



# McDonald's Sustainability Accounting Standards Board (SASB) Index 2024 ✨ ✨ ✨

2024

McDonald's Corporation





# SASB Index 2024

McDonald's reports to the voluntary SASB framework within the Food & Beverage sector.

In certain instances, a specific SASB topic may be discussed in our reporting even though McDonald's does not currently report progress on the

corresponding SASB metrics in their exact form. In these instances, we provide brand-relevant data on the topic and link to the corresponding web page within [Our Purpose & Impact Reporting Suite](#), which contains our reporting progress on these topics and relevant goal and performance data from 2024 in greater detail.

We are committed to continuous improvement and are working to improve our data collection and coordination across the McDonald's System.

This Index covers our 2024 progress, unless noted otherwise.

Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Source(s)
<b>Energy Management</b>	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewables	Quantitative	Gigajoules (GJ), Percentage (%)	FB-RN-130a.1	<p><b>Response</b> In 2023, the Science Based Targets initiative (SBTi) validated our global 2050 net zero emissions reduction target and our adjusted 2030 global emissions target, aligned with the latest guidance to help keep global temperature rises below 1.5°C.</p> <p><b>Commentary</b> <b>Greenhouse Gas (GHG) Emissions (in Metric Tons)</b> Gross Scope 1 Emissions: 94,233 (2024) Gross Scope 2 Emissions: 118,334 (2024) market-based Gross Scope 3 Emissions: 60,245,138 (2024)</p> <p>We focus on driving clean energy development through our portfolio of Virtual Power Purchase Agreements (VPPAs) and continue to be among other leading corporate renewable energy buyers in adding new, large-scale renewable energy to the U.S. grid. Our renewable energy projects cover both solar and wind technologies, and are planned to be located in Texas, Illinois, Oklahoma and Louisiana.</p> <p><b>Related Goals</b> By the end of 2030, from a 2018 base year, McDonald's commits to reduce:</p> <ul style="list-style-type: none"> <li>Absolute Scope 1 and 2 GHG emissions by 50.4% from Company-owned and operated restaurants and offices.</li> <li>Absolute Scope 3 energy and industrial GHG emissions by 50.4% from Franchisee and Company-owned and operated restaurants, and the facility, logistics and plastic packaging emissions in our supply chain.</li> <li>Absolute Scope 3 forests, land and agriculture (FLAG) GHG emissions by 16% and to maintain no deforestation across its primary deforestation-linked commodities.</li> </ul> <p>Please find additional information on our <a href="#">Climate Action</a> web page.</p>
<b>Water Management</b>	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	FB-RN-140a.1	<p><b>Response</b> Total water withdrawn is an estimated 7,332 thousand m<sup>3</sup> (2024).</p> <p><b>Commentary</b> Water withdrawn was estimated based on 605 U.S. locations that provided withdrawal data and extrapolated to the 2,045 Company-owned and operated restaurants worldwide. We continue to refine our calculation methodology, which may create potential inconsistencies with previously reported information.</p> <p><b>Additional Resources</b> Please find additional information on our <a href="#">Nature, Forests &amp; Water</a> web page and in our water report.</p>



Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Source(s)
Food & Packaging Waste Management	(1) Total amount of waste, (2) percentage food waste and (3) percentage diverted	Quantitative	Metric tons (t), Percentage (%)	FB-RN-150a.1	<p><b>Commentary</b> By the end of 2024, we were approximately 90.9% of the way toward our goal of sourcing 100% of our primary guest packaging from renewable, recycled or certified materials.<sup>1,2</sup> From 2018–2024, we reduced virgin fossil fuel-based plastic in Happy Meal toys by 80.3%.<sup>3</sup> In 2024, approximately 89.6% of restaurants in markets with advanced infrastructure<sup>4</sup> offered guests the opportunity to recycle and/or compost packaging items.</p> <p><b>Related Goals</b> By the end of 2025, our goal is to implement global and local solutions across our business to expand the reduction, reuse or recycling of guest packaging, and create demand for recycled materials.</p> <p><b>Additional Resources</b> Learn more about our approach to food and packaging waste management on our <a href="#">Packaging, Toys &amp; Waste</a> web page.</p>
	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials and (3) percentage that is recyclable, reusable and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-RN-150a.2	<p><b>Response</b> Total weight of guest packaging: 1,148,893 metric tons of guest packaging and toys sourced for McDonald's restaurants. Percent made from recycled and/or renewable materials: 90.9% of all of our primary guest packaging items are sourced from renewable, recycled or certified sources.<sup>1,2</sup> 99% of our primary fiber-based guest packaging globally was sourced from recycled or certified sources.</p> <p><b>Commentary</b> As of the end of 2024, an 80.3% reduction in virgin fossil fuel-based plastic in Happy Meal toys globally versus 2018.</p> <p><b>Related Goals</b> We aim to source 100% of our primary guest packaging<sup>1</sup> from renewable, recycled or certified materials by the end of 2025. Ensure all primary guest packaging is free from added fluorinated compounds by the end of 2025.<sup>5</sup> We aim to implement global and local solutions across our business to advance the reduction, reuse or recycling of guest packaging, and help create demand for recycled materials by the end of 2025.</p> <p><b>Additional Resources</b> Learn more about our approach to packaging sustainability on our <a href="#">Packaging, Toys &amp; Waste</a> web page.</p>
Food Safety	(1) Percentage of restaurants inspected by a food safety oversight body and (2) percentage receiving critical violations	Quantitative	Percentage (%)	FB-RN-250a.1	<p><b>Commentary</b> McDonald's has developed and implemented science- and risk-based food safety and quality standards through collaboration with internal and external experts. These standards include the McDonald's Global Good Agricultural Practices (GAP), Supplier Quality Management System (SQMS) and the Distributor Quality Management Process (DQMP). Our McDonald's Global Food Safety Advisory Council includes food safety, public health and medical professionals and leaders from North America, Europe and Asia.</p>
	(1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	Number, Metric tons (t)	FB-RN-250a.2	<p>This Council meets with our Chief Supply Chain Officer and Global Food Safety team members annually to discuss progress and to provide recommendations to further advance our food safety practices and standards.</p>
	(1) Number of confirmed foodborne illness outbreaks and (2) percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation	Quantitative	Number, Percentage (%)	FB-RN-250a.3	<p>Restaurant food safety and quality management procedures are integrated into the McDonald's Operations and Training Program, which is based on our Hazard Analysis and Critical Control Point principles and are followed in every restaurant.</p> <p>During 2024, 98% of restaurants deployed the Digital Food Safety (DFS) checklist management system and 40% deployed the DFS remote temperature system.</p> <p>Third-party audits verify that these standards are implemented. In 2024, nearly 60,000 restaurant food safety audits were performed, and over 90% of audited suppliers were found to be meeting McDonald's audit standards for SQMS. To ensure audits are robust, we host calibration sessions with our approved third-party auditing firms.</p> <p><b>Additional Resources</b> Learn more about our approach to food safety on our <a href="#">Food Safety</a> web page.</p>



Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Source(s)
Nutritional Content	(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	Quantitative	Percentage (%), Reporting currency	FB-RN-260a.1	<b>Additional Resources</b> Learn more about our approach to nutritional content on our <a href="#">Nutrition &amp; Marketing Practices</a> web page.
	(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	Quantitative	Percentage (%), Reporting currency	FB-RN-260a.2	<b>Commentary</b> In 2024, 64% of Happy Meal Bundle Offerings met our Global Happy Meal Nutrition Criteria for balanced meals. These criteria mean that meals must have less than or equal to 600 calories, 10% of calories from saturated fat, 650 mg of sodium and 10% of calories from added sugar.  100% of Happy Meal nutrition information was available on all participating market websites and mobile apps as of Q2 2025.  The Global Happy Meal Goals apply to 20 markets globally, with measurement and reporting of progress among our 20 major markets in the U.S., Canada, Brazil, Argentina, Mexico, the U.K., France, Germany, Austria, Spain, the Netherlands, Italy, Poland, Sweden, Switzerland, Hong Kong, China, Japan, Taiwan and Australia.
	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	Quantitative	Number, Percentage (%)	FB-RN-260a.3	<b>Commentary</b> 20 out of 20 in-scope markets met our goal of having all Happy Meal Bundles advertised to children meet McDonald's Global Happy Meal Nutrition Criteria. 100% of Happy Meal Bundles shown in advertisements on third-party media met our Global Nutrition Criteria in 2024. We featured water, milk or juice as the Happy Meal beverage, and fruit, vegetable or dairy items as one of the Happy Meal sides in 100% of the ads the Company directed to children. The Global Happy Meal Goals apply to all markets globally, with measurement and reporting of progress among our 20 major markets in the U.S., Canada, Brazil, Argentina, Mexico, the U.K., France, Germany, Austria, Spain, the Netherlands, Italy, Poland, Sweden, Switzerland, Hong Kong, China, Japan, Taiwan and Australia.  <b>Additional Resources</b> Please find additional information on nutritional content on our <a href="#">Nutrition &amp; Marketing Practices</a> web page.
Labor Practices	(1) Voluntary and (2) involuntary turnover rate for restaurant employees	Quantitative	Rate	FB-RN-310a.1	<b>Commentary</b> In order to attract and retain talent at all levels of the business, we provide competitive compensation commensurate with a Company employee's position. We evaluate competitive wage data and market trends to determine appropriate wage ranges, and ensure compliance with all applicable wage and hour laws.
	(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region	Quantitative	Percentage (%), Reporting currency	FB-RN-310a.2	Well-Being – In 2022, McDonald's added a Global Well-Being Committee to further evolve and focus on the well-being of employees at McDonald's.  We introduced our Global Pay Principles to our owned markets in 2019, to ensure that good pay practices are understood and consistently implemented for all Company employees.
	Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination	Quantitative	Reporting currency	FB-RN-310a.3	<ul style="list-style-type: none"> <li>Competitive – Pay opportunities are aligned with the external value of a job to attract, engage and motivate talent. The competitiveness of our pay rates is reviewed regularly relative to peer companies that reflect our size, scale, performance and talent needs.</li> <li>Non-discriminatory – Company employees are compensated at a level commensurate with their role, responsibility, impact, location, experience, knowledge, skills and performance, irrespective of gender, race, ethnicity or any other similar protected personal characteristics. See also our <a href="#">Inclusion</a> web page.</li> <li>Performance-based – Pay is focused on motivating high performance, recognizing achievement and reinforcing behaviors that align with our culture.</li> <li>Understandable – Pay programs are communicated regularly and transparently. We strive for simplicity and focus on the design of our programs to ensure Company employees understand what determines their pay.</li> <li>Compliant – We comply with all applicable legal and regulatory requirements and standards.</li> </ul> <p>During 2024, we began piloting a third-party wage advisory service with a group of U.S.-based Franchisees. The optional wage advisory service is a Company investment designed to provide U.S.-based Franchisees with resources and education to help them make third-party-supported wage and compensation decisions for their own businesses based on benchmarking of locally available data.</p> <b>Additional Resources</b> Learn more about our approach to labor practices on our <a href="#">Talent &amp; Benefits</a> , <a href="#">Safe &amp; Respectful Workplaces</a> and <a href="#">Inclusion</a> web pages.



Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Source(s)
<b>Supply Chain Management &amp; Food Sourcing</b>	Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards	Quantitative	Percentage (%) by cost	FB-RN-430a.1	<p><b>Response</b> We substantially achieved all of our 2020 Responsible Sourcing Goals across our six priority commodities – beef, fish, palm oil, fiber, soy and coffee – and we continue to work with our suppliers on what is outlined in those commitments and evaluate the continued progress. Below is our 2024 responsible sourcing performance across priority commodities:</p> <ul style="list-style-type: none"> <li>• <b>77%</b> of beef sourced from high-priority origins in Brazil, Argentina, Paraguay and Australia, per the McDonald's Deforestation-Free Beef Procurement Policy. High-priority origins represented 10% of our global beef volumes in 2024. Details can be found in our Policy.<sup>5</sup></li> <li>• <b>94%</b> of the fish sourced for McDonald's Filet-O-Fish sandwich was from sustainably managed wild-caught fisheries, which is assessed and verified annually against the McDonald's Sustainability Fisheries Standard by the Sustainable Fisheries Partnership.<sup>7</sup></li> <li>• <b>100%</b> of the palm oil used in McDonald's restaurants and as an ingredient in McDonald's products supported the production of sustainable palm oil in 2024.<sup>8</sup></li> <li>• <b>100%</b> of soy (for chicken feed) supports the transformation of soy-producing regions through investment in landscape-level solutions and initiatives covering estimated soy volumes in feed for chicken produced outside of the U.S. and Canada.<sup>9</sup></li> <li>• <b>96.6%</b> of our ground and whole bean coffee was sustainably sourced in 2024.<sup>10</sup></li> <li>• <b>99%</b> of our primary fiber-based guest packaging globally was sourced from recycled or certified sources.<sup>11</sup></li> </ul> <p><b>Additional Resources</b> Please see our <a href="#">Responsible Sourcing and Nature, Forests &amp; Water</a> web pages to learn more about our approach and to see full performance data and relevant definitions, scope and exclusions.</p>
	Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	Quantitative	Percentage (%) by number, Percentage (%) by weight	FB-RN-430a.2	<p><b>Response</b> (1) As of the end of 2023, McDonald's USA achieved its goal to source 100% cage-free eggs in the U.S. – two years ahead of schedule. In 2024, McDonald's USA continued to source 100% cage-free eggs for items served on its breakfast menus. (2) As of the end of 2024, we've phased out the use of gestation stalls for confirmed pregnant sows in McDonald's U.S. pork supply.</p> <p><b>Commentary</b> We believe we have a responsibility to improve the health and welfare of animals in our supply chain and work with our global network of suppliers to encourage industry and cross-sector collaboration. This is why we have animal health and welfare policies or commitments in place across our chicken, eggs, pork, beef and dairy supply chains.</p> <p>We also believe that reducing any overdependence on antibiotics within our supply chain complements our decades-long commitment to managing and improving the health and welfare of animals. We are committed to a responsible antibiotic use approach – refining antibiotic selection and administration, reducing non-therapeutic antibiotic use and, when possible, replacing antibiotics with long-term solutions to prevent diseases and protect animal health and welfare.</p> <p><b>Additional Resources</b> Please see our <a href="#">Animal Health &amp; Welfare</a> and <a href="#">Responsible Antibiotic Use</a> web pages for more information.</p>
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and Analysis	N/A	FB-RN-430a.3	<p>In 2017, we established eight <a href="#">Broiler Welfare Commitments</a> that support our wider global goal to source chickens raised with improved welfare outcomes. As of 2024 – the target year – we are proud to have achieved all eight commitments.<sup>12</sup></p> <p>By the end of 2027, we aim to eliminate the use of antibiotics defined by the World Health Organization (WHO) as Highest-Priority Critically Important Antibiotics (HPCIA) to human medicine from all chicken served in the U.S., Europe, Brazil, Canada, Japan, South Korea, Australia and China. Across the in-scope markets, HPCIA use has been eliminated in Australia, Brazil, Canada, Europe, Japan, South Korea and the U.S., with China expected to comply before the end of 2027.</p> <p>In 2018, we implemented McDonald's Antibiotic Policy for our Beef Supply Chain. It is informed by McDonald's Global Vision for Antibiotic Stewardship in Food Animals (VAS) and follows global guidance from expert bodies like the WHO and the World Organisation for Animal Health (WOAH). This policy identifies McDonald's expectations and anticipated implementation plans with respect to antibiotic use in our beef supply chain while complying with local laws and regulations. It focuses on the following beef sourcing countries: Australia, Brazil, Canada, France, Germany, Ireland, New Zealand, Poland, the U.K. and the U.S.</p> <p>We aim to deliver responsible sourcing programs that drive lasting, meaningful outcomes on critical environmental, social and corporate issues. To enable these outcomes, we focus on the following Priority Impact Areas: <a href="#">promoting the health and welfare of animals</a>; <a href="#">respecting human rights</a>; <a href="#">addressing climate change</a>; <a href="#">reducing food and packaging waste</a>; and <a href="#">protecting nature, forests and water resources</a>.</p> <p>McDonald's works with its suppliers to embed sustainability commitments into global sourcing decisions for food and packaging through Global Sustainable Sourcing Specifications and direct collaboration on sustainable initiatives.</p> <p>Learn more about our efforts in these areas throughout the <a href="#">Food Quality &amp; Sourcing</a> and <a href="#">Our Planet</a> web pages.</p>



## SASB Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Response and Source(s)
<b>Number of (1) Company-owned and (2) franchise restaurants</b>	Quantitative	Number	FB-RN-000.A	(1) 2,045 Company-owned and operated restaurants. (2) 41,432 franchised restaurants.  These figures are as of year-end 2024.  Please find additional information in <a href="#">McDonald's Annual Report</a> .
<b>Number of employees at (1) Company-owned and (2) franchise locations</b>	Quantitative	Number	FB-RN-000.B	Company employees, which include those in the Company's corporate and other offices as well as in Company-owned and operated restaurants, totaled over 150,000 worldwide as of year-end 2024.  In addition to Company employees, the over two million individuals who work in McDonald's franchised restaurants around the world are critical to the Company's success, enabling it to drive long-term value creation and further its purpose and mission.  Please find additional information in <a href="#">McDonald's Annual Report</a> .

### SASB Index Notes

- Packaging. Scope:** Inclusive of all markets for our fiber-based packaging, plastic-based packaging and Happy Meal book and toy packaging. **Renewable sources** refers to material that is composed of biomass from a living source and that can be continually replenished. Renewable applies to plastics only, not fiber. **Source:** ISO 14021:2016 for plastic, ASTM 6866 or ISO 16620-2. Fiber-based packaging made from 100% recycled sources must be third-party verified, unless certified under a Chain of Custody Forest Management standard. McDonald's requires all wood fiber finished product originating from Argentina, Cambodia, China, Indonesia, Laos, Malaysia and Vietnam to be Forest Stewardship Council® (FSC®)-certified or FSC®-controlled wood sources with full chain of custody certification. Please refer to our [Nature, Forests & Water](#) web page for additional definitions. **Exclusions:** Primary fiber-based packaging in food packaged off-site of McDonald's restaurants, tray liners, test items and limited locally sourced items.
- Non-structural components of packaging vary based on the packaging but may include adhesives, inks, overprint varnishes, retention agents or binders, processing aids, impact modifiers, minerals used non-structurally as well as structurally, and nucleating and clarifying agents. We continue to monitor industry standards on these components and look for opportunities to work toward making any part of our packaging, including non-structural components, more sustainable.
- Toys. Scope:** Inclusive of all toys. Fiber-based toys or fiber components in the toys: 100% certified fiber required. **All other materials:** McDonald's ambition is to reduce the use of virgin fossil fuel-based plastics, offer more sustainable toys by the end of 2025 and not manufacture electronics and batteries in Happy Meal toys globally. For plastics to be considered sustainable for McDonald's, a minimum of 60% of plastic weight is required to come from recycled or renewable content or a combination of recycled and renewable content, though in many practical applications we anticipate

that percentage will be much higher. The remaining 40% may be conventional fossil fuel-based material. These thresholds were developed in conjunction with input from NGOs, external manufacturing partners and scientists, and based on an assessment of sustainable toy and packaging industry leaders so that our targets reflected current sustainable engineering capabilities to maintain safety and functionality. Our efforts will result in an approximate 90% reduction in virgin fossil fuel-based plastic use against a 2018 baseline. Fiber-based packaging made from 100% recycled sources must be third-party verified, unless certified under a Chain of Custody Forest Management standard. **Source:** ISO 14021:2016. McDonald's requires all wood fiber finished product originating from Argentina, Cambodia, China, Indonesia, Laos, Malaysia and Vietnam to be FSC-certified or FSC-controlled wood sources with full chain of custody certification. **Exclusions:** The thresholds described above do not include the presence of adhesives, glues, inks, overprint varnishes, pigments, heat transfer labels, retention agents or binders, processing aids, nucleating agents and clarifying agents, impact modifiers, two-color plush cord, thread, sewn-in tags, lining tape, high-pile, inaccessible metal components, pencil cores and gearboxes.

- Markets with advanced infrastructure:** Mature waste and recycling infrastructure at a national level that has (1) a recycling infrastructure network across the entire market, (2) multiple materials being recycled within this national infrastructure network, (3) existing legislation on recycling and (4) high customer awareness of waste and recycling. At the end of 2024, that included 21 markets where McDonald's operates.
- Fluorinated Compounds. Scope:** Inclusive of all markets except for Israel, Latin America and Turkey, and Happy Meal book and toy packaging. McDonald's commits to not intentionally adding organic fluorinated compounds through our processes; however, fluorinated compounds present in the local environment make it difficult to ensure there are no traces of organic fluorine from packaging. **Exclusions:** Primary fiber-based packaging in food packaged off-site of McDonald's restaurants, tray liners, test items and limited locally sourced items.

- Beef.** We continue to refine our calculation methodology, which may create potential inconsistencies with previously reported information. **Scope:** Includes volume from raw material suppliers (if in priority origins according to the McDonald's Deforestation-Free Beef Procurement Policy) to beef suppliers to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell beef. In 2024, the McDonald's System sourced 90% of its beef from low-priority origins under the McDonald's Deforestation-Free Beef Procurement Policy. McDonald's requires all beef raw material sourced from high-priority origins to adhere to McDonald's Deforestation-Free Beef Procurement Policy and meet the requirements as outlined in [McDonald's Commitment on Forests and Natural Ecosystems](#). Countries with origins currently identified as high priority for beef include Brazil, Paraguay, Argentina, and Australia. **Exclusions:** Grain-fed Australian beef and beef used as secondary ingredients in McDonald's products; for example, as flavoring in a sauce.
- Fish:** Fish refers to any type of fish species used as an ingredient in a McDonald's product and listed on the product's ingredient statement. **Wild-Caught Fish** refers to fish that come from seas, rivers and other natural bodies of water. **Filet-O-Fish sandwich** refers to the McDonald's menu item containing wild-caught fish. Verified sustainable sources refers to wild-caught fish, sourced by suppliers to the McDonald's System, from fisheries that are annually verified as compliant with the McDonald's Sustainable Fisheries Standard by the Sustainable Fisheries Partnership. **Marine Stewardship Council (MSC) Certification** is optional to McDonald's markets. Fisheries may also be independently certified as meeting the MSC Principles and Criteria for Sustainable Fishing where a certificate of conformity to an MSC Standard has been granted. **Source:** [www.msc.org](http://www.msc.org). McDonald's may display the MSC certification logo in some of its markets where fisheries and restaurants are certified against the MSC Chain of Custody traceability standard. **Scope:** Includes all wild-caught fish sourced for Filet-O-Fish sandwich portions served in McDonald's restaurants. Filet-O-Fish sandwich portions represents over 97% of the total fish

volumes used in the McDonald's System (by weight). Includes all suppliers of wild-caught fish for the Filet-O-Fish sandwich to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell fish. **Exclusions:** Products that are not Filet-O-Fish sandwich containing wild-caught or farmed fish. We estimate that these products represent less than 3% of the total fish sourced by McDonald's by weight and may include products such as tuna, prawns, shrimp, salmon and calamari; other breaded products; and locally sourced products. The Company has set an expectation that these products are sustainably sourced, although they are not included in this global performance measure given the local, and often promotional, nature of these items. Moving forward, we have plans in place to reduce sourcing from non-compliant fisheries and will increase our supply of fish sourced from compliant fisheries as new facility options become available.

- Palm oil. Scope:** Includes all palm oil (including crude palm oil, palm kernel oil, derivatives and fractions) sourced for McDonald's restaurants for use as restaurant cooking oil and all palm oil sourced by McDonald's suppliers and used directly as an ingredient in a McDonald's product and listed on the product's ingredient statement. Includes all suppliers of products containing palm oil in the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that use palm oil. All countries are currently identified as high-deforestation priority regions for palm oil and all volumes are required to be covered by [Roundtable on Sustainable Palm Oil \(RSPO\)](#) certification or credits. All RSPO supply chain models applicable to RSPO are applicable to McDonald's – RSPO Identity Preserved (IP), RSPO Segregated (SG), RSPO Mass Balance (MB) and Book and Claim (BC) – although McDonald's is committed to increasing traceability by specifying physical certification for the palm oil used in the McDonald's System in the greatest volumes (IP, SG or MB). **Exclusions:** Palm oil, palm kernel oil or their derivative used as secondary ingredients in McDonald's products. This is when palm oil is used as an ingredient within an ingredient, for example, an emulsifier.



9 **Soy (for chicken feed). Scope:** Includes all estimated soy volume used in the feed of chicken sourced for McDonald's products by all chicken suppliers to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees that sell chicken. Landscape-level solutions and initiatives are efforts within and with communities facing potential natural ecosystem conversion risk (including deforestation) and/or human rights-related risk in a defined geographic area to address environmental, social and economic challenges and support more sustainable livelihoods. Initiatives are multi-stakeholder and include operationalization of a landscape-focused approach by setting common goals, taking collective action, reconciling different interests, and monitoring progress toward desired resiliency-focused outcomes. Europe refers to Austria, Azerbaijan, Belgium, Bulgaria, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Moldova, the Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the U.K. and Ukraine. **Exclusions:** Soy used as an ingredient in McDonald's products sold in restaurants – for example, soy oil and chicken fed on soy from the United States and Canada. The United States and Canadian markets are exploring alternative regional approaches.

10 **Coffee. Scope:** Includes all ground and whole bean coffee, including decaffeinated coffee, used in espresso-based drinks and coffee brewed at McDonald's restaurants, and all ground and whole bean coffee in McDonald's branded retail products. Includes all suppliers of coffee to the McDonald's System. Market scope includes all McDonald's restaurants owned and operated by the Company and its Franchisees that sell coffee, and retail outlets selling McDonald's-branded coffee products. Countries with regions currently identified as high-deforestation priority regions for coffee include Honduras, Indonesia and Vietnam. McDonald's requires all coffee sourced from these regions to be Rainforest Alliance Certified. **Exclusions:** Coffee extracts and ingredients used in products such as frappés and coffee in baked goods; coffee in cold brew drinks if they are brewed off-site; coffee extract in ready-to-drink retail products; and other locally sourced products containing coffee.

11 **Fiber. Scope:** Primary fiber-based packaging refers to products that are used to package guest food on premises at McDonald's restaurants. This type of packaging includes containers, cups, wraps, bags for food, beverages, napkins, folding cartons, clamshells, food service bags, salad bowls, Happy Meal cartons, drink carriers and cup carriers. Includes all suppliers of primary-based packaging to the McDonald's System and all McDonald's restaurants owned and operated by the Company and its Franchisees. In 2021, the primary fiber-based packaging scope was expanded to include plastic alternatives such as wood stirrers and cutlery, and paper straws and lids. This broadened scope has resulted in a slight decrease in percent compliance. All volumes of contingency items sourced from suppliers compliant with our standards but not integrated into our data reporting system were counted as non-compliant. Countries with regions currently identified as high-deforestation priority regions for fiber include Argentina, Cambodia, China, Indonesia, Laos, Malaysia, Russia and Vietnam. McDonald's requires all wood fiber sourced from these regions to be FSC-certified or FSC-controlled wood sources with full chain of custody certification. **Exclusions:** Primary fiber-based packaging in food packaged off-site of McDonald's restaurants; tray liners, straws and limited locally sourced items.

12 **Broiler welfare:** These commitments apply to chickens raised for sale at McDonald's restaurants in Australia, Canada, France, Germany, Italy, Ireland, the Netherlands, Poland, South Korea, Spain, Switzerland, the U.K. and the U.S. Russia has been removed from the scope of this goal based on our 2022 exit from this market.

13 Franchisees are independent employers and select which of their employees attend Hamburger University.

## Find Out More

For more information on terms and definitions, governance, performance data and more, please visit the [Our Purpose & Impact](#) section of our website.

This Index covers our 2024 progress, unless noted otherwise.