



2022 Broiler Welfare Progress Update

In 2017, McDonald's announced a global commitment to source chickens raised with improved welfare outcomes. To achieve this goal, we set eight Broiler Welfare Commitments, which are expected to positively impact more than 70% of our chicken supply¹ when fully implemented by the end of 2024.

Listed below are details on our eight commitments to broiler welfare, along with highlights on what McDonald's has accomplished as of early-2022 to put us on track to achieving our 2024 goal.

These commitments apply to chicken raised for sale at McDonald's restaurants in Australia, Canada, France, Germany, Italy, Ireland, the Netherlands, Poland, Russia, South Korea, Spain, Switzerland, the U.K. and the U.S.

2024 Commitments	Progress as of Q2 2022
<p>1. Establishing the McDonald's Chicken Sustainability Advisory Council (CSAC)</p> <p>The McDonald's CSAC supports our continued journey to improve animal welfare standards by providing crucial insights and knowledge.</p>	<p>Status: Achieved</p> <ul style="list-style-type: none"> • McDonald's launched its CSAC in 2018, made up of 15 researchers, academia, welfare experts, nongovernmental organizations (NGOs) and suppliers to provide progressive guidance and credible counsel. • Organizations with members on the CSAC include FAI Farms and the World Wildlife Fund, as well as leading academics and researchers such as Dr. Temple Grandin and Dr. Harry Blokhuis. • This Council – and working groups derived from it – convenes regularly and continues to provide expertise, insight and directional guidance for our broiler welfare actions.
<p>2. Measuring key farm-level welfare outcomes</p> <p>We plan to set targets, measure performance and report on key farm-level welfare outcomes across our largest markets.</p>	<p>Status: In progress</p> <ul style="list-style-type: none"> • 2019: A working group from our CSAC defined a set of 15 Key Welfare Indicators (KWIs) to evaluate the health and welfare outcomes of broilers raised for McDonald's. • 2020–2021: To aid in tracking these KWIs, we worked with an external partner to create our global KWI database, and since January 2021, global suppliers have been reporting



	<p>into this database. The insights from the data will be used to advance welfare outcomes and drive continuous improvement.</p>
<p>3. Developing state-of-the-art welfare measurement technology</p> <p>These technologies will be among the first of their kind proposed for commercial availability and will help McDonald's identify opportunities for improvement in broiler welfare.</p>	<p>Status: In progress</p> <ul style="list-style-type: none">• McDonald's has invested \$2 million (which enabled an additional \$2.6 million in matching funds) into our Sensing, Monitoring, Analysis, Reporting Technology (SMART) Broiler initiative to automate gathering animal health and welfare indicators.• 2021: Six researchers and developers completed Phase 1 "proof of concept" projects.• 2022 (in progress): Three of these projects were selected to advance to Phase 2, which is in progress and will run through 2023.
<p>4. Providing enrichments to support natural behavior</p> <p>We are working with supply chain partners to ensure housing environments that promote natural behaviors such as pecking, perching and dust-bathing.</p>	<p>Status: In progress</p> <ul style="list-style-type: none">• 2021–2022: An Enrichments & Lighting Working Group, a subset of our CSAC, developed enrichment and lighting guidelines for implementation by our suppliers.
<p>5. Running commercial trials to study the effects of certain production parameters on welfare outcomes</p> <p>We are conducting large-scale commercial trials in partnership with key global chicken suppliers to study the impacts that certain production parameters have on key welfare, environmental and farm-level outcomes.</p>	<p>Status: In progress</p> <ul style="list-style-type: none">• 2020–2022: In partnership with global suppliers and an external third-party facilitator, we are in the process of concluding these extensive commercial trials, which will be used to inform our KWI target-setting efforts.
<p>6. Controlled Atmospheric Stunning (CAS) in the U.S. and Canada</p> <p>CAS is a U.S. Department of Agriculture-approved method that is recognized to be more humane for the animal, while also ensuring better conditions for workers. This</p>	<p>Status: In progress</p> <ul style="list-style-type: none">• 100% of our Canadian broiler volumes have been converted to CAS.• McDonald's was one of the first retailers to implement a CAS system into a U.S. broiler supply chain, and currently 60% of our dedicated processing facilities



commitment only applies to the U.S. and Canada.	have been converted. Remaining facilities are on track to be onboarded by end of 2024. <ul style="list-style-type: none">• CAS is already practiced by many approved suppliers for McDonald's restaurants in Europe and Australia.
7. Implementing third-party on-farm auditing As we implement our global broiler welfare standards, we will establish third-party verification to enable continuous improvement.	Status: In progress <ul style="list-style-type: none">• We have initiated a process to define, then implement, our third-party on-farm auditing protocol by the end of 2024.
8. Complete an assessment to measure the feasibility of extending these commitments to additional global markets where McDonald's operates	Status: In progress <ul style="list-style-type: none">• Our feasibility assessment is currently underway.

¹ These commitments apply to chicken raised for sale at McDonald's restaurants in Australia, Canada, France, Germany, Italy, Ireland, the Netherlands, Poland, Russia, South Korea, Spain, Switzerland, the U.K. and the U.S. Russia is included for the purposes of performance reporting to the end of December 2021.