



Purpose & Impact

Global Progress Summary

2021 – 2022



A Message From Our CEO



This past year showed us what makes McDonald's unique, once again. Guided by our core values, we've experienced first-hand how our focused actions – both big and small – can translate into meaningful experiences for our customers, bringing our purpose to feed and foster community to life each day.

With the strength of our full System, we've worked together to build a more diverse, equitable and inclusive business, source more food responsibly, adopt more sustainable practices, and implement innovative and credible solutions in our ongoing quest to be a good neighbor in the communities where we live, work and serve.

We are proud of the work we do to make a difference – and will continue to help uphold this promise in all of the communities in which we operate.

Showing Up for Our Communities

Ray Kroc used to say, “None of us is as good as all of us” – a phrase that serves as a constant reminder of McDonald's impact on the world when we leverage the collective strength of our System.

We all felt this sentiment more deeply over the past two years as we continued to navigate the COVID-19 pandemic – and it is equally as prevalent now as we face ongoing headwinds.

Front of mind is the continuing humanitarian crisis resulting from the war against Ukraine. Our hearts and minds remain with the Ukrainian people and all impacted, as the ongoing war has brought new elements of uncertainty to communities around the world.

In moments like these, our number one priority remains our people. I continue to be deeply moved by the offers of support from across our global System and all the generous contributions – from colleagues opening their homes to refugees around the world, to the deployment of the Ronald McDonald House Charities® (RMHC®) Care Mobile in Poland and Latvia. We are supporting connection, families and communities in times of need – because being part of the community means being there for people every day, especially during the most challenging of times.

Through our newly established McDonald's Community Fund, we are now better prepared to respond when people need us the most – whether by investing in Chicago-based neighborhood organizations that are actively and effectively working to address the youth opportunity crises in our hometown, or a corporate contribution of \$5 million to an Employee Assistance Fund to support our Ukrainian colleagues.

These actions define what it means to work at McDonald's, to be part of the McFamily and to get better, together.

Empowering Our People

At the heart of many of these efforts are local McDonald's Franchisees and restaurant teams, who have stayed strong through unprecedented challenges, keeping restaurants running while providing hope, inspiration and extraordinary service to our customers and communities worldwide.

The ability to recruit, develop and retain the best talent possible has never been more vital. Together with our Franchisees, we are proud of our ability to provide opportunity for education and skills training – including access to local education, tuition assistance and job readiness programs, as well as programs and resources that support our respective employees, both at work and at home, including our Global Brand Standards.

By creating the type of environment where people want to work – whether they're looking to develop skills that can take them to future jobs or planning to build a career with us – McDonald's and its Franchisees are continuously investing and providing a holistic employee value proposition.

Helping Protect Our Planet

Earning the trust of our people and customers by doing what we say we're going to do has always been key to building a strong brand and a lasting legacy. And in a world where people expect much more of the brands with which they do business, this becomes all the more important.

As communities around the world experience the impacts of climate change, we believe we need to be part of the solution. That's why, in 2021, we set an ambition to achieve net zero emissions by 2050. We're prioritizing action on the largest elements of our carbon footprint – from restaurant energy use to packaging and waste, and the sourcing of key ingredients for our menu.

Meaningful change also requires us to find alternative and sustainable solutions to help protect the world's natural resources and the communities that rely on them. This is the future of our business. We are committed to partnering with our suppliers around the world to scale innovative practices, from responsible sourcing and regenerative agriculture, to widespread reuse and recycling programs.

Looking Ahead

At McDonald's, we and our Franchisees are helping drive enormous impact by living our purpose...by providing life-changing career opportunities for hundreds of millions of people...by continuing to support the legacy of RMHC®...and by mobilizing the scale of our supply chain for good, time and time again.


The actions we continue to take today across people, communities and our planet will ensure we're building a better business and a more trusted brand for generations to come.

Chris Kempczinski

President & CEO,
McDonald's Corporation

Our 2021 Progress at a Glance

At McDonald's, our purpose is to feed and foster communities. To do this, we must help address some of the world's most pressing social challenges and ensure the natural world is protected for future generations.

Our 2021 Progress at a Glance provides an overview of the latest progress against our publicly stated environmental, social and governance (ESG) goals. The pages that follow provide more holistic information on 2021 performance across our priority ESG issues. We are dedicated to communicating regularly about our impact and progress in a transparent and standardized manner. You can find more detail about our position, approach and actions online wherever you see this symbol .

Food Quality & Sourcing

Responsible Sourcing

[→ Page 7](#)

In 2014, we set global goals for sustainable sourcing of our priority ingredients¹ – those where we can have the greatest impact. Following our 2020 Responsible Sourcing Goals being substantially achieved, we continue to work with our suppliers on what is outlined in those commitments, evaluating ongoing progress.



Nutrition & Marketing Practices

[→ Page 6](#)

In 2018, we announced five Global Happy Meal Goals to be achieved by all markets by the end of 2022, with auditing and reporting on our 20 major markets.² In October 2020, we released an interim Progress Report demonstrating the progress we've made at the half-way point. We continue to support markets on their progress against our Global Happy Meal Goals and remain on track to publish our final progress report in 2023.



Animal Health & Welfare and Responsible Antibiotic Use

[→ Page 7](#)

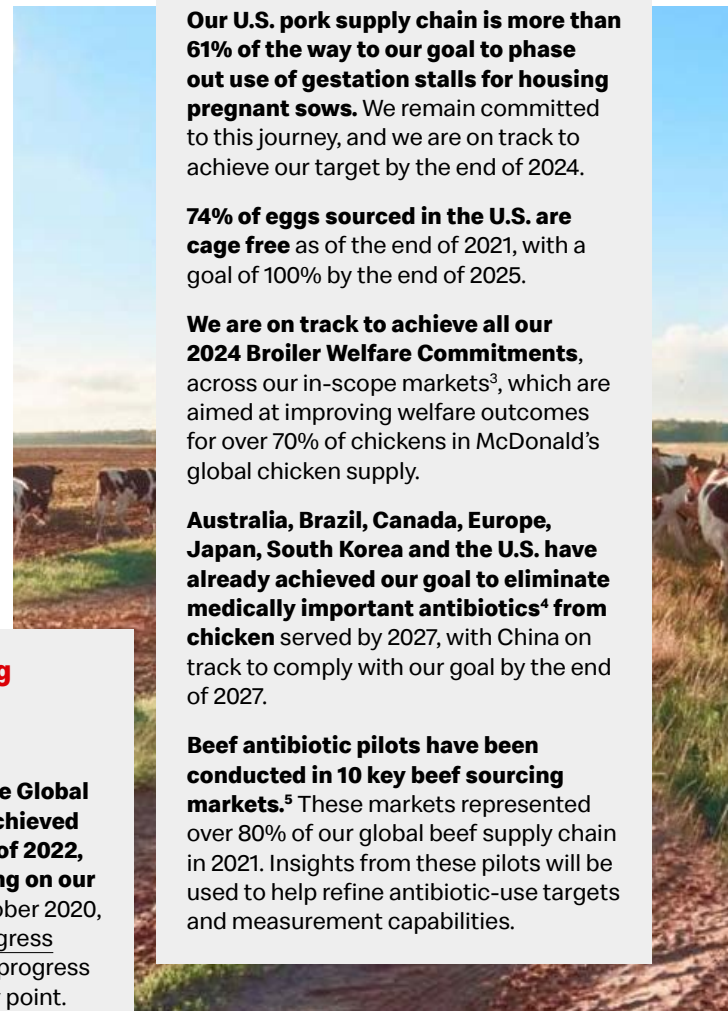
Our U.S. pork supply chain is more than 61% of the way to our goal to phase out use of gestation stalls for housing pregnant sows. We remain committed to this journey, and we are on track to achieve our target by the end of 2024.

74% of eggs sourced in the U.S. are cage free as of the end of 2021, with a goal of 100% by the end of 2025.

We are on track to achieve all our 2024 Broiler Welfare Commitments, across our in-scope markets³, which are aimed at improving welfare outcomes for over 70% of chickens in McDonald's global chicken supply.

Australia, Brazil, Canada, Europe, Japan, South Korea and the U.S. have already achieved our goal to eliminate medically important antibiotics⁴ from chicken served by 2027, with China on track to comply with our goal by the end of 2027.

Beef antibiotic pilots have been conducted in 10 key beef sourcing markets.⁵ These markets represented over 80% of our global beef supply chain in 2021. Insights from these pilots will be used to help refine antibiotic-use targets and measurement capabilities.



Our 2021 Progress at a Glance

Our Planet

Nature, Forests & Water

→ Page 9

We substantially achieved our 2020 goals to tackle deforestation in our priority ingredient supply chains, and **97.7% of volumes from these commodities continued to support deforestation-free supply chains** in 2021.

Now, we are committed to eliminating deforestation from our global supply chain by the end of 2030.

97.7%

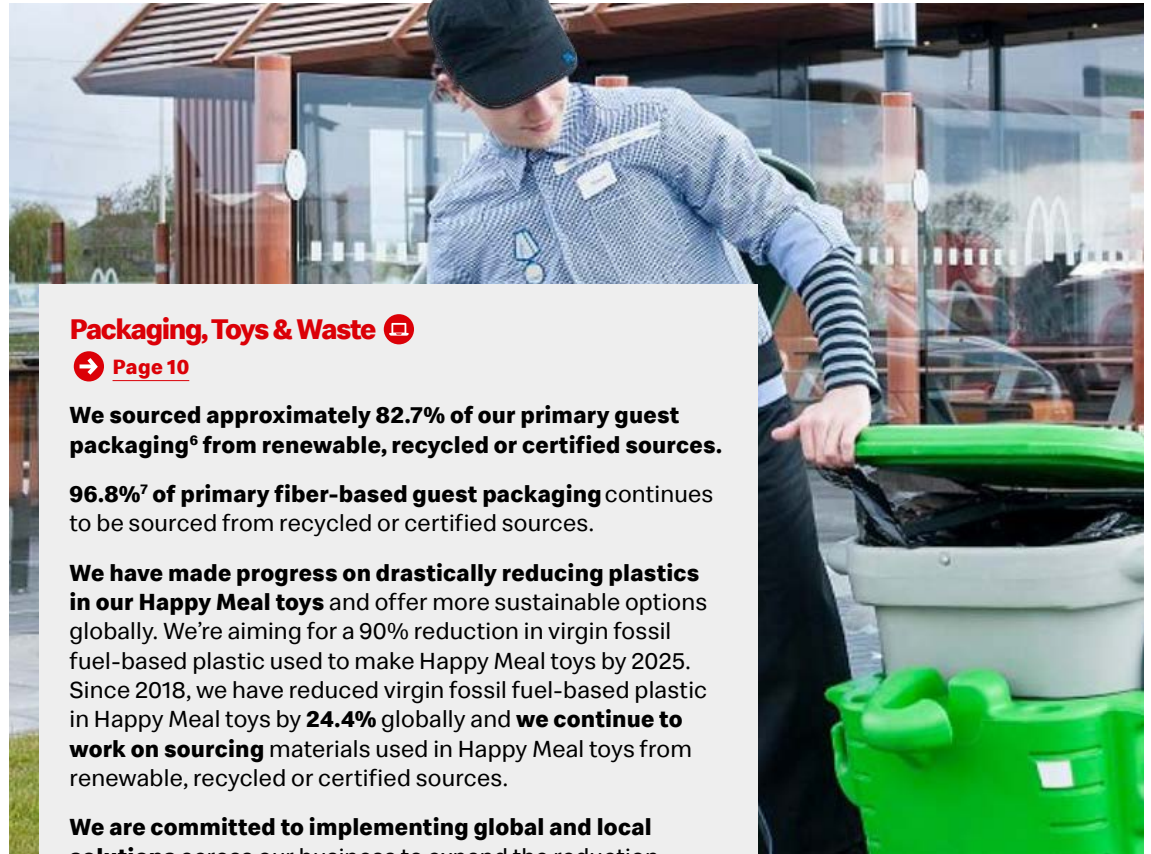
of our priority commodities support deforestation-free supply chains in aggregate

Climate Action

→ Page 8

We have achieved a **2.9%⁷ reduction in the absolute greenhouse gas (GHG) emissions** of our restaurants and offices compared to 2015 figures. As the 2019–2022 transacted U.S. renewable energy projects come online they are expected to contribute to a **27% reduction** from our global 2015 baseline.

We have achieved a **7.8%⁷ reduction in supply chain GHG emissions** intensity compared to 2015 figures.



Packaging, Toys & Waste

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We sourced approximately **82.7% of our primary guest packaging⁶** from renewable, recycled or certified sources.

96.8%⁷ of primary fiber-based guest packaging continues to be sourced from recycled or certified sources.

We have made progress on drastically reducing plastics in our Happy Meal toys and offer more sustainable options globally. We're aiming for a 90% reduction in virgin fossil fuel-based plastic used to make Happy Meal toys by 2025. Since 2018, we have reduced virgin fossil fuel-based plastic in Happy Meal toys by **24.4%** globally and **we continue to work on sourcing** materials used in Happy Meal toys from renewable, recycled or certified sources.

We are committed to implementing global and local solutions across our business to expand the reduction, reuse or recycling of guest packaging, and to help create demand for recycled materials by 2025.

In our top 35 markets, on average **35% of McDonald's restaurants offer guests the opportunity to recycle packaging items**. Regions with more robust infrastructure are showing greater progress. For example, on average, roughly 78% of our restaurants in McDonald's largest European markets already provide guest packaging recycling.

35%

of restaurants, on average, in our top 35 markets offer guests the opportunity to recycle packaging items.



Our 2021 Progress at a Glance

Jobs, Inclusion & Empowerment

Diversity, Equity & Inclusion

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We published the results of our 2021 pay gap analysis and have taken steps to close the identified gaps for women at the staff and Company-owned restaurant levels in Company-owned and -operated markets.

As of the end of 2021, **women hold 41% of leadership roles globally**⁸ (Senior Director and above), on track to reach gender parity by the end of 2030.

We aim for individuals in underrepresented groups⁹ to hold 35%¹⁰ of leadership roles (Senior Director and above) in the U.S. by the end of 2025. **As of the end of 2021, representation increased to 30% of U.S. leadership roles.**

McDonald's reached its goal of increasing U.S. system wide spend with diverse-owned¹¹ suppliers to 25%¹² as of the end of 2021. In support of this goal, McDonald's USA and its U.S. Franchisees increased national investments in diverse-owned media and production companies and content creators to 7.7% as of the end of 2021.^{13,14}



Community Connection

Youth Opportunity

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In 2018, we launched the Youth Opportunity program with a global goal to reduce barriers to employment for two million young people by 2025 through pre-employment job readiness training, employment opportunities and workplace development programs.¹⁵

This achievement is part of our continued work to reduce barriers to employment for 2 million youth by the end of 2025.

1.3 million




young people supported so far by our Youth Opportunity program



Food Quality & Sourcing

A Long-Standing Commitment to Serving Safe, Quality Food

How our food is produced and where it comes from matters to our customers, our communities and our shared environment. We provide a variety of choices and bring families together to share moments and create lasting memories. Additionally, we embed strict food safety standards to ensure we're preparing food and beverages customers can trust.

-  [Nutrition & Marketing Practices](#)
-  [Food Safety](#)
-  [Global Happy Meal Goals 2020 Progress Report \(pdf\)](#) (28.2MB)

Embedding Food Safety Standards Right Back to the Farm

Food safety is embedded in everything we do, from sourcing, menu development, packaging and distribution to the running of our restaurants.

In 2021, we made notable progress in ensuring standards were upheld, including:

- **2,000+ farmers trained** on McDonald's Good Agricultural Practices standards, which cover food safety as well as topics such as soil health, water use and land management.
- **2,077 third-party audits performed** according to our Supplier Quality Management System (SQMS).
- **46,241 restaurant food safety audits conducted.**

- **93% of audited suppliers met SQMS standards.** Where needed, we request corrective action plans, set timelines and perform verification to prevent noncompliance.

During the year, the McDonald's Global Food Safety Advisory Council advised on topics including Produce Safety standards and Restaurant Food Safety practices, driving continuous improvement. Additionally, we worked with suppliers and other stakeholders to update our SQMS standards, including improving food safety culture assessments.



Our Focus on Nutrition and Responsible Marketing

McDonald's aims to help consumers make informed nutrition choices. We deliver nutrition labeling, calories on menu boards, mobile apps, kiosks, online nutrition calculators and defined marketing goals.

Working toward our Happy Meal Nutrition Goals, our internal, cross-functional network shares nutrition best practices across the Company. Externally, we participate in various pledges to drive industry-wide practices and are proud of our long history as an industry leader in responsible marketing to children, guided by our Global Marketing to Children Guidelines.



Our Global Happy Meal Nutrition Goals

We're focused on evolving the Happy Meal and making balanced meals more accessible. McDonald's will continue to approach this responsibly, offering balanced options and promoting menu items that contribute to recommended food groups, such as fruits, vegetables and low-fat dairy.

In 2018, we announced five Global Happy Meal Nutrition Goals to be achieved by the end of 2022. We continued to make progress toward them throughout 2021 and **plan to publish our final performance report in 2023.**

Progress So Far

8 out of 20 major markets offer balanced meals

12 major markets have met our goal on simplifying ingredients

16 out of 20 major markets sold an increased share of Happy Meal items containing recommended food groups in 2019 versus 2018

12 major markets have met our goal on Happy Meal nutrition transparency

100% of ads shown to children in 2019 featured water, milk or juice as the Happy Meal beverage and fruits, vegetables or dairy as Happy Meal side

Food Quality & Sourcing

Sourcing Ingredients With Integrity

Our global supply chain spans countries, continents and industries. We approach responsible sourcing holistically, understanding that our work impacts the livelihoods of people, the health of our shared planet and the well-being of animals.

- [Responsible Sourcing](#)
- [Animal Health & Welfare](#)
- [Responsible Antibiotic Use](#)
- [Broiler Chicken Progress Update \(pdf\)](#) (97KB)
- [Antibiotic Policy for Beef and Dairy Beef \(pdf\)](#) (143KB)

Using Antibiotics Responsibly

Since February 2019, we've tracked the use of medically important antibiotics across our top 20 chicken suppliers.¹⁶ As of the end of 2021, HPCIA use has been eliminated in Australia, Brazil, Canada, Europe, Japan, South Korea and the U.S., with China on track to comply on or before 2027.

For beef, we have conducted global pilot tests in our 10 in-scope beef sourcing markets⁴ to help refine our approach to targets and measurement capabilities for responsible use.

In 2020, we created a global, cross-functional working group to help develop an antibiotic policy for pork in our supply chain.

Embedding Animal Health & Welfare in Our Supply Chain

Caring for the health and welfare of the animals in our supply chain enables us to continue delivering quality food to our customers.

McDonald's is a founding member of the Global Roundtable for Sustainable Beef and helped launch its first Global Goal for Animal Health & Welfare in 2021.

In 2018, we formed the Chicken Sustainability Advisory Council (CSAC) and in 2021, started tracking against 15 Broiler Chicken Key Welfare Indicators developed in conjunction with CSAC. The U.S. sources more than 74% cage-free eggs and Australia, France, Germany and the U.K. have achieved 100% cage-free eggs.

In the U.S., we're working with pork suppliers to phase out the use of gestation stalls (small, enclosed pens) for housing pregnant sows by the end of 2024. As of the end of 2021, the U.S. pork supply chain is more than 61% of the way toward our target.

Evolving our Responsible Food Sourcing Approach

We have substantially achieved all our 2020 responsible sourcing goals for priority products. See our [2020–2021 Purpose & Impact Progress Summary](#) to learn more about this milestone. We are now looking ahead. Recognizing there is always an opportunity to achieve more, we are planning to **enhance our focus on regenerative agriculture** to further build on our commitment to a sustainable and thriving food system.



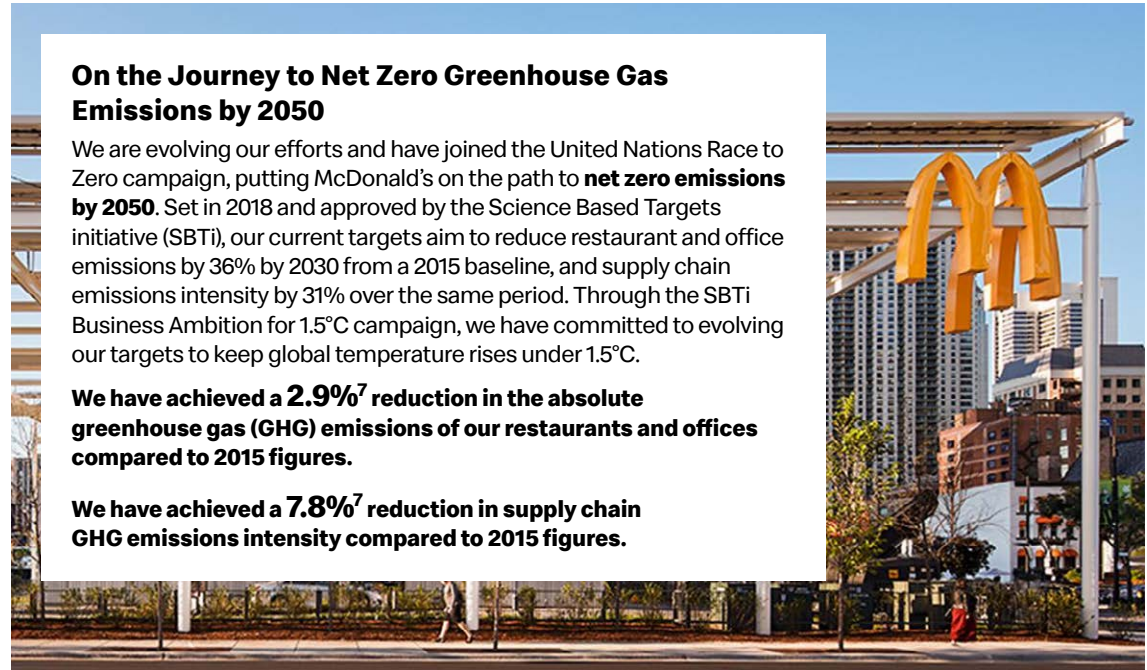
Our Planet

Tackling Climate Change for a Stronger Food System

We are working to take climate action and transform our food systems for the better, embracing our unique opportunity to mobilize the entire McDonald’s System to act. We’re focused on reducing emissions in buildings and operations, engaging suppliers to reduce supply chain emissions, strengthening business resilience and using our voice to advocate for collective transformation.

 [Climate Action](#)

 [Climate Risk & Resiliency Summary 2021 \(pdf\)](#) (3.9MB)



On the Journey to Net Zero Greenhouse Gas Emissions by 2050

We are evolving our efforts and have joined the United Nations Race to Zero campaign, putting McDonald’s on the path to **net zero emissions by 2050**. Set in 2018 and approved by the Science Based Targets initiative (SBTi), our current targets aim to reduce restaurant and office emissions by 36% by 2030 from a 2015 baseline, and supply chain emissions intensity by 31% over the same period. Through the SBTi Business Ambition for 1.5°C campaign, we have committed to evolving our targets to keep global temperature rises under 1.5°C.

We have achieved a 2.9%⁷ reduction in the absolute greenhouse gas (GHG) emissions of our restaurants and offices compared to 2015 figures.

We have achieved a 7.8%⁷ reduction in supply chain GHG emissions intensity compared to 2015 figures.



Cutting Emissions with Renewable Energy

Renewable energy plays an important role in helping us reduce emissions. In Europe, 11 markets¹⁷ purchase over 75% renewable electricity for restaurants, with many at or close to 100%.

McDonald’s has completed eight renewable energy projects through virtual power purchase agreements in the U.S. since 2019, which, when online, are expected to collectively generate energy equivalent to more than 10,000 restaurants’ worth of electricity. This is expected to contribute to a 27% reduction in restaurant greenhouse gas (GHG) emissions from our global 2015 baseline.

Collaboratively Reducing Supply Chain Emissions

With the scale of our value chain, we know collaboration is crucial **to accelerate the rate of our emissions reductions** and we are partnering with suppliers and other food businesses, nongovernmental organizations (NGOs) and climate experts. This includes working with logistics suppliers to achieve world-class operations, **working with packaging suppliers to increase the amount of recycled material**, and collaborating on regenerative agriculture initiatives that improve soil health and climate resiliency while sequestering carbon.



We are assessing climate risk and strengthening our collective resiliency as recommended by the Task Force on Climate-related Financial Disclosures. In 2021, we released our first [Climate Risk & Resiliency Summary](#).

Our Planet

Conserving Nature, Forests and Water

As a company that sources ingredients directly from nature, we rely on biodiverse ecosystems, including forests and water reserves. We're taking a holistic approach to protecting natural resources, the communities that rely on them and the future of our business.

 [Nature, Forests & Water](#)

 [Commitment on Forests \(pdf\)](#) (352KB)

 [Supporting Addendum for Commitment on Forests \(pdf\)](#) (492KB)

Accelerating Our Forest Conservation Efforts

We are committed to eliminating deforestation from our global supply chain by 2030, building on the success of our interim 2020 Responsible Sourcing goals.

In aggregate, 97.7% of our primary commodities were sourced supporting deforestation-free supply chains in 2021. Importantly, our 2030 commitment extends beyond forests to other areas of high conservation value and the communities who depend on them.

We continue to prioritize responsible sourcing, using innovative technology and aligning with industry standards to derive raw materials from deforestation-free supply chains. We work with Agrottools, a certified B Corp, harnessing cutting-edge satellite mapping and national government datasets to determine which areas to assess for deforestation and prioritize for preventative measures.

 [See online for our deforestation definitions](#)



Caring for Water Resources

We're working to conserve water, use it responsibly and efficiently and build resiliency. With support from experts, we have created a stewardship approach that drives actions and improvements across our value chain, including sourcing, processing, transportation and in our restaurants.

Restaurants

We focus on water quality, availability, efficiency and stewardship in our restaurants. This includes utilizing rainwater harvesting and condensate recovery, and grey water use in toilet facilities in some locations in individual markets. We also encourage the use of native and/or drought-tolerant landscaping, along with storm water management using rain gardens, permeable pavements, and rainwater collection and reuse.

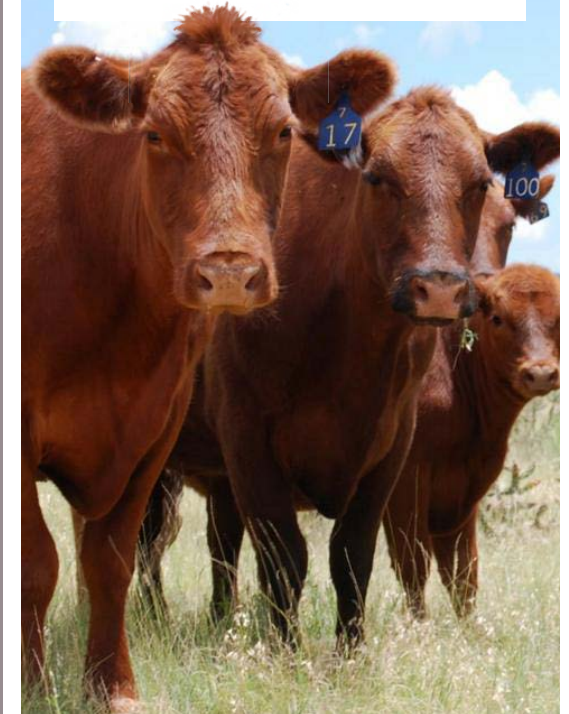
Supply Chain

Water stewardship practices are embedded in our sourcing requirements, detailing our expectation that suppliers use water responsibly. We also include them in our Global Sustainable Sourcing Guide, an internal resource aligned with internal targets, emerging risks and developing best practices.

Protecting Nature and Helping Boost Biodiversity

Nature-positive ecosystems – areas where biodiversity thrives – are vital for securing a habitable, healthy future. Many of McDonald's environmental impacts occur in our supply chains and so, to protect nature and biodiversity, we partner with suppliers, expert NGOs and other organizations on farmer- and rancher-led programs that promote regenerative practices.


We have also joined the Taskforce on Nature-related Financial Disclosures forum, collaborating with others on the frameworks, metrics and tools that will be used to address nature-related risks and opportunities.



Our Planet

Driving Circularity in Packaging, Toys and Waste

Our ambition is that the packaging and materials we use remain part of a circular economy rather than becoming waste. Our packaging and waste strategies help keep communities clean, protect the planet for future generations and support long-term business resilience.

 **Packaging, Toys & Waste**



Protecting the Value of Food

We believe food should never be wasted. Our approach, based on global best practices, is a critical part of McDonald's sustainability journey and purpose to feed and foster community. We have developed a food waste hierarchy to minimize waste in our supply chain. In U.S. restaurants, distribution centers, and supply chains, one of the key ways we're addressing food waste is through enabling food donations. In 2021, we expanded methods for recovering surplus food, so that excess ingredients like dairy, pork and poultry could be donated directly to charities.

We source 82.7% of our primary packaging materials and 96.8%⁷ of our primary fiber packaging from recycled or certified sources.

By the end of 2021, we offered guests the opportunity to recycle packaging items in an average of 35% of restaurants in our top 35 markets.

Additionally, on average, roughly 78% of our restaurants in McDonald's largest European markets already provide guest packaging recycling.

Focusing on Solutions to Drive Systems Change

We're committed to achieving a circular economy – where we help keep materials in use rather than relying on new ones. To achieve this, as well as remaining on track to achieve defined packaging and waste goals, we have created a strategy based on five focus areas:

Eliminating packaging and streamlining materials for easier recovery in addition to new material innovation, testing reusable solutions and creating behavior change opportunities to reduce usage.

Transitioning away from virgin fossil fuel-based plastics in primary guest packaging to 100% renewable, recycled or certified sources and drastically reducing virgin fossil fuel-based plastics in Happy Meal toys.

Improving recycling and reuse processes to reduce the waste coming out of our restaurants. This includes making it easier for our guests to recycle, and exploring reusable options where appropriate – these are just some of the tools of the many used to accelerate more circular packaging solutions.

Increasing the use of recycled materials to drive global demand for recycled content – including in packaging and in design materials for restaurants and facilities.

Partnering to increase scale and impact of a circular economy approach. By engaging in strategic partnerships, we can increase adoption of circularity across our industry.

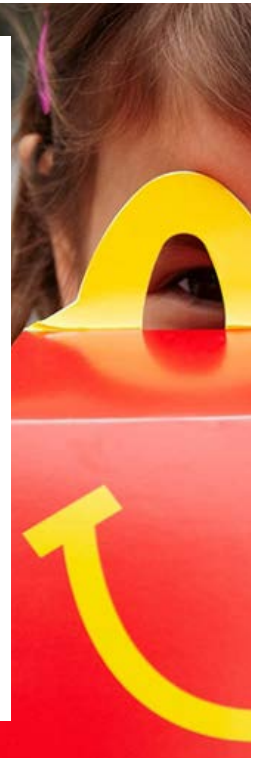
96.8%⁷

of fiber packaging continues to be sourced from recycled or certified sources



Reducing Plastic, One Toy at a Time

We have set a goal to drastically reduce virgin fossil fuel-based plastics and offer more sustainable Happy Meal toys globally by the end of 2025. We're aiming for a 90% reduction in virgin fossil fuel-based plastic used to make Happy Meal toys by the end of 2025. Since 2018, we have reduced virgin fossil fuel-based plastic in Happy Meal toys by **24.4% globally** and we continue to work on sourcing materials used in Happy Meal toys from renewable, recycled, or certified sources.

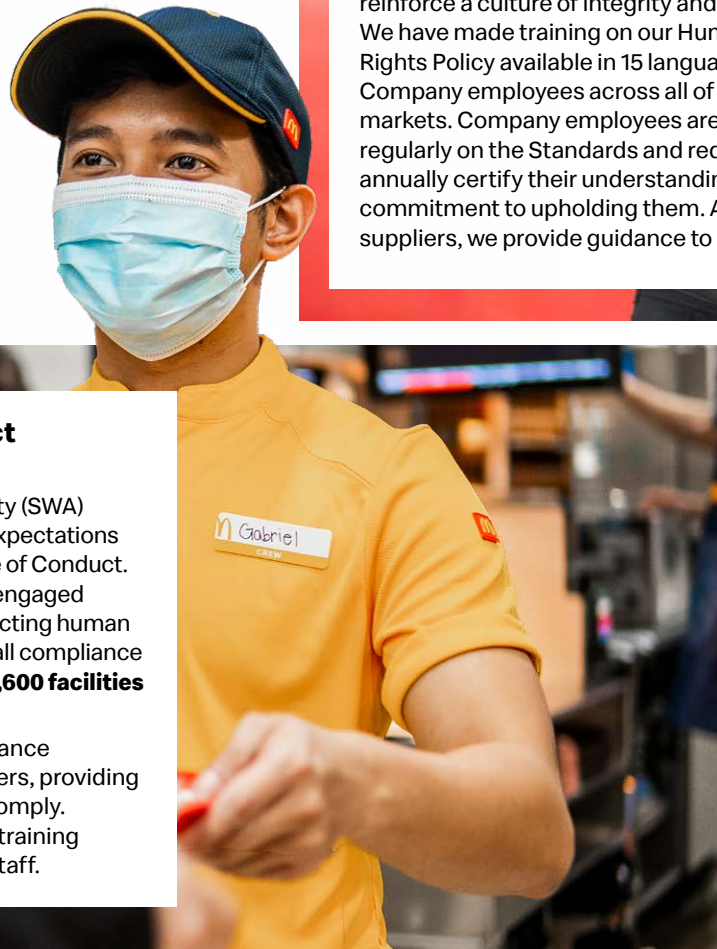


Jobs, Inclusion & Empowerment

Upholding Human Rights Across Our System

We believe businesses like McDonald’s have a responsibility to respect human rights within their sphere of influence. We know we can be a force for good in communities and empower our partners to do the same.

-  [Human Rights](#)
-  [Human Rights Policy \(pdf\)](#) (91KB)
-  [Standards of Business Conduct](#)
-  [Supplier Code of Conduct \(pdf\)](#) (1.4MB)



Creating a Culture of Integrity

Our commitment to respecting people and their rights is defined in several standards, principles and policies that, together, reinforce a culture of integrity and respect. We have made training on our Human Rights Policy available in 15 languages to Company employees across all of our owned markets. Company employees are trained regularly on the Standards and required to annually certify their understanding of and commitment to upholding them. As for our suppliers, we provide guidance to assist in

meeting the standards for human rights, workplace environment, business integrity and environmental management contained in the Supplier Code of Conduct.

Ensuring people can report violations in safety and without fear of retribution is key to protecting human rights. We encourage communication with managers and human resources representatives and provide anonymous reporting channels – such as our 24/7 Business Integrity Line – for Company employees.

Using Our Scale for Positive Impact in Our Supply Chain

McDonald’s Supplier Workplace Accountability (SWA) program aims to help suppliers understand expectations and verify compliance with our Supplier Code of Conduct. Since the program’s launch, McDonald’s has engaged thousands of suppliers and facilities on respecting human rights and mitigating risk. We have seen overall compliance improve and, by the end of 2021, **more than 4,600 facilities were actively participating in the program.**

Our Supplier Workplace Standards and Guidance Document (SWSGD) is shared with all suppliers, providing detailed guidance on the Code and how to comply. In 2021, we updated the SWSGD and hosted training for thousands of suppliers and McDonald’s staff.




Partnering to Continuously Evolve Standards

McDonald’s is committed to engaging with relevant internal and external stakeholders to continue to advance our approach to human rights. To help drive progress, we engage with the Business for Social Responsibility’s Human Rights Working Group, which supports implementation of the UN Guiding Principles on Business and Human Rights in a shared-learning forum of more than 40 companies. To ensure our supplier program addresses emerging human rights issues and risks, we also participate in initiatives such as AIM-PROGRESS, a business initiative focused on responsible sourcing.

Jobs, Inclusion & Empowerment

Creating Safe, Respectful and Inclusive Workplaces

We are committed to prioritizing safety in all our offices and Company-owned restaurants around the world, as well as supporting our Franchisees in doing the same in the restaurants they own and operate. Across restaurants globally, we are working together with our Franchisees in continuing to foster respectful workplaces, where people can be themselves without fear of harassment, discrimination, retaliation or violence.

-  [Safe & Respectful Workplaces](#)
-  [Diversity, Equity & Inclusion](#)
-  [2021–2022 Diversity, Equity and Inclusion Report \(pdf\)](#)



A Culture of Safety

McDonald's strives to foster safe working environments for crew and safe experiences for customers. We frequently evaluate the effectiveness of health and safety programs and set performance-improvement objectives.

We have deployed certain health and safety requirements and a market-level assessment process to evaluate these requirements. **Health and safety assessments are conducted annually across all McDonald's-brand restaurants to reinforce a culture of safety.**

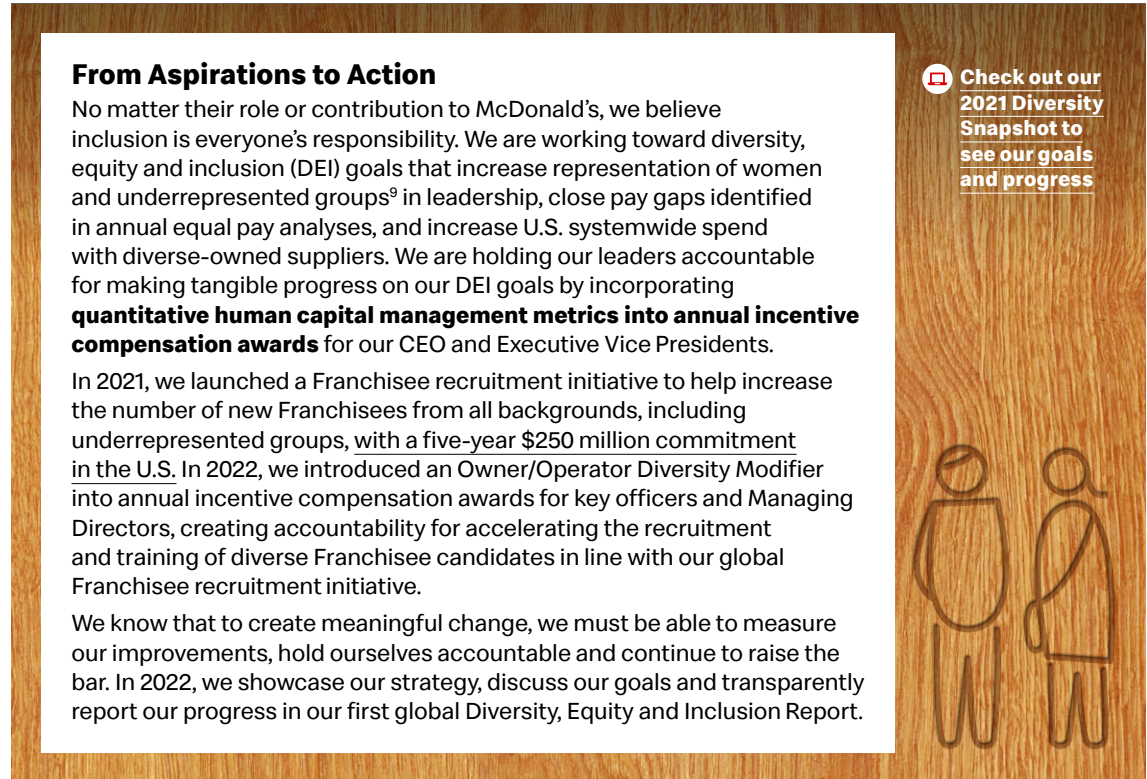


Introducing Global Brand Standards

We introduced Global Brand Standards to help foster safe, respectful and inclusive workplaces that protect physical and psychological safety of all crew and customers. The Standards focus on four areas:

- Protecting employee health and safety.
- Preventing workplace violence.
- Preventing harassment, discrimination and retaliation.
- Listening through restaurant employee feedback.

The Standards apply across all McDonald's-brand restaurants in more than 39,000 locations worldwide. **Starting in 2022, all Company-owned and franchised restaurants are assessed on each criterion in accordance with the applicable McDonald's market's business evaluation processes.**




From Aspirations to Action

No matter their role or contribution to McDonald's, we believe inclusion is everyone's responsibility. We are working toward diversity, equity and inclusion (DEI) goals that increase representation of women and underrepresented groups⁹ in leadership, close pay gaps identified in annual equal pay analyses, and increase U.S. systemwide spend with diverse-owned suppliers. We are holding our leaders accountable for making tangible progress on our DEI goals by incorporating **quantitative human capital management metrics into annual incentive compensation awards** for our CEO and Executive Vice Presidents.

In 2021, we launched a Franchisee recruitment initiative to help increase the number of new Franchisees from all backgrounds, including underrepresented groups, with a five-year \$250 million commitment in the U.S. In 2022, we introduced an Owner/Operator Diversity Modifier into annual incentive compensation awards for key officers and Managing Directors, creating accountability for accelerating the recruitment and training of diverse Franchisee candidates in line with our global Franchisee recruitment initiative.

We know that to create meaningful change, we must be able to measure our improvements, hold ourselves accountable and continue to raise the bar. In 2022, we showcase our strategy, discuss our goals and transparently report our progress in our first global Diversity, Equity and Inclusion Report.

 [Check out our 2021 Diversity Snapshot to see our goals and progress](#)

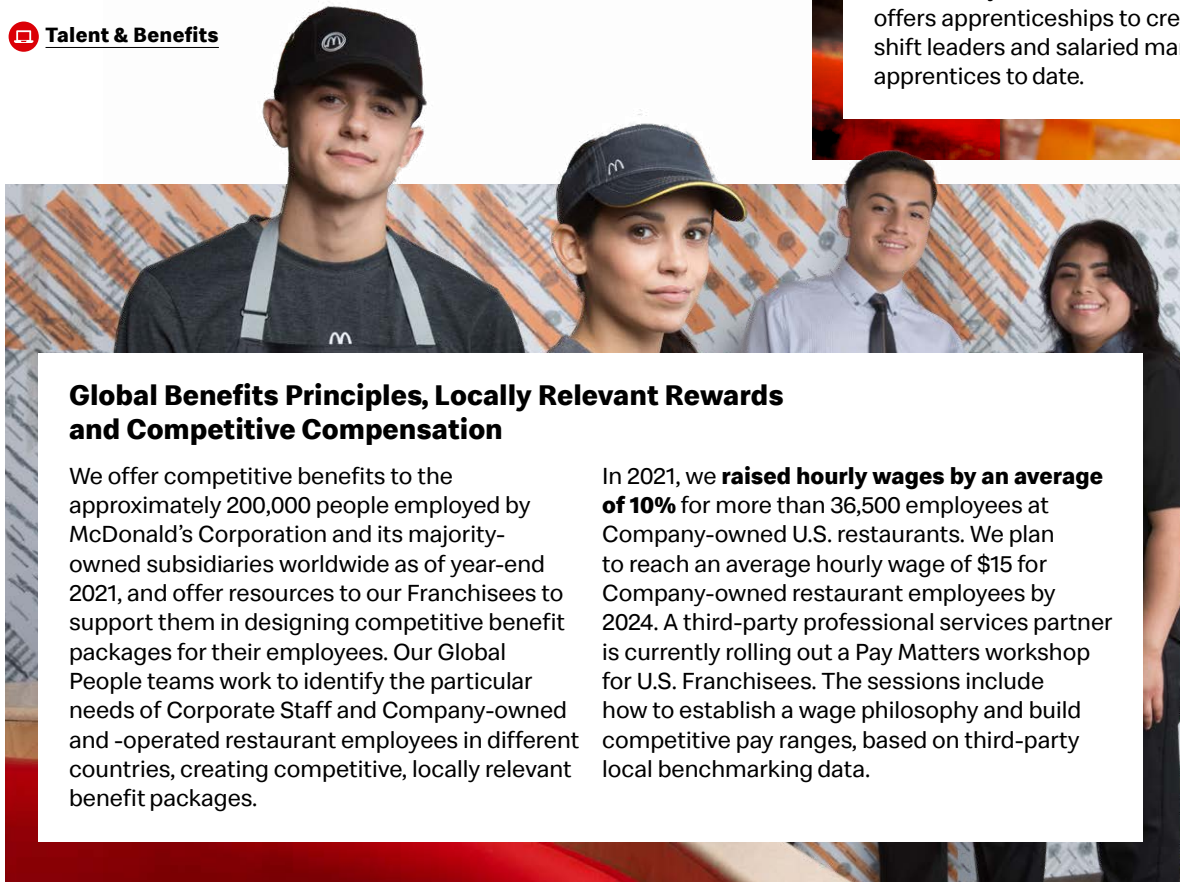


Jobs, Inclusion & Empowerment

Attracting, Retaining and Rewarding Talent

Providing a best-in-class employee experience is a business imperative because it directly impacts the customer experience. We're committed to fostering workplaces where everyone feels supported, has equitable access to opportunity and feels empowered to realize their full potential.

Talent & Benefits



Helping Employees Learn and Grow

We're modernizing learning and development with easy-to-access, easy-to-consume content, including simulation and gamified offerings that support bite-sized microlearning. We've also expanded Hamburger University (HU) – our signature learning and development approach – to eight campuses globally.

Archways to Opportunity is a comprehensive U.S. program that offers eligible employees opportunities to graduate from college, earn a high school diploma, learn English as a second language and gain access to academic and career advising services. Between 2015 and 2021, it increased access to education for more than 72,000 people as of year-end 2021.

Additionally, in the U.K. and Ireland, McDonald's industry-leading program offers apprenticeships to crew members, customer experience leaders, shift leaders and salaried managers, producing over 19,500 qualified apprentices to date.



Global Benefits Principles, Locally Relevant Rewards and Competitive Compensation

We offer competitive benefits to the approximately 200,000 people employed by McDonald's Corporation and its majority-owned subsidiaries worldwide as of year-end 2021, and offer resources to our Franchisees to support them in designing competitive benefit packages for their employees. Our Global People teams work to identify the particular needs of Corporate Staff and Company-owned and -operated restaurant employees in different countries, creating competitive, locally relevant benefit packages.

In 2021, we **raised hourly wages by an average of 10%** for more than 36,500 employees at Company-owned U.S. restaurants. We plan to reach an average hourly wage of \$15 for Company-owned restaurant employees by 2024. A third-party professional services partner is currently rolling out a Pay Matters workshop for U.S. Franchisees. The sessions include how to establish a wage philosophy and build competitive pay ranges, based on third-party local benchmarking data.

Delivering Best-In-Class Employee Experiences

To deliver an exceptional employee experience, we must put our five core values into action, measuring progress through two dedicated indices.

We measure our progress against four of our values – Community, Family, Integrity and Serve – through our composite Values Index. We measure progress against our fifth value – Inclusion – using our Inclusion Index. This Index evaluates Company behaviors and actions to ensure an inclusive environment for everyone. It measures attributes that are critical to being yourself at work, offering different opinions and advancing through the Company.

We're holding our leaders accountable for making tangible progress on our Values and Inclusion Indices. Beginning in 2021, the Company incorporated quantitative metrics related to human capital management into annual incentive compensation awards for our CEO and Executive Vice Presidents.

Community Connection

Forging Community Connections

Being part of a community means being there for our neighbors when they need us most. We are proud to build and maintain strong relationships with local communities around the world, with our donations of time and money supporting charities such as the Ronald McDonald House Charities® (RMHC®).

-  **Community Impact**
-  **Ronald McDonald House Charities**

Responding to a Humanitarian Crisis

To help support communities based in Ukraine during the humanitarian crisis resulting from the war that began in March 2022, McDonald's quickly mobilized to set up ways for our System to get involved. We utilized **a new online community giving portal established in 2022** with the goal of supporting people and communities during times of need.

Our Employee Assistance Fund distributed donations among Ukrainian employees impacted by the closure of McDonald's restaurants and offices during this crisis. These funds helped to provide for evacuation costs and long-term expected expenses related to medical, housing or other needs.



Positive Impact for the Whole Community

We aim to build strong and inclusive connections that deliver on the needs of our communities. Drawing on insights from our communities and the McDonald's System, we strengthened our Community Impact Strategy in 2021 to consolidate and enhance community support efforts, creating opportunities for Company employees,

Franchisees and customers to get involved in meaningful campaigns and volunteering.

At the beginning of 2022, we launched an internal community platform that organizes philanthropic investments and volunteer activities in one central location, helping employees create, manage and report on volunteer events and donate to causes they care about.

Providing Life-Changing Opportunities for Young People

Since 2018, **approximately 1.3 million young people** have participated in training programs and/or been hired in McDonald's or participating Franchisee restaurants.¹⁵

In the U.S. we're working with the International Youth Foundation (IYF) and nine community-based organizations to deliver Passport to Success – a life skills training program. During the COVID-19 pandemic, we supported and extended IYF's development of a digital, game-based equivalent (Passport to Success Explorer) to the curriculum to external organizations. Partner organizations included Historically Black Colleges and Universities in the U.S. and some secondary school systems in parts of Latin America. We are continuing to extend the curriculum, with a goal to reach up to 100,000 young people in diverse communities.



Community Connection

Giving Back to Local Ronald McDonald House Charities® (RMHC®) Chapters with Our Customers

McDonald's is committed to providing our customers with opportunities to support the RMHC mission, with many ways to support Chapters around the world. The largest ongoing fundraisers are RMHC Donation Boxes at restaurant counters and Drive-Thru windows. In 2021, more than \$27 million was donated worldwide through the Donation Box program.

In select markets in 2021, "Round-Up for RMHC" was also an option for customers by allowing them to round up their purchase to the nearest whole number (of their local currency) at self-order kiosks, front counter and Drive-Thrus, raising more than \$23 million across participating restaurants.

Ronald McDonald House Charities (RMHC)

With a global network of over 260 Chapters in 62 countries and regions, RMHC – a nonprofit, 501(c)(3) organization – supports families in accessing medical care for children. RMHC programs provide families with somewhere to stay in and near leading hospitals and healthcare services, ensuring they have access to the medical care their child needs.

During 2021, McDonald's donated \$20 million to RMHC as part of our five-year, \$100 million commitment to support families when they need it most. In total, McDonald's, our Franchisees and our customers donated more than \$168 million to RMHC, helping the charity provide more than 1.8 million overnight stays for RMHC families around the world.

Continuing to Donate and Invest in Philanthropic Projects

In 2021, we launched a centralized Community Fund, enhancing our governance over McDonald's Corporation's philanthropic investments. Throughout the year, the U.S. business provided over \$1.4 million in grants and sponsorships. We also partnered with the Obama Foundation by making a two-year, \$5 million commitment across 2022–2023 to the Obama Presidential Center's global programming and Chicago initiatives.





Throughout the COVID-19 pandemic, and with guidance from partners like Food Donation Connection, The Global FoodBanking Network and Feeding America, we have ensured millions of pounds of stranded food hasn't been wasted, instead donating it to people globally who need it.



Who We Are

McDonald's is the world's leading global foodservice retailer with more than 39,000 locations in over 100 countries. Approximately 95% of McDonald's restaurants worldwide are owned and operated by independent local business owners.

As one of the world's largest restaurant companies, we believe we have a responsibility to provide long-term, sustainable value creation for shareholders while acting on some of the world's most pressing environmental and social challenges. We're prioritizing our role in the communities we have been serving for over 65 years and speaking up about how we plan to feed and foster the future of those communities over the next 65. As we look to the future, we believe we can have an even greater impact by focusing on four areas that matter most to our communities:

-  [Food Quality & Sourcing](#)
-  [Our Planet](#)
-  [Jobs, Inclusion & Empowerment](#)
-  [Community Connection](#)

Key Definitions

- McDonald's: Our global brand, unless specified otherwise.
- We/The Company: McDonald's Corporation and its majority-owned subsidiaries worldwide.
- The System: The Company, its Franchisees and suppliers are collectively referred to as the "System," also known as McDonald's "three-legged stool."
- Franchisees: Collective group of independent individuals and entities owning and operating McDonald's restaurants under one of the following structures – conventional franchise, developmental license or affiliate; for more information, please see the Company's Annual Report.
- McDonald's restaurants/Restaurants: Includes restaurants owned by the Company and its Franchisees.

About This Progress Summary

This summary covers our 2021 progress, unless noted otherwise. For more information on terms and definitions, governance, performance data and more, please visit the [Our Purpose & Impact](#) section of our website, which is designed to be a living reporting platform.

Forward-Looking Statements

This report contains certain forward-looking statements or projections, which reflect our expectations regarding future events, performance and goals and involve several risks and uncertainties. Generally speaking, any statement in this report not based upon historical fact is a forward-looking statement. Forward-looking statements can also be identified by the use of forward-looking or conditional words, such as "could," "should," "can," "continue," "estimate," "forecast," "intend," "look," "may," "will," "expect," "believe," "anticipate," "plan," "remain," "confident" and "commit" or similar expressions. In particular, statements regarding our plans, strategies, prospects, goals and expectations regarding our business and industry are forward-looking statements. You should not rely unduly on forward-looking statements. These are not guarantees of performance and speak only as of the date the statements are made. Factors that could cause actual results to differ materially from our expectations are detailed in our filings with the Securities and Exchange Commission. Except as required by law, we do not undertake to update such forward-looking statements.

Find Out More

Our website: corporate.mcdonalds.com
Ronald McDonald House Charities: www.rmhc.org

Footnotes

1. Priority ingredients: Beef, soy sourced for chicken feed, palm oil, coffee, fish and fiber.
2. Our 20 major markets: the U.S., Canada, Brazil, Argentina, the U.K., France, Germany, Austria, Spain, the Netherlands, Italy, Poland, Sweden, Switzerland, Russia, Hong Kong, China, Japan, Taiwan and Australia. Russia is included as one of our major markets for the purposes of performance reporting to the end of December 2021.
3. 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 progress reporting to the end of December 2021.
4. Specifically, antibiotics defined by the World Health Organization as Highest Priority Critically Important Antibiotics to human medicine.
5. Our top 10 beef sourcing markets: Australia, New Zealand, France, Germany, Ireland, Poland, the U.K., Canada, the U.S. and Brazil, which represented over 80% of our global beef supply chain in 2021.

6. Primary guest packaging refers to disposable products used to package guest food on premises at McDonald's restaurants that are given to customers in all order channels, including containers, cups, clamshells, wraps, foodservice bags, napkins, folding cartons, salad bowls, lids, straws and cup carriers, as well as Happy Meal book and toy packaging.
7. Information updated as of August 15, 2022.
8. This figure includes aggregate numbers from Australia, Austria, Belgium, Canada, Czech Republic, France, Germany, Italy, Netherlands, Poland, Portugal, Russia, Slovakia, Spain, Switzerland, Ukraine, the U.K. and the U.S. Corporate employees who support our Development Licensees are also included. Data was obtained through various means, including informal identification and voluntary self-disclosure.
9. In the U.S., the term "underrepresented groups" generally means people who identify as Black, Indigenous, Asian or Pacific Islander, or otherwise as people of color, people of Hispanic or Latino/a/x descent, people with disabilities, people who identify as LGBTQ+, people from religious minorities, or people having a combination of these identities or attributes. For purposes of McDonald's reporting, including with respect to Human Capital Metrics and Equal Pay, "Underrepresented Groups" is defined as people who identify as Black, Indigenous, Asian or Pacific Islander, people of Hispanic or Latino/a/x descent, or people having a combination of these identities or attributes.
10. This figure includes U.S. Paid employees who disclosed race/ethnicity information only. All U.S. Paid employees working in other markets are excluded.
11. Diverse-owned suppliers refers to businesses that are 51% owned and controlled by women and/or Black, Hispanic, Asian, Indigenous, Veteran, LGBTQ+ and disabled persons.
12. This figure includes supplier spending by all restaurants, whether operated by McDonald's or by Franchisees. Further, this figure is inclusive of U.S. Company-owned restaurant spend, Supply Chain, Restaurant Development, Marketing, Legal, Global Technology, Workplace Solutions, Global Impact, Finance, Global People and other corporate functions. This figure also includes purchases made by Franchisees for advertising, restaurant development, technology, food, distribution, packaging, equipment and uniforms. This scope excludes non-controllables (Taxes, Utilities, Rent, Aircraft Fuel, Airport Fees, Facility Leases, Donations, Bank Fees and Subscriptions).

- FY2021 diverse-owned supplier spend in the U.S. includes both self-certified and third party certification and Tier 1 and Tier 2 spend. Tier 1 suppliers are those from whom McDonald's buys directly. Tier 2 suppliers are those with whom our suppliers do business.
13. Paid Media investment represents contracted dollars with suppliers.
 14. The classification of media and production companies and content creators as diverse-owned suppliers is determined by both self-certification and third party certification.
 15. This figure is based on actual and, in some cases, extrapolated data for the following participating markets: Argentina, Australia, Brazil, Canada, China, Colombia, Hong Kong, Italy, Japan, Jordan, Korea, Mexico, Portugal, Spain, Switzerland, UK & US. McDonald's collects data from McOpCo and Franchisees who choose to provide access to their data but extrapolates where it does not have access to the underlying data globally.
 16. Markets covered by this goal include Brazil, Canada, Japan, South Korea, the U.S., Australia, Russia, China and Europe. For the purposes of this goal, Europe includes Austria, Azerbaijan, Belarus, Belgium, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Italy, Kazakhstan, Latvia, Lithuania, Luxembourg, Malta, Moldova, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Sweden, the U.K. and Ukraine. Russia is included for the purposes of performance reporting to the end of December 2021.
 17. Austria, France, the U.K., Ireland, Germany, the Netherlands, Poland, Portugal, Spain, Sweden and Switzerland.

