to upholding our customer experience and plan to keep this commitment as part of our planning steps. In 2020-2021, the Company initiated an initial assessment of climate-related financial risks, to establish a foundational scenario for assessing the transition risk and potential increased costs associated with carbon pricing systems on restaurants globally. This scenario considers the financial implications of carbon pricing and taxes under the Sustainable Development Scenario (SDS) from the International Energy Agency (IEA) to keep global temperatures well below 2 degrees Celsius. We conducted our assessment on more than 39,000 Company owned and franchised restaurants across North America, Latin America, Europe and APMEA to assess energy spend and associated emissions. The result of this work provides a platform to advance climate-related risk discussions for the business and support effective engagement with stakeholders, in particular investors, Franchisees, and suppliers. While we are not in a position to share the potential cost of response at this time, the work is being undertaken as a priority for climate-related risk mitigation. In addition, risk mitigation actions are set up to engage with Franchisees to manage energy costs including implementation of more energy efficient equipment, management of energy use, and more sustainable sourcing practices in many markets that support the Company's approved Science Based Target to partner with Franchisees to reduce greenhouse gas emissions related to McDonald's restaurants and offices by 36% by the end of 2030 from a 2015 base year. The Company continues to monitor developments related to environmental regulations and plans to respond to governmental initiatives in a timely and appropriate manner. As we are not in a position to release the projected financial impact of this risk, we have not released a figure for cost of response.

**Comment**

For the purpose of our disclosure, we are highlighting this risk as just one of the key risks with the potential to have a business. This risk is not disclosed in order of magnitude to the Company, nor is the potential climate-related risk to the business limited to the risks we have chosen for this disclosure.

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market	Increased cost of raw materials
--------	---------------------------------

**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Potential for increased cost of raw materials driven by both physical and regulatory risk from climate change and production in jurisdictions where carbon pricing systems and/or carbon tax schemes may be implemented by national governments. Adoption of new regulations or costs of changing business practices in response to taxation or regulation may increase costs for suppliers to McDonald's. McDonald's suppliers operate in over 100 countries and sub-national jurisdictions across North America, Latin America, Europe and APMEA. As regulations are uncertain and vary by jurisdiction, there is a risk that regulations will affect some suppliers significantly more than others. The Company will therefore be exposed to this uncertainty in regulation and its potential to impact costs of our raw materials.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We are currently in the process of analyzing financial implications of medium- and long-term risks based on our initial assessment of climate-related financial risks to McDonald's.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

We recognize national governments across the world are acting to address their climate impact through nationally determined contributions in line with the Paris Agreement. This is likely to affect the operating environment for our suppliers with potential to add costs through regulation or tax. We are assessing our potential exposure to this risk and, in addition to taking steps to achieve our emissions reduction target, are taking steps in partnership with our suppliers to reduce this exposure while continuing to supply food our customers love. In 2020-2021, we initiated an assessment of climate-related financial risks to model a foundational scenario for assessing the transition risk associated with carbon pricing systems on our supply chain. This scenario considers the financial implications of carbon pricing and taxes under the Sustainable Development Scenario (SDS) from the International Energy Agency (IEA) to keep global temperatures well below 2 degrees Celsius. We are conducting our assessment on supply chain energy spend and emissions intensities of selected agricultural commodities that represent our main supply chain GHG drivers globally. The result of this work provides a platform to advance climate-related risk discussions for the business and will support effective future engagement with stakeholders, in particular suppliers. In addition, risk mitigation actions are embedded in our strategy to meet the Company's Science Based Targets. For example, McDonald's is a lead member of CDP Supply Chain to engage our suppliers on actions they are taking to identify climate risk to their businesses and mitigate their climate impact. In 2022, we requested 145 of our key suppliers in our largest categories of emissions to set targets, measure emissions, make reductions, and report progress to CDP. This is up from 131 suppliers for Climate in 2021, which represented 81% of McDonald's global spend across Food & Beverage, Paper & Packaging, and Logistics & Equipment. In addition, in the U.S., the Company tracks cost-saving actions among supplier companies & categorizes which are sustainability-related actions. As we are not in a position to release the projected financial impact of this risk, we have not released a figure for cost of response.

**Comment**

For the purpose of our disclosure, we are highlighting this risk as just one of the key risks with the potential to have a financial or strategic impact on our business. This risk is not disclosed in order of magnitude to the Company nor is the potential climate-related risk to the business limited to the risks we have chosen for this disclosure.

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Current regulation	Mandates on and regulation of existing products and services
--------------------	--

**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Designing out waste, improving the sustainability of our packaging and ultimately moving toward a circular economy are top priorities for our business. These strategies support our long-term business resilience, help us to keep the communities where we live and work clean, and minimize our environmental footprint to help protect the planet for future generations. The shifting consumer demand toward sustainable packaging and the increasing regulation on disposable packaging in jurisdictions in which McDonald's operates, specifically adoption of new environmentally-driven legislation on packaging (e.g., EU Circular Economy Package), are a potential risk to our business as there is a potential increase in costs and impact on supply chain optimization which is being monitored.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We are currently in the process of analyzing financial implications of medium- and long-term risks based on our initial assessment of climate-related financial risks to McDonald's.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

In the case of packaging, HAVI, a packaging sourcing and supply chain services partner of McDonald's, monitors and tracks these requirements to identify occurrences to enable compliance, as well as to identify important trends, which are considered during strategic planning. Additionally, the Company has two key related commitments: Source 100% of our guest packaging from renewable, recycled, or certified sources by the end of 2025, and 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. We understand that recycling

infrastructure varies from city to city and country to country, but we plan to be part of the solution and help influence powerful change. Our actions to meet these goals include testing a range of new materials and designs to cut down on plastic (e.g., strawless lids, reusable cups, wooden cutlery), transforming our Happy Meals toys, installing sorting and recycling points in restaurants, and repurposing materials (e.g., reusing cooking oil, upcycling coffee waste). McDonald's in Europe has been responding to legislation relating to disposable packaging, specifically the European Union's Single-Use Plastics (SUP) Directive. 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 corporate and cross functional teams on packaging, alongside our partner HAVI, identified and developed strategies to respond to such risks. As a result of the SUP directive, as it relates to single use plastic items, McDonald's in EU Member states which include France, Germany, Ireland, Italy, Portugal, Spain and The Netherlands currently meet this legislation with the removal/replacement of plastic straws, stirrers, balloon sticks, cutlery and some locally sourced plates as of Q1 2021. As we are not in a position to release the projected financial impact of this risk, we have not released a figure for cost of response.

**Comment**

For the purpose of our disclosure, we are highlighting this risk as just one of the key risks with the potential to have a financial or strategic impact on our business. This risk is not disclosed in order of magnitude to the Company nor is the potential climate-related risk to the business limited to the risks we have chosen for this disclosure.

**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Chronic physical	Water scarcity
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Water is one of the world's most precious resources, with supplies under increasing pressure from climate change, extreme weather, floods, growing populations and swelling demand. The Company is primarily an operator and franchisor of McDonald's restaurants which serve locally relevant food and beverage at locations across the world. Risks to the business relating to water, including but not limited to water stress or flooding, could potentially impact operations through a combination of restaurant closures, operational delays, higher operating costs, loss of license to operate, disruption to sales, supply chain disruption, water supply disruption and reputational and brand damage which would each have a financial and/or strategic impact on our business.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We are currently in the process of analyzing financial implications of medium- and long-term risks based on our initial assessment of climate-related financial risks to McDonald's.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

In 2020-2021, we engaged in an initial assessment of climate-related financial 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 key suppliers under the Intergovernmental Panel on Climate Change (IPCC) RCP 8.5 scenario. The analysis focused on water stress under the conditions of a rapidly heating planet. While our scenario modelling 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. For example, in 2020 the U.S. market undertook a risk analysis using the WRI Aqueduct Water Risk Atlas to identify areas in the country at high risk. In response to the risk identified, the U.S. team began designing a restaurant engagement pilot program to assist Franchisees in highly water-stressed areas in identifying water efficiency opportunities in their restaurants and building engagement in their communities around local water issues. Potential opportunities for engagement include watershed cleanup activities and awareness campaigns. As we are not in a position to release the projected financial impact of this risk, we have not released a figure for cost of response.

**Comment**

For the purpose of our disclosure, we are highlighting this risk as just one of the key risks with the potential to have a financial or strategic impact on our business. This risk is not disclosed in order of magnitude to the Company nor is the potential climate-related risk to the business limited to the risks we have chosen for this disclosure.

**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Severe weather conditions and natural disasters can adversely affect consumer spending and confidence levels or other factors that affect our results and prospects, such as commodity costs. Our receipt of proceeds under any insurance we maintain with respect to certain of these risks may be delayed or the proceeds may be insufficient to offset our losses fully. For example, the Company sources food and beverage products and ingredients from suppliers in over 100 countries across North America, Latin America, Europe and APMEA. Changes in weather patterns and increased frequency of extreme weather-related events (temperature changes, precipitation, floods, droughts, cyclones, and quality or quantity impacts to other natural resources) could have a direct impact on our operations, Franchisees and restaurants and the operations of our suppliers by causing disruption to the supply and availability of key commodities and ingredients such as protein, produce and coffee for McDonald's iconic menu items and a direct impact.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We are currently in the process of analyzing financial implications of medium- and long-term risks based on our initial assessment of climate-related financial risks to McDonald's.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

We understand the value and strength of our supply chain and the Company invests significant resources to mitigate supply chain risks to assure supply of the food and paper resources we procure. We create long-term relationships with our suppliers and ensure due diligence is built into our supply chain management through the methods discussed in C2.2. We mitigate climate-related risks in our supply chain through our responsible sourcing policies to accompany our approved Science Based Target. We prioritize six products: beef, chicken, coffee, palm oil, fish and fiber-based packaging. These products were initially identified through independent analysis by the World Wildlife Fund (WWF) as those with the greatest environmental risks and sustainability impacts. On these commodities and more, we continue work with WWF and others to address risks. Further information: <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/food-quality-and-sourcing/responsible-sourcing.html> To further improve climate-related risk identification in our supply chain, the Company engages our suppliers in CDP Supply Chain and as of 2022, requests 145 (up from 131 in 2021) of our top suppliers to respond to CDP Climate Change, and where applicable, CDP Forests. We also expect all proactive suppliers to set climate targets relevant for their own businesses, to measure, reduce and report emissions through CDP. We also focus on collaborative action and investment to address climate-related risk associated with our agriculture value chain. For Example, in the U.S. Northern Great Plains, McDonald's has partnered with Cargill, the Walmart Foundation and World Wildlife Fund, (WWF) investing \$1.6 million over a five-year project to support ranchers to implement regenerative grazing practices across 1 million acres making up 15% of McDonald's U.S. cow-calf supply. The Ranch Systems and Viability Planning network will provide ranchers technical expertise, training and tools, including peer-to-peer learning, to implement regenerative cattle grazing practices to enhance soil health and its ability to absorb further carbon from the atmosphere, improve biodiversity and environmental and economic resiliency. We do not centrally collate these costs specifically in relation to this type of risk, they are embedded in our responsible sourcing strategies across multiple categories and as such we have not provided a cost of response figure.

**Comment**

For the purpose of our disclosure, we are highlighting this risk as just one of the key risks with the potential to have a financial or strategic impact on our business. This risk is not disclosed in order of magnitude to the Company nor is the potential climate-related risk to the business limited to the risks we have chosen for this disclosure.

**C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

McDonald's is moving to more efficient buildings and kitchen equipment. Together with our Franchisees, we are working across our restaurants to be more innovative and efficient, with investments in areas such as renewable energy, LED lighting and energy-efficient kitchen and restaurant equipment (e.g., refrigeration, heating, ventilation and air conditioning systems). For example, to advance the overall sustainability of McDonald's restaurants, we have incorporated building/equipment efficiency guidance into McDonald's Global Restaurant Building & Equipment Standards (GRBES), partnering with Franchisees on energy usage and GHG emissions reduction programs, and innovating new restaurant solutions. The GRBES platform is designed to provide Building/Equipment requirements for new restaurants and guidance on exterior/site LED lighting, Energy Management, Building construction, Refrigeration, HVAC, Local Equipment, Recycling Bins and Water Conservation. The GRBES requirements and recommendations are reviewed and updated annually. In addition, in 2020, McDonald's unveiled a first-of-its-kind Net Zero Energy-designed restaurant at Walt Disney World Resort in Orlando, Florida. The global flagship restaurant is designed to create enough renewable energy on-site to cover 100% of its annual energy needs, and will serve as a learning hub to test solutions for reducing energy and water use.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Financial implications vary by region as there are unique upfront costs and efficiency gain associated with the move to more energy-efficient buildings. We are planning to centrally track more of the costs and gains associated with select initiatives in the future.

**Cost to realize opportunity****Strategy to realize opportunity and explanation of cost calculation**

McDonald's is continuing to make progress toward our global Science Based Target to reduce greenhouse gas emissions related to McDonald's restaurants and offices by 36% by the end of 2030, from a 2015 base year. Energy and building efficiency is a key strategy lever to meet this target. Examples of initiatives we are taking in this area include incorporating building/equipment efficiency guidance into McDonald's Global Restaurant Building & Equipment Standards (GRBES), partnering with Franchisees on energy usage and GHG emissions reduction programs, and innovating new restaurant solutions. The GRBES platform is designed to provide Building/Equipment requirements for new restaurants and guidance on exterior/site LED lighting, Energy Management, Building construction, Refrigeration, HVAC, Local Equipment, Recycling Bins and Water Conservation. The GRBES requirements and recommendations are reviewed and updated annually. Our efforts to realize this opportunity are measured as part of our GHG and energy tracking platform on an annual basis. We do not centrally collate costs specifically in relation to our investment in resource efficiency. They are embedded in strategies across multiple functions and markets and as such, we have not provided a cost to realize this opportunity. We are planning to centrally track costs and gains associated with select initiatives in the future.

**Comment**

Opportunities identified are not disclosed in order of magnitude to the Company nor is the potential financial or strategic impact to the business limited to the climate-related opportunities identified in this disclosure.

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Other, please specify (Mitigating energy cost volatility and increasing resilience)

**Company-specific description**

A primary climate-related opportunity driver for McDonald's is the procurement of renewable electricity for the operation of restaurants. This enables McDonald's and Franchisees to manage risks of increased operational costs due to tax and regulations in the short term, and ensures long term resiliency of our restaurants for the future. In 2021, McDonald's completed two new virtual power purchase agreement (VPPA) transactions for two solar projects to be built in Louisiana and Texas, respectively. Once online, the energy generated by the 2021 U.S. VPPA projects is expected to be equivalent to over 2,000 U.S. restaurants worth of electricity. Also 2021 marked the year that McDonald's first wind project was operational for a full 12 months, and currently prevents about 500,000 metric tons of CO2e emissions annually. Once all VPPA projects initiated between 2019–2022 come online, the energy generated by these renewable energy projects is expected to be equivalent to approximately 10,000 restaurants' worth of electricity and to contribute to a 27% global GHG reduction from our 2015 baseline. In Europe, renewable energy purchases in 2021 covered over 6,000 restaurants-worth of electricity across 11 markets (Austria, France, the U.K. and Ireland, Germany, the Netherlands, Poland, Portugal, Spain, Sweden and Switzerland).

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Financial implications vary by region. We are planning to centrally track more of the costs and gains associated with select initiatives in the future.

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

Now more than ever, McDonald's is focused on identifying long-term solutions that will enable a more resilient future for the planet and because of this we are continuing to make progress toward our global Science Based Target to reduce greenhouse gas emissions related to McDonald's restaurants and offices by 36% by the end of 2030, from a 2015 base year. Procurement of renewable electricity for the operation of restaurants is an important lever to reach this target. In Europe, renewable electricity purchases in 2021 covered over 6,000 restaurants-worth of electricity across 11 markets (Austria, France, the U.K. and Ireland, Germany, the Netherlands, Poland, Portugal, Spain, Sweden and Switzerland). In these markets, the electricity purchased for restaurants was over 75% renewable, and in many cases at or close to 100% renewable. In 2021, McDonald's increased investment to total seven renewable energy projects across the U.S. which we expect will add a significant amount of renewable energy to the U.S. power supply. In 2021, McDonald's completed two new virtual power purchase agreement (VPPA) transactions for two solar projects to be built in Louisiana and Texas, respectively. Once online, the energy generated by the 2021 U.S. VPPA projects is expected to be equivalent to over 2,000 U.S. restaurants worth of electricity. The GHG emissions reductions from all deals from 2019-2022 combined are expected to contribute to an approximate reduction of 27% from the 2015 global baseline year and will prevent over 3 million metric tons of CO2e emissions, once all projects are online. We do not centrally collate and report costs specifically in relation to our investment in renewable energy procurement. They are embedded in sustainability strategies across multiple markets and as such we have not provided an investment cost to realize this opportunity.

**Comment**

Opportunities identified are not disclosed in order of magnitude to the Company nor is the potential substantive financial or strategic impact to the business limited to the climate-related opportunities identified in this disclosure.

---

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Upstream

**Opportunity type**

Resilience

**Primary climate-related opportunity driver**

Other, please specify (Regenerative Agriculture )

**Primary potential financial impact**

Increased revenues resulting from increased production capacity

**Company-specific description**

The majority of our environmental impacts occur beyond our own operations, through the Company's supply chain and so McDonald's journey toward sustainable sourcing begins with our suppliers. Among other activities, the Company is focused on collaborative action and investment to address climate related risk associated with our agriculture value chain and partnering to advance sustainable and regenerative agriculture practices to help protect our planet for communities today and in the future.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Financial implications vary by region. We are planning to centrally track more of the costs and gains associated with select initiatives in the future.

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

Given McDonald's size and scale, we have an important role to play in responsible sourcing. We approach sustainable agriculture holistically and consider 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 want to create positive impact, such as boosting resiliency, improving biodiversity, maintaining native grasslands and capturing carbon, and rebuilding soils. McDonald's is working on a number of activities in this area, including but not limited to: Investing in soil and biodiversity in Nebraska, U.S.: With Cargill, The Nature Conservancy and Target, we support regenerative agriculture that helps mitigate climate change and improve the resiliency while achieving other environmental benefits for habitats and local water quality. This five-year project will impact 100,000 acres of land dedicated to corn production, through a joint \$8.5 million investment, and has the potential to sequester 150,000 metric tons of carbon – equivalent to removing over 32,000 cars from the road in one year. Improving grazing techniques in the U.S.: We committed to match up to \$4.5 million in a research project with The ASU Foundation for A New American University to analyze the impact of Adaptive Multi-Paddock grazing practices against continuously grazed ranches across. This helps identify beneficial techniques for the environment and farming communities, such as improved soil health, sequestered carbon, increased grassland biodiversity, farmer livelihoods and animal welfare. Regenerative grazing in the U.K.: We're working with FAI Farms on regenerative grazing focused on how cattle are a vital part of a farm ecosystem, contributing to soil biology by trampling of grass and addition of dung to feed microbes. Healthy soil draws carbon out of the atmosphere, supports farm resilience and produces low-input beef. Qualitative and quantitative measures are being used to monitor progress, and learnings will be used to support and encourage others with the adoption of regenerative agriculture techniques. We do not centrally collate these costs specifically in relation to our investment in this type of farming system, they are embedded in our responsible sourcing strategies across multiple categories and markets and as such have not provided a cost to realize this opportunity.

**Comment**

Opportunities identified are not disclosed in order of magnitude to the Company nor is the potential financial or strategic impact to the business limited to the climate-related opportunities identified in this disclosure.

**C3. Business Strategy**

**C3.1**

**(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?**

Row 1

**Transition plan**

Yes, we have a transition plan which aligns with a 1.5°C world

**Publicly available transition plan**

No

**Mechanism by which feedback is collected from shareholders on your transition plan**

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

**Description of feedback mechanism**

<Not Applicable>

**Frequency of feedback collection**

<Not Applicable>

**Attach any relevant documents which detail your transition plan (optional)**

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

<Not Applicable>

**Explain why climate-related risks and opportunities have not influenced your strategy**

<Not Applicable>

**C3.2**

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

**C3.2a**

**(C3.2a) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios	RCP 8.5 Company-wide	<Not Applicable>	The result of the analysis will help us understand the potential financial impact to our business by scenario and time period. The results will provide directional focus in terms of priority locations and commodities where further analysis and refinement is required along with identification and scaling of best practices for mitigating such risks to help build a more resilient McDonald's ecosystem. The results will also help the business to build use-cases to further socialize the risk assessment.

### C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

Not sharing at this time.

**Results of the climate-related scenario analysis with respect to the focal questions**

Not sharing at this time.

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Evaluation in progress	We know there are risks, opportunities, and impacts from all products and services. While we continuously evaluate these risks and opportunities, we work with suppliers and Franchisees to reduce the climate risk and build resiliency across all products and services, rather than limit products and services.
Supply chain and/or value chain	Evaluation in progress	We have assessed climate related risks and opportunities through our supply chain using AITrack, our enterprise-level internal climate tracking system, and our approach is guided by the TCFD framework. We also assess our supply chain climate impact by category, market and supplier to prioritize and tailor our Climate Action and engagement strategy. Finally, we use CDP Supply Chain to better understand the risks our suppliers identify and build these into our strategic approach. Our initial climate risk analysis was completed this year and we use climate impact and CDP Supply Chain insights to influence our strategy on an ongoing basis.
Investment in R&D	Yes	As we decide how and where to pursue and scale innovation pilot programs, such as agricultural research projects or alternative energy technology and energy efficiency projects, we build on prior learnings and anticipate continuous future insights that will inform short, medium and long term future investments in R&D based on climate-related risks and opportunities. Many markets are testing energy sourcing/reduction, water saving, and recycling/waste related innovations. An example is the McDonald's Chicago Flagship restaurant in the U.S. that serves as a learning hub for McDonald's to test solutions for reducing energy and water use, a testament to the Company's ongoing commitment to sustainable innovation. The Company and its suppliers monitor and track packaging related legislation requirements to identify important trends for consideration during strategic planning. The Company is testing and deploying new packaging solutions in our restaurants around the world to learn how we can reduce packaging and switch to more sustainable materials, while still delivering a great experience for our customers. Additionally, the Company has two key commitments: Source 100% of our guest packaging from renewable, recycled, or certified sources by the end of 2025, and 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. We understand that recycling infrastructure, regulations and consumer behaviors vary from city to city and country to country, but we plan to be part of the solution and help influence powerful change. Meeting these goals and planning for upcoming legislation has resulted in an increase in R&D. This included partnering with suppliers on the development of re-usable packaging options for specific geographic regions/items.
Operations	Yes	In cases of extreme weather events, restaurant operations and deliveries have been disrupted in some geographies. As we continue to pursue climate-related scenario modeling going forward – in the short term and to long-term, we will continue to assess the materiality of these impacts to the Company, Franchisees and suppliers. Energy and GHG reducing technologies and approaches identified as opportunities are being implemented across our restaurants. An example is McDonald's digital Global Restaurant Building & Equipment Standard (GRBES) which were being rolled out to countries globally through 2021. The GRBES platform is designed to provide minimum Building/Equipment requirements for new restaurants and guidance on exterior/site LED lighting, Energy Management, Building construction, Refrigeration, HVAC, Local Equipment, Recycling Bins and Water Conservation. Our efforts to realize this opportunity are measured as part of our GHG and energy tracking platform on an annual basis.

### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures Capital allocation Assets	McDonald's corporate and markets assess and plan for the risks and opportunities related to climate change. There are significant investments being made to activate our strategies including opportunities integrated into our financial planning to achieve our Science Based Target to reduce GHG emissions, or to implement resilience/adaptation plans and other actions to accommodate transitional and physical risks and opportunities. For example, we have integrated building / equipment efficiency measures and the associated cost savings (e.g. from energy efficiency) have been identified and incorporated into asset reinvestment plans in the short to medium-term time horizon.

### C3.5

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

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

## C4. Targets and performance



## C4.1

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### (C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target  
Intensity target

## C4.1a

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### (C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

**Target reference number**

Abs 1

**Year target was set**

2018

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

Scope 3

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

Category 5: Waste generated in operations

Category 12: End-of-life treatment of sold products

Category 14: Franchises

**Base year**

2015

**Base year Scope 1 emissions covered by target (metric tons CO<sub>2</sub>e)**

162958

**Base year Scope 2 emissions covered by target (metric tons CO<sub>2</sub>e)**

1295122

**Base year Scope 3 emissions covered by target (metric tons CO<sub>2</sub>e)**

7371293

**Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)**

8829374

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

36

**Total emissions in target year covered by target in all selected Scopes (metric tons CO<sub>2</sub>e) [auto-calculated]**

5650799.36

**Scope 1 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

113286

**Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

469236

**Scope 3 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

7989587

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)**

8572109

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

8.09372215969105

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

2°C aligned

**Please explain target coverage and identify any exclusions**

The Company partners with Franchisees to reduce greenhouse gas emissions related to McDonald's restaurants and offices by 36% by the end of 2030 from a 2015 base year. The target includes all Company-wide Scope 1 & 2 emissions, as well as operational waste (upstream Scope 3) and waste associated with final food and packaging delivered to customers post-sale on restaurant premise (downstream Scope 3) for all restaurants (Company-owned and Franchised), and Scope 1 & 2 emissions for Franchisee restaurants (downstream Scope 3). These figures reflect the latest enhancements to our 2015 base year emissions which have been updated based on best practice guidance on leveraging the latest methodology and data available. As we continue to enhance our methodology and data quality, we can expect the baseline and annual progress figures to further adjust.

**Plan for achieving target, and progress made to the end of the reporting year**

Since 2019, McDonald's has contracted for eight renewable energy projects through virtual power purchase agreements (VPPAs), representing both solar and wind technologies, located in the United States in Texas, Illinois, North Carolina, Ohio and Louisiana. This includes three recent wind projects that are online and operational as of January 2022. Once all projects initiated between 2019–2022 come online, the energy generated by renewable energy projects is expected to be equivalent to more than 10,000 restaurants' worth of electricity and to contribute to a 27% GHG reduction from our 2015 baseline. McDonald's portion of these renewable energy projects is expected to help to prevent approximately 3,200,000 metric tons of CO<sub>2</sub>e emissions each year. Absolute emissions related to restaurants and offices have reduced from our 2015 base year.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

## C4.1b

### (C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

**Target reference number**

Int 1

**Year target was set**

2018

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

Other (upstream)

**Intensity metric**

Metric tons CO<sub>2</sub>e per metric ton of product

**Base year**

2015

**Intensity figure in base year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

<Not Applicable>

**Intensity figure in base year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

8.21

**Intensity figure in base year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

8.21

**% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

<Not Applicable>

**% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure**

62

**% of total base year emissions in all selected Scopes covered by this intensity figure**

78.39

**Target year**

2030

**Targeted reduction from base year (%)**

31

**Intensity figure in target year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

5.6649

**% change anticipated in absolute Scope 1+2 emissions**

0

**% change anticipated in absolute Scope 3 emissions**

23.29

**Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

<Not Applicable>

**Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)**

7.57

**Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**

7.57

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

25.1463596715257

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

2°C aligned

**Please explain target coverage and identify any exclusions**

Through collaboration and partnership with our suppliers and producers, the Company commits to a 31% reduction in emissions intensity (per metric ton of food and packaging) across our supply chain by the end of 2030 from 2015 levels. Our target includes all emissions from purchased food, beverage and packaging products sold to customers. Our reported intensity reduction includes emissions from Purchased Goods and Services specifically from purchased beef, dairy, cheese, chicken and packaging products and Upstream transportation and distribution which together represented 78.39% of emissions in these categories in our baseline year. Note that our Scope 3 emissions are split across our two SBTi targets to accurately reflect our unique franchisee business model. The Scope 3 emissions represented in the intensity target were approximately 62% of our total Scope 3 emissions in the baseline year, with further Scope 3 emissions included in the absolute target we have for restaurants and offices. We recognize that our supply chain is a significant contributor to our total greenhouse gas emissions. In order to accurately assess and manage this impact by supplier, category and market, we have developed a system to take the best available data sources across the range of commodities and markets in which McDonald's operates and use national and industry datasets to build detailed emissions profiles for our key categories. We use this information to create reduction strategies relevant for our supply chains and to have informed discussions with suppliers in our largest emitting categories. These figures reflect our current 2015 and 2021 emissions estimates, which have been calculated based on best practice use of latest methodology and data available. We continue to enhance our methodology and data quality and can expect our baseline and annual progress figures to further adjust.

**Plan for achieving target, and progress made to the end of the reporting year**

We continue to communicate the importance of taking positive action on climate to our suppliers and we are confident that the Company has the right strategy in place in partnership with our suppliers to accelerate progress in the years ahead. Given McDonald's size and scale, we have an important role to play in responsible sourcing. We approach sustainable agriculture holistically and consider 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 want to create positive impact, such as boosting resiliency, improving biodiversity, maintaining native grasslands and capturing carbon, and rebuilding soils. McDonald's is working on a number of activities in this area. Regenerative agriculture is one of our strategies for achieving our target, as well as additional supplier engagement on renewable energy, energy efficiency, and logistics. We are pleased to report our supply chain emissions intensity has reduced between our baseline in 2015 and the 2021 reporting year.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	2	
Implementation commenced*	4	1064834
Implemented*	4	1143123
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Initiative category & Initiative type**

Low-carbon energy consumption	Other, please specify (Various: Hydro, Wind, Solar, PV)
-------------------------------	---

**Estimated annual CO2e savings (metric tonnes CO2e)**

696499

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

The Company encourages markets to develop a roadmap to integrate renewable electricity. In Europe, 11 reporting markets – Austria, France, the U.K. and Ireland, Germany, the Netherlands, Poland, Portugal, Spain, Sweden, and Switzerland – have achieved purchasing over 75% renewable electricity for their restaurants, and in many cases are at or close to 100% renewable electricity.

**Initiative category & Initiative type**

Low-carbon energy consumption	Other, please specify (Various: Hydro, Wind, Solar, Solar PV)
-------------------------------	---

**Estimated annual CO2e savings (metric tonnes CO2e)**

395579

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

The Company encourages all markets to develop a roadmap to integrate renewable energy (RE) into their sustainability plans. In the U.S., McDonald's has committed to buy electricity from four solar and three wind projects that will continue to help expand the amount of RE available. McDonald's energy offtake commitments from the projects will be in the form of virtual power purchase agreements (VPPAs), located in Texas, North Carolina, Ohio, Illinois, and Louisiana. By the end of 2021, McDonald's had two wind projects that were operational and the energy generated by these two projects is estimated to be equivalent to over 2,500 U.S. restaurants-worth of electricity and will help to prevent approximately 900,000 metric tons of CO2e each year, which is equivalent to planting 15 million trees. We have noted 395,579 mtCO2e in the numeric field as the savings in the reporting year, 2021 (one wind project was operational for a full 12 months and the other project became operational in November 2021). In 2021, McDonald's completed two new VPPA transactions, with two solar projects to be built in Louisiana and Texas. Once all renewable energy projects initiated between 2019-2022 are online, the energy generated will be equivalent to over 9,000 U.S. restaurants-worth of electricity and McDonald's portion of these projects is expected to prevent about 3,200,000 million metric tons of CO2e emissions each year.

**Initiative category & Initiative type**

Energy efficiency in production processes	Product or service design
---	---------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

3000

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

McDonald's China announced its action plan to focus on more sustainable restaurants and packaging. They expect to open more than 1,800 restaurants from by 2022, more than 95% of which will be designed to meet LEED v4 ID+C Standard via LEED Volume Program. For the existing restaurants, McDonald's China has been continuously updating and optimizing the energy management systems, including the use of LED energy-saving lamps, as well as more efficient air conditioning and kitchen equipment. Each LEED Certification restaurant may save approximately 30 tCO<sub>2</sub> per year. 100 LEED Certification restaurants may save over 3,000 tCO<sub>2</sub> per year.

**Initiative category & Initiative type**

Energy efficiency in buildings	Lighting
--------------------------------	----------

**Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)**

3200

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

LED lighting investment amounts vary by region and are incorporated into the overall cost of a standard new or rebuilt restaurant (for both the Company and Franchisees), thus we do not represent an incremental investment cost. In the U.S. LED lighting is standard for all new and rebuilt McDonald's restaurants (excluding certain signs and equipment lamps), and in Europe LED lights are part of the restaurant guidelines for all markets. India also implements LED lighting technology in new restaurants since 2012.

**Initiative category & Initiative type**

Energy efficiency in buildings	Other, please specify (Energy and water efficiency)
--------------------------------	---

**Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)**

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

**Investment required (unit currency – as specified in C0.4)**

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

McDonald's USA ran an environmental sustainability initiative, U.S. 20x2020 By Design, that aimed to reduce energy and water by 20% by 2020 from a 2005 base year through the use of innovative strategies in the design of new restaurants. These include LED lighting, low oil-volume fryers, high-efficiency hand dryers, toilets and faucets, and low-spray valves. In a concluding study in 2021, McDonald's USA 2020 prototype buildings have achieved a 26.4% reduction in electric use, and a 3.7% reduction in natural gas use from 2005. For water, they achieved a total water use reduction of 19% (including a reduction of approximately 27% for hot water and water to sewer). Additionally, McDonald's ECO2 program continues to help U.S. Franchisees identify and install cost-saving energy efficiency measures in their restaurants. McDonald's USA works with experts to provide restaurants surveys, analysis of available upgrades and potential savings, utility incentive management, and coordination of equipment selection and installation for the Franchisees.

**Initiative category & Initiative type**

Energy efficiency in buildings	Other, please specify (Various initiatives)
--------------------------------	---

**Estimated annual CO2e savings (metric tonnes CO2e)****Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)****Investment required (unit currency – as specified in C0.4)****Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

McDonald's Net Zero Energy restaurant in the U.S. is designed to create enough renewable energy on-site to cover 100% of its energy needs on a net annual basis. The restaurant includes a solar-paneled roof, photovoltaic glass panels integrated throughout the building, and solar parking lot lights on the property's exterior. It also has an automated energy system and passive ventilation dining-room that circulates air and regulates temperature. This global flagship restaurant will serve as a learning hub for McDonald's to test solutions for reducing energy and water use, a testament to the Company's ongoing commitment to sustainable innovation. Additionally, in 2021, McDonald's opened the Market Drayton McDonald's, which is the first restaurant in the U.K. due to be verified as net zero emissions for construction using the UK Green Building Council's (UKGBC's) net zero carbon buildings framework. This restaurant will act as a blueprint for future restaurants around the country, and has been designed to be net zero emission standard in both construction and every day operation.

**Initiative category & Initiative type**

Waste reduction and material circularity	Waste reduction
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**Estimated annual CO2e savings (metric tonnes CO2e)****Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 5: Waste generated in operations

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)****Investment required (unit currency – as specified in C0.4)****Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

The Company is testing and deploying new packaging solutions in our restaurants around the world to learn how we can reduce packaging and switch to more sustainable materials, while still delivering a great experience for our customers. By using our restaurants as innovation hubs, we can get immediate customer feedback and identify the best solutions to accelerate and scale across multiple markets. For example, by the end of 2021, 28 markets had switched to new McFlurry packaging which eliminates the need for a separate plastic lid. By the end of 2025, it will be standard in all markets. In Europe alone, this will save more than 1,100 metric tons of plastic per year. Additionally, by the end of 2021, in our top 35 markets, on average 35% of restaurants offered guests the opportunity to recycling packaging items. In these restaurants, guest packaging items are collected in customer-facing recycling bins, or collected for sorting and recycling back of house or off-site. In regions where infrastructure is more robust, we see greater progress toward our goal. For example, on average, approximately 78% of our restaurants in McDonald's largest European markets are already providing recycling for guest packaging. In many restaurants around the world we also recycle kitchen waste materials, such as cooking oils, organic waste and corrugated cardboard used in packaging, all of which can be turned into new resources.

**C4.3c****(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for other emissions reduction activities	Varies by market
Employee engagement	Varies by market
Internal incentives/recognition programs	Supplier engagement programs and CDP Supply Chain
Internal incentives/recognition programs	Varies by market
Dedicated budget for energy efficiency	Varies by market

**C4.5****(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.****Level of aggregation**

Group of products or services

**Taxonomy used to classify product(s) or service(s) as low-carbon**

Other, please specify (Energy efficiency leads to GHG reduction, we do not currently track according to a formal Taxonomy)

**Type of product(s) or service(s)**

Other	Other, please specify (Guidance on exterior/site LED lighting, Energy Management, Building construction, Refrigeration, HVAC, Local Equipment, Recycling Bins and Water Conservation)
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**Description of product(s) or service(s)**

As a franchise organization, the Company provides energy saving solutions and technologies to Franchisees which enable them to avoid emissions at their restaurants. An example is McDonald's digital Global Restaurant Building & Equipment Standard (GRBES) which was rolled out to countries globally through 2021. The GRBES platform is designed to provide Building/Equipment requirements for new restaurants as well as recommendations and shared learnings guidance, and includes guidance on exterior/site LED lighting, Energy Management, Building construction, Refrigeration, HVAC, Local Equipment, Recycling Bins and Water Conservation. Prior to the launch of GRBES, markets in Europe developed their own internal building standards in consultation with external experts, designed to be scalable across all new and remodeled restaurants. In 2015, the Company issued an update of the guidelines on new store openings, which included a broader range of more impactful recommendations and sustainability solutions for restaurants, included expanded energy efficiency measures. These guidelines and standards, applicable for both Company-owned and Franchisee restaurants, can help to reduce GHG emissions.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

&lt;Not Applicable&gt;

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

&lt;Not Applicable&gt;

**Functional unit used**

&lt;Not Applicable&gt;

**Reference product/service or baseline scenario used**

&lt;Not Applicable&gt;

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

&lt;Not Applicable&gt;

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

&lt;Not Applicable&gt;

**Explain your calculation of avoided emissions, including any assumptions**

&lt;Not Applicable&gt;

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year****Level of aggregation**

Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**

Other, please specify (Electric vehicles can reduce GHGs, we do not currently track according to a formal Taxonomy)

**Type of product(s) or service(s)**

Please select

**Description of product(s) or service(s)**

Electric Vehicle Charging Stations: In some markets, McDonald's restaurants have installed Electric Vehicle Charging Units as an added service benefit for customers. We take a holistic approach to sustainability and that means exploring ways to help our customers reduce their own environmental impact. To help our customers embrace more sustainable technologies, we are in the process of rolling out electric vehicle (EV) charging points at numerous restaurants around the world. Through a collaboration with electricity producer Vattenfall, every Drive-Thru in the Netherlands will have two fast-charging points installed. This will enable EV drivers to charge their car within half an hour, using green electricity fully generated by Dutch wind turbines. McDonald's Sweden has worked with Recharge (formerly Fortum) since 2012 and with EON since 2018 to establish fast chargers for electric cars in Sweden. McDonald's U.K. has entered a partnership with InstaVolt to introduce EV rapid-charging points as standard across new Drive-Thru restaurants.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

&lt;Not Applicable&gt;

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

&lt;Not Applicable&gt;

**Functional unit used**

&lt;Not Applicable&gt;

**Reference product/service or baseline scenario used**

&lt;Not Applicable&gt;

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

&lt;Not Applicable&gt;

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

---

## C5. Emissions methodology

---

### C5.1

---

(C5.1) Is this your first year of reporting emissions data to CDP?

No

### C5.1a

---

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

### C5.1b

---

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	In addition to previously reported categories of emissions, McDonald's is now reporting emissions on corporate travel, which was data not available until this year.

### C5.1c

---

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the impact does not meet our significance threshold	

### C5.2

---

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

162958

Comment

These figures reflect the latest enhancements to our 2015 base year emissions, which have been updated based on best practice guidance on leveraging the latest methodology and data available. We can expect the baseline and annual progress figures to further adjust in future reporting cycles with continued methodology and data quality enhancements.



**Scope 2 (location-based)**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

1378676

**Comment**

These figures reflect the latest enhancements to our 2015 base year emissions, which have been updated based on best practice guidance on leveraging the latest methodology and data available. We can expect the baseline and annual progress figures to further adjust in future reporting cycles with continued methodology and data quality enhancements.

**Scope 2 (market-based)**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

1295123

**Comment**

These figures reflect the latest enhancements to our 2015 base year emissions, which have been updated based on best practice guidance on leveraging the latest methodology and data available. We can expect the baseline and annual progress figures to further adjust in future reporting cycles with continued methodology and data quality enhancements.

**Scope 3 category 1: Purchased goods and services**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

35989255

**Comment**

These figures reflect the latest enhancements to our 2015 base year emissions, which have been updated based on best practice guidance on leveraging the latest methodology and data available. We can expect the baseline and annual progress figures to further adjust in future reporting cycles with continued methodology and data quality enhancements.

**Scope 3 category 2: Capital goods**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 4: Upstream transportation and distribution**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 5: Waste generated in operations**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 6: Business travel**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 7: Employee commuting**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 8: Upstream leased assets**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 9: Downstream transportation and distribution**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 10: Processing of sold products**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 11: Use of sold products**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 12: End of life treatment of sold products**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 13: Downstream leased assets**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 14: Franchises**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3 category 15: Investments**

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

**Scope 3: Other (upstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (downstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**C5.3**

---

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**C6. Emissions data**

---

**C6.1**

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

113286

**Start date**

January 1 2021

**End date**

December 31 2021

**Comment**

**Past year 1**

**Gross global Scope 1 emissions (metric tons CO2e)**

97349

**Start date**

January 1 2020

**End date**

December 31 2020

**Comment**

**Past year 2**

**Gross global Scope 1 emissions (metric tons CO2e)**

103530

**Start date**

January 1 2019

**End date**

December 31 2019

**Comment**

**Past year 3**

**Gross global Scope 1 emissions (metric tons CO2e)**

113991

**Start date**

January 1 2018

**End date**

December 31 2018

**Comment**

## C6.2

---

### (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

#### Row 1

##### Scope 2, location-based

We are reporting a Scope 2, location-based figure

##### Scope 2, market-based

We are reporting a Scope 2, market-based figure

##### Comment

## C6.3

---

### (C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

#### Reporting year

##### Scope 2, location-based

521720

##### Scope 2, market-based (if applicable)

469236

##### Start date

January 1 2021

##### End date

December 31 2021

##### Comment

#### Past year 1

##### Scope 2, location-based

474170

##### Scope 2, market-based (if applicable)

430403

##### Start date

January 1 2020

##### End date

December 31 2020

##### Comment

#### Past year 2

##### Scope 2, location-based

511444

##### Scope 2, market-based (if applicable)

445172

##### Start date

January 1 2019

##### End date

December 31 2019

##### Comment

#### Past year 3

##### Scope 2, location-based

562885

##### Scope 2, market-based (if applicable)

493324

##### Start date

January 1 2018

##### End date

December 31 2018

##### Comment

## C6.4

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

## C6.4a

---

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

Emissions for Company-owned offices outside of the U.S., larger European markets (Austria, Czech Republic, France, Netherlands, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, United Kingdom), Canada, China, Russia, Brazil, Japan, South Korea, and Australia.

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

These emissions sources were not estimated due to incomplete and insufficient data availability at corporate level for estimation and/or extrapolation. In recent years, estimated emissions for Company-owned offices based outside of larger markets represented less than 1% of both Scope 1 and Scope 2 emissions and were deemed not relevant to complete for the analysis.

**Estimated percentage of total Scope 1+2 emissions this excluded source represents**

1

**Explain how you estimated the percentage of emissions this excluded source represents**

Estimated based on office area footprint and associated average emissions onsite in comparison to restaurants.

---

**Source**

Emissions for Company-owned or controlled fleets outside of the U.S.

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

These emissions sources were not estimated due to incomplete and insufficient data availability at corporate level for estimation and/or extrapolation. In recent years, estimated emissions for Company-owned or controlled fleets based outside of the U.S. represented less than 1% of both Scope 1 and Scope 2 emissions and were deemed not relevant to complete for the analysis.

**Estimated percentage of total Scope 1+2 emissions this excluded source represents**

1

**Explain how you estimated the percentage of emissions this excluded source represents**

Estimate based on number of vehicles in in owned and controlled fleets in comparison to restaurant operations.

---

## C6.5

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

43492173

**Emissions calculation methodology**

Average data method

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

Emissions were calculated using Aligned Incentives' hybrid life cycle assessment models and database for 100% of procured food, beverage and packaging products procured over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard, using GWP values from the IPCC Fifth Assessment Report. Purchased goods and services refers to food and packaging supply chain categories only, including agriculture, processing and distribution activities (non-category 4 activities). Emissions estimates for this Scope 3 category were calculated using procurement and distribution data in a hybrid LCA model. The results reflect goods & services purchased for both Company-owned and Franchisee restaurants due to format of data used for analysis. We obtain the product volume data from suppliers for the LCAs Spend data regarding other purchased goods and services was not available at global level at time of analysis.

---

## Capital goods

### Evaluation status

Relevant, not yet calculated

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Due to lack of availability of consistent, global data at time of reporting to enable analysis, we will not report estimated emissions from capital goods at this time.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

1830495

### Emissions calculation methodology

Hybrid method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Emissions were calculated using data on the energy consumption across all restaurants (both company and franchisee owned), as well as energy consumption for U.S. and European offices and fleets. Emissions factors represent upstream emissions from the production and transportation of fuels consumed in the reporting year as well as T&D losses associated with electricity use. For electricity, upstream fuel consumption was based on a market-based method, using the fuel mix for the local grid for each facility to calculate supply chain emissions. Values were calculated using GWP values from the IPCC Fifth Assessment Report.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

1928873

### Emissions calculation methodology

Hybrid method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

85

### Please explain

The reported figure represents total emissions from outbound transportation and distribution center activities, as provided by the company's top suppliers. These emissions cover markets composing the vast majority of all restaurants globally (both company and franchisee owned). Emissions from outbound transportation and distribution center activities for the remaining stores were estimated by using a weighted average per-store value, calculated across all reporting markets. Inbound emissions are also included in this estimate but are extrapolated due to lack of data. Emissions from inbound transportation were calculated using country-level inbound-to-outbound emissions ratios from an analysis conducted by the company's largest suppliers.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

469120

### Emissions calculation methodology

Average data method  
Waste-type-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

The reported figure represents total emissions from waste generated in operations that are not associated with final food and packaging delivered to customers post sale.

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

546311

### Emissions calculation methodology

Fuel-based method

Other, please specify (Obtained from vendors)

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

The reported figure represents total emissions from all corporate air and rail travel, as well as lodging. These values are as reported directly by the company's travel vendors.

## Employee commuting

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not yet evaluated at time of disclosure. Emissions from this category represented less than 1% of total emissions when estimated in a prior years' more holistic Scope 3 analysis. As such, this category was excluded from the analysis. Upstream leased assets

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Upstream leased assets are not applicable in the Company's business.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Downstream transportation and distribution to the end consumer is not currently a sizeable part of McDonald's operational model and the GHG emissions magnitude is estimated as small compared to other Scope 3 categories noted here. We will continue to evaluate relevance in future years.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not relevant because there is no downstream processing of sold products for McDonald's.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not relevant because there are no GHG emissions from the use of sold products.

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

1644687

### Emissions calculation methodology

Waste-type-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

The reported figure represents total emissions from waste generated in operations that are associated with final food and packaging delivered to customers post sale.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Emissions from assets that the Company owns and leases to Franchisees are represented in the franchise-related emissions figures.

## Franchises

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

6892299

### Emissions calculation methodology

Franchise-specific method  
Other, please specify (Predictive model and linear extrapolation of refrigerant emissions)

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Represents Franchisee Scope 1 & 2 emissions. Primary data was collected from Franchisee restaurants in the largest markets. A predictive model drawing from the data collected from these stores was used to extrapolate energy data for all non-reporting stores open at some point during the reporting period. Refrigerant emissions were estimated using linear extrapolation of Company-owned restaurant data.

## Investments

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The Company does not have significant investments as part of its core business.



**Other (upstream)**

**Evaluation status**

Not evaluated

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**Other (downstream)**

**Evaluation status**

Not evaluated

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

C6.5a

---

**(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.**

**Past year 1**

**Start date**

January 1 2020

**End date**

December 31 2020

**Scope 3: Purchased goods and services (metric tons CO2e)**

40316401

**Scope 3: Capital goods (metric tons CO2e)**

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

2212418

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

1651247

**Scope 3: Waste generated in operations (metric tons CO2e)**

447970

**Scope 3: Business travel (metric tons CO2e)**

**Scope 3: Employee commuting (metric tons CO2e)**

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

**Scope 3: Processing of sold products (metric tons CO2e)**

**Scope 3: Use of sold products (metric tons CO2e)**

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

1534282

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

6770977

**Scope 3: Investments (metric tons CO2e)**

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

**Past year 2**

**Start date**

January 1 2019

**End date**

December 31 2019

**Scope 3: Purchased goods and services (metric tons CO2e)**

42729986

**Scope 3: Capital goods (metric tons CO2e)**

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

2194255

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

1947638

**Scope 3: Waste generated in operations (metric tons CO2e)**

372316

**Scope 3: Business travel (metric tons CO2e)**

**Scope 3: Employee commuting (metric tons CO2e)**

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

**Scope 3: Processing of sold products (metric tons CO2e)**

**Scope 3: Use of sold products (metric tons CO2e)**

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

1695620

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

7354292

**Scope 3: Investments (metric tons CO2e)**

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

**Past year 3**

**Start date**

January 1 2018

**End date**

December 31 2018

**Scope 3: Purchased goods and services (metric tons CO2e)**

41505964

**Scope 3: Capital goods (metric tons CO2e)**

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

2236674

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**

1672470

**Scope 3: Waste generated in operations (metric tons CO2e)**

364997

**Scope 3: Business travel (metric tons CO2e)**

**Scope 3: Employee commuting (metric tons CO2e)**

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**

**Scope 3: Processing of sold products (metric tons CO2e)**

**Scope 3: Use of sold products (metric tons CO2e)**

**Scope 3: End of life treatment of sold products (metric tons CO2e)**

1638036

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

7430622

**Scope 3: Investments (metric tons CO2e)**

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

**C6.7**

---

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

**C6.10**

---

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.00002508

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

582521

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

23223000000

**Scope 2 figure used**

Market-based

**% change from previous year**

0.12

**Direction of change**

Decreased

**Reason for change**

This metric has marginally decreased between 2020 and 2021, as the ratio of emissions to revenue has adjusted slightly. This is not a key metric we actively use to assess progress against our Science Based Targets.

---

## C7. Emissions breakdowns

### C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

### C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CH <sub>4</sub>	39	IPCC Fifth Assessment Report (AR5 – 100 year)
CO <sub>2</sub>	90961	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	22011	IPCC Fifth Assessment Report (AR5 – 100 year)
N <sub>2</sub> O	186	IPCC Fifth Assessment Report (AR5 – 100 year)

### C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Europe	30591
Other, please specify (Global/Unspecified)	30432
North America	52262

### C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

### C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Heating Oil	226
Natural Gas	62323
Propane / NGL	251
Refrigerants	21954
Mobile Fuels	28531

### C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO <sub>2</sub> e)	Scope 2, market-based (metric tons CO <sub>2</sub> e)
Europe	246944	211895
North America	205816	188382
Other, please specify (Global/Unspecified)	68020	14647

### C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

## C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
District Heating	17728	17728
Electricity	503992	451508

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	54770	Increased	10.38	Total from 2021 (reporting year) = 582,251 metric tons CO2e Total from 2020 = 527,751 metric tons CO2e
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	466713	466713
Consumption of purchased or acquired electricity	<Not Applicable>	281892	1386914	1668806
Consumption of purchased or acquired heat	<Not Applicable>	0	83685	83685
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	281892	1937312	2219204

C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Sustainable biomass**

**Heating value**

**Total fuel MWh consumed by the organization**

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other biomass**

**Heating value**

**Total fuel MWh consumed by the organization**

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**

**Total fuel MWh consumed by the organization**

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Coal**

**Heating value**

**Total fuel MWh consumed by the organization**

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**Oil**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

601

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

We are reporting on our use of Fuel Oil Number 2 for this response.

**Gas**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

348771

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

We are reporting on our use of Natural Gas and Propane Gas for this response.

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

117341

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

We are reporting on our use of Jet Kerosene and Motor Gasoline for this response.

**Total fuel**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

466713

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

**C8.2e**

---

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.**

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Sustainable biomass



**Country/area of low-carbon energy consumption**

France

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

22493

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Austria

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

5985

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Brazil

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

4008

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

France

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

12683

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Germany

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

33658

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Guatemala

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

2591

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Poland

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

13614

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

Netherlands

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

---

7837

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Offshore wind

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

France

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

16551

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Onshore wind

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

Spain

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

14168

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Onshore wind

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

United Kingdom of Great Britain and Northern Ireland

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

35311

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Onshore wind

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

---

**Energy carrier**

Please select

**Low-carbon technology type**

Solar

**Country/area of low-carbon energy consumption**

El Salvador

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

473

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Solar

**Country/area of low-carbon energy consumption**

France

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

684

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Solar

**Country/area of low-carbon energy consumption**

United Kingdom of Great Britain and Northern Ireland

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

17668

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)****Comment**

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Austria

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

359

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Portugal

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

5581

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Please select

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

United States of America

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

1915

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Onshore wind

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Please select

**Low-carbon technology type**

Solar

**Country/area of low-carbon energy consumption**

United States of America

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

269

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Please select

**Low-carbon technology type**

---

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Sweden

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

7773

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Please select

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

United States of America

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

65361

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Onshore Wind

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Please select

**Low-carbon technology type**

Solar

**Country/area of low-carbon energy consumption**

Czechia

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

4

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Renewable energy mix, please specify (50% solar and 50% onshore wind )

**Country/area of low-carbon energy consumption**

Belgium

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

2908

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

---

**Comment**

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Please select

**Low-carbon technology type**

Renewable energy mix, please specify (50% solar and 50% onshore wind)

**Country/area of low-carbon energy consumption**

Ireland

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

2833

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Please select

**Low-carbon technology type**

Renewable energy mix, please specify (50% solar and 50% onshore wind)

**Country/area of low-carbon energy consumption**

Poland

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

8

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Please select

**Low-carbon technology type**

Renewable energy mix, please specify (50% solar and 50% onshore wind)

**Country/area of low-carbon energy consumption**

Portugal

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

28

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Please select

**Low-carbon technology type**

Renewable energy mix, please specify (50% solar and 50% onshore wind)

**Country/area of low-carbon energy consumption**

Switzerland

**Tracking instrument used**

---

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

4860

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Please select

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Italy

**Tracking instrument used**

Please select

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

2269

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Please select

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

---

## C8.2g

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**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

**Country/area**

Australia

**Consumption of electricity (MWh)**

88943

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

88943

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Austria

**Consumption of electricity (MWh)**

14727

**Consumption of heat, steam, and cooling (MWh)**

1351

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

16078

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Belgium

**Consumption of electricity (MWh)**

620

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

620

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---



**Country/area**

Canada

**Consumption of electricity (MWh)**

66262

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

66262

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Czechia

**Consumption of electricity (MWh)**

89

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

89

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

France

**Consumption of electricity (MWh)**

193728

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

193728

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Germany

**Consumption of electricity (MWh)**

59334

**Consumption of heat, steam, and cooling (MWh)**

313

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

59647

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Ireland

**Consumption of electricity (MWh)**

1351

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

1351

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Italy

**Consumption of electricity (MWh)**

29125

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

29125

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Netherlands

**Consumption of electricity (MWh)**

19042

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

19042

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

New Zealand

**Consumption of electricity (MWh)**

6036

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

6036

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Poland

**Consumption of electricity (MWh)**

44143

**Consumption of heat, steam, and cooling (MWh)**

768

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

44911

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Portugal

**Consumption of electricity (MWh)**

15436

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

15436

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Russian Federation

**Consumption of electricity (MWh)**

370649

**Consumption of heat, steam, and cooling (MWh)**

81090

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

451739

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

---

**Country/area**

Slovakia

**Consumption of electricity (MWh)**

5081

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

5081

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

---

**Country/area**

Spain

**Consumption of electricity (MWh)**

40047

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

40047

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

---

**Country/area**

Switzerland

**Consumption of electricity (MWh)**

14087

**Consumption of heat, steam, and cooling (MWh)**

165

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

14252

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

---

**Country/area**

Ukraine

**Consumption of electricity (MWh)**

50490

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

50490

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

---

**Country/area**

United Kingdom of Great Britain and Northern Ireland

**Consumption of electricity (MWh)**

139859

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

139859

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

---

**Country/area**

United States of America

**Consumption of electricity (MWh)**

509758

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

509758

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

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## C9. Additional metrics

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## C9.1

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**(C9.1) Provide any additional climate-related metrics relevant to your business.**

## C10. Verification

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### C10.1

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**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.2

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, but we anticipate being regulated in the next three years

### C11.1d

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**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

We monitor regulations that will affect McDonald's operations through our Corporate Relations team and respond accordingly as part of our holistic risk management approach, as outlined in C2.2.

The Company also leverages partnerships and insights from leading external environmental stakeholders and industry groups to continually monitor and integrate the latest factors (science, policy, geopolitics, trends) into our climate risk and resiliency planning.

Based on globally developed and leading climate scenarios, in 2020-2021 the Company conducted and analyzed scenario modeling to understand the transition and physical risks and opportunities for the McDonald's System, including our supply chain, Company offices, and Company-owned and franchised restaurants. The analysis will include the implications of carbon pricing mechanisms and water-related risks. In line with our corporate sustainability tracking system, a data analysis platform was developed for assessing the potential impact of carbon taxes and water-related risks across all global locations, and on key commodities and sourcing regions.

To assess transition risk, we chose the Sustainable Development Scenario (SDS) from the World Energy Model of the International Energy Agency (the IEA). In line with TCFD recommendations, we chose the IEA's SDS model as a recognized and comparable third-party scenario that allows us to assess our resilience in a world where global temperatures are limited to well below 2°C. The SDS outlines a major transformation of the global energy system by 2040 and is characterized by widespread adoption of clean energy policies and regulation. Our initial transition risk assessment is focused on emerging regulation on carbon pricing mechanisms, specifically the carbon price exposure to the McDonald's System in a low-carbon scenario. Our assessment covers all Company-owned and franchised restaurants globally. We also assessed our key agricultural commodities that represent our main supply chain GHG drivers globally, with the ambition to expand this modeling in the near future. The results of the analysis will help us understand the potential financial impact to our business by scenario and time period and directional focus in terms of priority locations and commodities.

### C11.2

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

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### (C11.3) Does your organization use an internal price on carbon?

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

## C12. Engagement

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### C12.1

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#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

### C12.1a

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#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### Type of engagement

Information collection (understanding supplier behavior)

##### Details of engagement

Collect climate change and carbon information at least annually from suppliers

##### % of suppliers by number

15

##### % total procurement spend (direct and indirect)

81

##### % of supplier-related Scope 3 emissions as reported in C6.5

##### Rationale for the coverage of your engagement

We collect information on all of our sourcing through our TraQtion and Distribution Center information which would cover suppliers in every market we have data for. We cannot categorically state the % of total suppliers who respond to CDP Supply Chain so have used 15% as a conservative lower estimate of suppliers covered through information collection. We have calculated the spend with suppliers we request information on through CDP as a percentage of our annual food and paper spend as a conservative lower estimate of suppliers covered through information collection. In 2022, we asked 145 suppliers to report to CDP Climate and Forest reports. This was up from 2021 when we asked 131 suppliers to report to CDP Climate – representing 81% of our global spend across Food & Beverage, Paper & Packaging, and Logistics & Equipment. For CDP Forest in 2021, we requested 124 suppliers to report, representing 80% of our global spend in the same areas. The 2021 data encompasses all globally managed beef, chicken, dairy, cheese, fiber-based packaging, bakery and baked goods, logistics, equipment, produce, liquid products and potato suppliers, and the largest plastic packaging suppliers as well as a number of large volume & spend suppliers in key markets

##### Impact of engagement, including measures of success

As a Lead Member of CDP Supply Chain, one way we track supplier information and progress on climate action is through their annual CDP disclosures. In 2021, we received an 89% disclosure response rate from suppliers to our CDP Supply Chain Climate information collection. This represents an improved engagement score from an 82% response rate in 2020. This increased response rate was achieved while also increasing the number of suppliers invited to disclose from 107 in 2020, to 131 in 2021, and most recently, 145 in 2022. In addition, based on information collected annually from suppliers and information collected from McDonald's markets globally on product volumes, origins, processing locations and markets supplied, we visualize the emissions impact every major supplier has within our supply chain by key product. We share this information with procurement leads globally and sustainability leads in key markets to support conversations on our expectations for climate action. For our highest emitting categories, we expect that all globally managed suppliers meet our expectations. A great example of this is in our logistics category where all of McDonald's Global and North American independent logistics suppliers have set science-based targets, approved by the SBTi. We are using this information to work more closely with suppliers in these categories to capture the impact of the reductions and removals under supplier-led climate strategies to the annual McDonald's supply chain emissions. In addition to our direct questions to suppliers through CDP Supply Chain, suppliers must adopt the McDonald's Supplier Code of Conduct. This requires that their facilities meet the standards and promote the principles outlined in the Code, which are intended to advance McDonald's commitment to all aspects of sustainability, including environmental management. The McDonald's Supplier Workplace Accountability program articulates our expectations of how suppliers should treat the people within their supply chain, and through the program's Self-Assessment Questionnaire, we ask suppliers if they utilize an environmental scorecard or comparable system to track environmental impacts and measure continuous progress, and if they have identified and documented environmental legal requirements. Globally, 97% of our suppliers completed the Self-Assessment Questionnaire in 2021.

##### Comment

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##### Type of engagement

Engagement & incentivization (changing supplier behavior)

##### Details of engagement

Run an engagement campaign to educate suppliers about climate change  
Provide training, support, and best practices on how to make credible renewable energy usage claims  
Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms  
Climate change performance is featured in supplier awards scheme

##### % of suppliers by number

100

##### % total procurement spend (direct and indirect)

##### % of supplier-related Scope 3 emissions as reported in C6.5

### Rationale for the coverage of your engagement

We have well-publicized expectations for all McDonald's suppliers to set climate strategies that include climate targets as well as the measurement, reduction and reporting of emissions. To underpin our engagement campaign, we have created a Climate Action Toolkit on our supplier facing sustainability web resource, the McDonald's Global Sustainable Sourcing Guide, to encourage suppliers to take self-managed action on the climate. We have highlighted great examples of supplier action in this Toolkit to inspire others. We reinforce this supplier communication annually through two CDP Supply Chain webinars and periodically in individual supplier and category level meetings to explain our expectations for them to set holistic climate targets, monitor reductions, implement reduction initiatives, engage their supply chain and report progress. We also invite key McDonald's commercial and quality leads to these meetings, so they understand our expectations of suppliers and the specific asks for CDP reporting. We are lead members of CDP Supply Chain and in 2022 have partnered with CDP to engage with 145 our suppliers to complete both the Climate Change and Forest reports. This is up from 131 suppliers invited to engage with our CDP Supply Chain Climate Change Program in 2021, which represented 81% of McDonald's global spend across Food & Beverage, Paper & Packaging, and Logistics & Equipment. Of those invited to report to CDP Supply Chain Climate Change in 2021, 89% responded. For these responders, we evaluated their disclosures on the actions they are taking across 10 priority areas including but not limited to: Measuring emissions across all scopes, setting emissions reduction targets, enacting emissions reduction initiatives, aligning climate targets to the latest science and cascading action through their own supply chain. McDonald's recognizes suppliers that do well on climate change performance through various platforms. In the United States, we also celebrate our logistics suppliers who support McDonald's submission to the Environmental Protection Agency SmartWay program, which helps companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency. Moreover, we highlighted our supplier partnerships on climate at COP26, acknowledging their individual and our joint efforts to reduce emissions.

### Impact of engagement, including measures of success

While all suppliers have access to our Climate Action Toolkit and associated resources, we invited all globally managed suppliers across food, packaging, logistics and equipment to engage in our CDP Webinars on Climate and Forests in March 2021. These live webinars attracted record attendance with over 164 attendees joining the Climate and Forest webinars from across 65 CDP Supply Chain requested companies. Attendance at the Climate and Forests Webinar represented 45% of requested suppliers for 2022. We believe by improving our engagement with suppliers, we are improving the understanding of McDonald's expectations of suppliers displaying self-managed excellence in climate action and improving the quality and quantity of disclosures we are seeing year on year. We have long-standing expectations for all suppliers to set holistic climate targets, monitor reductions, implement reduction initiatives, and report progress. Using CDP Supply Chain insights, we have integrated these expectations into bespoke feedback reports to suppliers to simply communicate whether a supplier meets or exceeds McDonald's expectations, meets many of our expectations or whether further action is recommended across 10 priority climate actions including, but not limited to, measuring emissions across all scopes, setting emissions reduction targets, enacting emissions reduction initiatives, aligning climate targets to the latest science and cascading action through their own supply chain. Measuring our engagement impact: A key measure of our success is the percentage of suppliers by category who are meeting our expectations through their CDP Supply Chain reports. Following our evaluation of supplier responses and our procurement spend with these suppliers, we identified that of the suppliers who reported through CDP Supply Chain Climate, 94% of spend was with suppliers who met many or all of our 10 climate expectations and 6% of spend was with suppliers who required further action (and were supported with recommended next steps) in 2021.

### Comment

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#### Type of engagement

Innovation & collaboration (changing markets)

#### Details of engagement

Collaborate with suppliers on innovative business models to source renewable energy

#### % of suppliers by number

1

#### % total procurement spend (direct and indirect)

#### % of supplier-related Scope 3 emissions as reported in C6.5

### Rationale for the coverage of your engagement

As a global company, McDonald's believes that we have a responsibility to address the impact of climate change. By working with our supply partners to reduce our carbon footprint we are on a journey together to help lead the way toward a better and more sustainable future for the communities we serve around the world. In 2018 we announced our intent to partner with suppliers to reduce emissions intensity (per metric ton of food and packaging) across our global supply chain by 31 percent by the end of 2030. In July of 2021, Lopez-Dorada Foods, supply partner of McDonald's for over 40 years for beef, pork, and chicken, entered into a long-term virtual power purchase agreement (VPPA) for solar power to offset its greenhouse gas emissions. Lopez-Dorada selected the solar project following a collaborative procurement process with McDonald's, led by energy advisor Customer First Renewables. This agreement aligns with our emissions reduction goal and Lopez-Dorada stated that they "are proud to work with McDonald's on a project of this scale with a collective goal to decrease our carbon footprint and reduce greenhouse gas emissions. This effort will create a healthier environment for communities around the world".

### Impact of engagement, including measures of success

Lopez-Dorada signed the virtual power purchase agreement for 12 megawatts of capacity from a new solar farm in North Carolina expected to begin operation at the end of 2022. Once completed, the project will cover approximately 1,200 acres, the equivalent of 900 football fields. Lopez-Dorada will purchase renewable energy from the solar project to reduce GHG emissions from its overall operations. Lopez-Dorada's agreement achieves their goal of avoiding approximately 10,000 metric tons of CO2 emissions per year.

### Comment

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C12.1d

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**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

We're committed to building a better McDonald's and that includes using our scale to help address this defining issue for current and future generations. This strategy encompasses both our company-owned restaurants and other partners, namely, our franchise restaurants, and suppliers as described above. In 2018, we became the first restaurant company in the world to address global climate change by setting a Science Based Target to significantly reduce our greenhouse gas emissions. The Company is partnering with Franchisees to reduce greenhouse gas emissions related to McDonald's restaurants and offices by 36% by 2030 from a 2015 base year. Franchisees operate approximately 95% of McDonald's restaurants worldwide so they are a key partner for us to work alongside to reach our target. Engagement with Franchisees on climate action is led at market level, and the methods of engagement vary.

We launched two projects in the U.S. in 2020 in collaboration with suppliers and other partner organizations focused on regenerative agricultural techniques with an aim to remove and sequester carbon through a change in farming practices. Working with Cargill, The Nature Conservancy and Target, we have invested in a five-year, \$8.5 million project to influence farming practices across 100,000 acres of land dedicated to corn production in Nebraska with the potential to sequester 150,000 metric tons of carbon. In the U.S. Northern Great Plains, McDonald's has partnered with Cargill, the Walmart Foundation and World Wildlife Fund, investing \$1.6 million over a five-year project to support ranchers to implement regenerative grazing practices across 1 million acres making up 15% of McDonald's U.S. cow-calf supply. The Ranch Systems and Viability Planning network will provide ranchers technical expertise, training and tools, including peer-to-peer learning, to implement regenerative cattle grazing practices to enhance soil health and its ability to absorb further carbon from the atmosphere, improve biodiversity and environmental and economic resiliency.

In collaboration with others inside and outside the McDonald's value chain, we have worked to help develop tools and best practices to help everyone more credibly and practically account for impact on carbon reductions and removals. Other climate-related engagements with partners in our value chain include:

- We helped found the Global Roundtable for Sustainable Beef (GRSB) to bring together key players in the beef value chain around a common purpose to help ensure that all aspects of the beef value chain are environmentally sound, socially responsible and economically viable. We have engaged with the Climate and Land Use Working Groups to collaborate to set a recently announced climate target and to find solutions to help members demonstrate impact.
- We are members of the GHG Protocol Land Based Technical Working Group, which is developing new technical guidance and standards on how companies account for and report emissions, reductions and removals from land use activities in their GHG inventories.
- We are working with WWF and other organizations across the land based and forestry sections to guide the development of tools to help companies set credible 1.5°C Science Based Targets for land-based emissions in operations and supply chains.
- As members of the Gold Standard – a not-for-profit established to ensure projects that reduced carbon emissions featured the highest levels of environmental integrity – we work with others to test new techniques of carbon accounting in the supply chain and deal with challenges around traceability.
- We are working with other organizations as part of the C-Sequ working group, to help develop a clear methodology to account for carbon sequestration in lifecycle analysis (LCA) calculations. The group aims to improve accounting techniques to provide more certainty when organizations are investing in projects to sequester and store carbon through agricultural activity. We are also supportive of work to more accurately define the action of methane as a greenhouse gas.
- As part of the Cool Farm Alliance, we have supported the development of the Cool Farm Tool that provides farmers in multiple countries and farming sectors with free access to a GHG measurement system, which they can use to assess their carbon footprint.

**C12.2**

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**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

**C12.2a**

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**(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

**Climate-related requirement**

Climate-related disclosure through a public platform

**Description of this climate related requirement**

McDonald's send outs leadership letter to supplier, coordinates follow up with US and global key stakeholders, and receives time bound commitments in supplier roadmaps for setting Science Based Targets.

**% suppliers by procurement spend that have to comply with this climate-related requirement**

81

**% suppliers by procurement spend in compliance with this climate-related requirement**

80

**Mechanisms for monitoring compliance with this climate-related requirement**

Supplier scorecard or rating

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

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**C12.3**

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**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

In October 2021, McDonald's joined the Business Ambition to 1.5 and the UN Race to Zero Campaign, which aims to align business, cities, regions, and governments to meet the goals of the Paris Agreement.

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

McDonald's global sustainability vision and goals are a central part of our Company's values and therefore are consistent across all activities. Specifically, however, the Global Impact department provides corporate staff leadership, coordination, and support for our global corporate social responsibility / ESG policies, Company goals, programs, and reporting. This group includes Global Communications, Public Policy & Government Relations, and Corporate Relations, who help manage overall climate change strategy integration and consistency for external engagement practices, such as with NGOs or policymakers. This global department coordinates with market-level subject matter experts and external advisors to establish the Company's goals across the Brand Purpose and Impact platform, including the Company's Science Based Target for climate action and Commitment on Forests. The team also provides support for country-level sustainability staff for localized execution of environmental and social impacts relevant to our markets. In 2021, at the Company's senior leadership level, the Company's Executive Vice President (EVP) Chief Global Impact Officer and Vice President (VP) Chief Sustainability Officer were responsible for overseeing actions relating to climate change. They worked in partnership as the executive sponsors of McDonald's aspirations to source all food and packaging sustainably, and develop and operate the most environmentally sustainable McDonald's restaurants. Additionally, the EVP Chief Supply Chain Officer leads the Company's Global Supply Chain (GSC) department and works in partnership with Global Impact leadership to address Company sustainability priorities, including climate-related issues. For example, GSC and Global Impact work with suppliers to embed sustainability commitments, including climate change and deforestation, into global sourcing decisions for food and packaging through Global Sustainable Sourcing Specifications and direct collaboration in initiatives.

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

C12.3a

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**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Focus of policy, law, or regulation that may impact the climate**

Climate-related targets

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

United States of America

**Your organization's position on the policy, law, or regulation**

Support with minor exceptions

**Description of engagement with policy makers**

Since announcing McDonald's climate commitment in 2018, McDonald's has been meeting with members of U.S. Congress and their staff to educate them on its climate goals and progress on climate action. It has also met with members to discuss broader policy issues including energy, agriculture, circular economy, and transportation and logistics.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

In cases such as greenhouse gas emissions where the policies may differ based on region and geography, we may have exceptions to how we set our local and regional targets.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Please select

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**Focus of policy, law, or regulation that may impact the climate**

Climate-related targets

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

**Policy, law, or regulation geographic coverage**

Global

**Country/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with minor exceptions

**Description of engagement with policy makers**

McDonald's has proactively communicated with Members of the European Parliament and European Commission officials to inform them on the Company's activities and progress in the area of sustainability and climate action, including on sustainable farming.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

In cases such as greenhouse gas emissions where the policies may differ based on region and geography, we may have exceptions to how we set our local and regional targets.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Please select

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**C12.3b**

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**

Other, please specify (Other, please specify; McDonald's VP, Global Public Policy & Government Relations is a board member of the National Restaurant Association (NRA))

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We have already influenced them to change their position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

McDonald's influenced National Restaurant Association's (NRA) position on climate change in the restaurant space, especially when it comes to backing science-based goals and targets, packaging issues, sourcing issues and waste. According to the NRA's staff, while many other companies and restaurants have made goals like McDonald's, our leadership has helped NRA bring these issues to the forefront and speak with their members about greenhouse gas emissions and the need to reduce them. The National Restaurant Association (NRA) is committed to educating their members about environmental sustainability in the restaurant business, including how to manage and reduce packaging waste, increase recycling and minimize food waste. They have a leadership role in the Food Waste Reduction Alliance (FWRA). FWRA's aims are twofold: 1) reduce the amount of food waste being sent to America's landfills; and 2) increase healthful food donations to hungry people.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Please select

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**Trade association**

Other, please specify (Other, please specify; McDonald's VP, Global Public Policy & Government Relations is a board member of the International Franchise Association (IFA))

**Is your organization's position on climate change consistent with theirs?**

Unknown

**Has your organization influenced, or is your organization attempting to influence their position?**

Please select

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

IFA has not taken a public position.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Please select

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**Trade association**

Other, please specify (McDonald's Supply Chain Beverage Team Manager is an Advisory Council member of Conservation International's Sustainable Coffee Challenge (<https://www.sustaincoffee.org/>))

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

Please select

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

McDonald's collaborates with other organizations throughout the coffee supply chain through the Sustainable Coffee Challenge, led by Conservation International. As a SCC partner and Advisory Council Member, McDonald's has joined forces with other industry leaders to further the call to action of making coffee the world's first sustainable agricultural product. The Sustainable Coffee Challenge states that they aim to make coffee the world's first sustainable agricultural product, including addressing coffee's impact on and from a changing climate.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Please select

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**Trade association**

Other, please specify (McDonald's Manager of Sustainable Sourcing is on the Executive Committee of the Global Roundtable for Sustainable Beef (GRSB))

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

We are an active stakeholder in GRSB and have worked with partners throughout the value chain to contribute to their position across a number of topics. The GRSB defines sustainable beef as a socially responsible, environmentally sound and economically viable product that prioritizes Planet, People, Animals and Progress. Clear criteria for this include that net greenhouse gas emissions from the beef value chain are minimized on a per unit of product basis; native forests are protected from deforestation; grasslands, other native ecosystems, and high conservation value areas are protected from land conversion and degradation and; soil health is maintained or improved through implementation of appropriate management practices. The GRSB have been developing and agreeing goals that will positively influence these criteria.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Please select

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**Trade association**

Other, please specify (McDonald's International Government Relations Director is Chairman of Serving Europe)

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

We are an active stakeholder in Serving Europe and have worked with the organization across a number of topics. Environment & Sustainability is one of their four priority areas, along with Nutrition & Health, Food Safety & Quality, and Employment & Community Engagement. Serving Europe members take their environmental responsibilities very seriously across their entire supply chains and work hard to reduce their environmental footprint where possible. Serving Europe members support smart government policies to protect the environment when they are effective. Member companies aspire to reduce their impact on the planet by actions that include: • Minimization of waste, especially food waste, through corporate policies to recycle used cooking oil, food donations, implement separate collection of specific recyclable materials, etc. • Foster

eco-friendly suppliers, meaning both local agri-food producers for a shorter supply chain and eco-friendly packaging. • Reduce their energy and water consumption by increasing the energy efficiency of their outlets.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Please select

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## C12.3c

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**(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.**

**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

NextGen Consortium

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

5000000

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

As one of the founding member of the NextGen Consortium, which aims to address single-use foodservice packaging waste globally, McDonald's has recently contributed an additional \$5 million to the NextGen Consortium to support a continuation of the Consortium's work in identifying, accelerating and scaling commercially viable, circular foodservice packaging solutions. In 2020, the Consortium joined The Recycling Partnership's Polypropylene Recycling Coalition as a Steering Committee member, supporting the allocation of millions of dollars in grants to recycling facilities to improve polypropylene recycling. In October 2021, McDonald's and Starbucks each invested another \$5 million to further advance the work of the NextGen Consortium. With the additional funding, the Consortium will expand its efforts to continue to strengthen the sustainable packaging ecosystem and address recycling infrastructure challenges. The funds will also support the testing of reusable packaging systems and explore the circularity of additional packaging materials such as fiber and polypropylene. McDonald's funding furthers the infrastructure for better, more sustainable packaging, which can inspire change in policy / regulation for packaging that may impact the climate.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Please select

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## C12.4

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

MCD 2021 Annual Report.pdf  
Sustainability and Corporate Responsibility Committee Charter.pdf

**Page/Section reference**

Annual Report page numbers (PDF): - Business - Environmental matters: page 6 - Growth Pillars: page 9 - Risk factors: page 28 Committee Charter: Entirety (pages 1-3)

**Content elements**

Governance  
Strategy  
Risks & opportunities

**Comment**

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**Publication**

In other regulatory filings

**Status**

Complete

**Attach the document**

MCD 2022 Proxy Statement.pdf  
Sustainability and Corporate Responsibility Committee Charter.pdf

**Page/Section reference**

Committee Charter: Entirety (pages 1-3) Proxy statement: Page 9: Summary – Company values; Page 11: ESG: Our Purpose & Impact – Our Planet; Page 45: Sustainability and Corporate Responsibility Committee - Board governance approach on sustainability and commitments

**Content elements**

Governance  
Strategy  
Emission targets

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**Comment**

**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

McDonalds\_ESGReporting\_WebsiteArchive\_2020.pdf

**Page/Section reference**

An archive of our Climate Action web page can be found pages 82-95, including an overview of our climate strategy and goals as of the end of 2020. View our most up-to-date Climate Action webpage at <https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/our-planet/climate-action.html>

**Content elements**

- Governance
- Strategy
- Risks & opportunities
- Emission targets

**Comment**

This document is a download of the Our Purpose & Impact section of the McDonald's corporate website, which acts as the Company's living reporting platform. McDonald's does not issue standalone ESG reports but rather continues its commitment to strong governance and regular ESG reporting with annual updates to its strategy, goals and performance KPI web pages. Content covers McDonald's Corporation and its majority-owned subsidiaries worldwide operations during the fiscal year 2020 (January to December) unless otherwise stated.

**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

McDonalds-2021-Climate-Risk-and-Resiliency-Summary.pdf

**Page/Section reference**

Entirety of document

**Content elements**

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets

**Comment**

In 2021, we released our first Climate Risk & Resiliency Summary. In this publication, we reported on the collective climate impact of our business and partners, demonstrating our continued commitment to disclose climate-related risks and opportunities for our business in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This summary features key information in one place on our climate change governance, strategy, risk management or metrics.

**C15. Biodiversity**

**C15.1**

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Our Board of Directors' Sustainability and Corporate Responsibility Committee (the "Committee") reviews and monitors the Company's strategies and efforts to address sustainability and resiliency through its performance as a sustainable organization, including environmental and social issues. This includes updates and discussion on the Company's sustainability strategy, risk management practices, public commitments and progress – including the Company's Commitment on Forests and 2030 Deforestation Commitment. The Committee regularly reports to the full Board and, from time to time, other Board committees regarding its activities, and the full Board receives reports on the Company's sustainability efforts as circumstances warrant. See the Committee's charter and page 45 of the Company's 2022 Proxy Statement, both of which are attached in 12.4. Also available here: Proxy Statement: <a href="https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/events-presentations/meeting-resources/MCD%202022%20Proxy%20Statement.pdf">https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/events-presentations/meeting-resources/MCD%202022%20Proxy%20Statement.pdf</a> Committee Charter: <a href="https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/governance-resources/board-committees-charters-reports/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf">https://corporate.mcdonalds.com/content/dam/gwscorp/assets/investors/governance-resources/board-committees-charters-reports/Sustainability%20and%20Corporate%20Responsibility%20Committee%20Charter.pdf</a>	<Not Applicable>

C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to no conversion of High Conservation Value areas Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples	Other, please specify (• New York Declaration on Forests • Cerrado Protocol • TNFD • Accountability Framework Initiative • CGF Forest Positive Coalition)

C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only	<Not Applicable>

C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Other, please specify (We integrate biodiversity-related commitments into our sustainable sourcing requirements for key commodities including beef, soy for chicken feed, palm oil, fiber and coffee.)

C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.6

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments	Our Nature, Forests & Water page ( <a href="https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/our-planet/nature-forests-water.html">https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/our-planet/nature-forests-water.html</a> ) acts as an ESG reporting platform, highlighting the Company's current strategy and goals related to biodiversity.

C16. Signoff

C-FI

**(C-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.**

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

Submit your response

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In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms