

THE GOOD BUSINESS



REPORT



2014 HIGHLIGHTS



In 2014

30%

**MORE FRUIT, VEGETABLES,
LOW-FAT DAIRY
OR WHOLE GRAINS**

were served in
McDonald's restaurants
compared to 2012

Top 9 markets



More than

96%

**OF THE GLOBAL
ROUNDTABLE
FOR SUSTAINABLE
BEEF'S MEMBERSHIP**

voted to approve final principles
and criteria for sustainable beef



In 2014

83%

**OF McDONALD'S
RESTAURANT MANAGERS**

in our top markets globally
think McDonald's is a great
place to work

Data reflects numbers from Company-owned restaurants in
Australia, Canada, China, France, Germany, U.S. and the U.K.,
as well as restaurants owned by McDonald's Japan and all restaurants in Brazil.



In 2014, with support
from the McDonald's
System and others,
**RONALD McDONALD
HOUSE CHARITIES
SERVED**

5.7

**MILLION CHILDREN
AND THEIR FAMILIES**



In 2014 alone, the Company and Franchisees purchased

132,186 **PIECES OF ENERGY
EFFICIENT EQUIPMENT**

Estimated to save about

142 **GIGAWATT
HOURS AND** **\$14.2** **MILLION IN
ENERGY COSTS**

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Order Here

OUR FRAMEWORK

SOURCE ALL OF OUR FOOD AND PACKAGING SUSTAINABLY

2020 ASPIRATIONAL GOALS

BEEF: SUPPORT SUSTAINABLE PRODUCTION

Lead development of global principles and criteria in 2014.
Develop goals and begin purchase of verified sustainable beef by 2016.

100% OF COFFEE, PALM OIL AND FISH

Verified as supporting sustainable production.

100% OF FIBER-BASED PACKAGING

From certified or recycled sources.



DEVELOP AND OPERATE THE MOST ENVIRONMENTALLY EFFICIENT MCDONALD'S RESTAURANTS

2020 ASPIRATIONAL GOALS

20% INCREASE IN ENERGY EFFICIENCY OF COMPANY-OWNED RESTAURANTS

Top 9 Markets excluding Brazil and Japan. Develop Franchisee goal in 2016.

INCREASE ENERGY EFFICIENCY THROUGH RESTAURANT STANDARDS

Top 9 Markets. Develop goals in 2014.

INCREASE AMOUNT OF IN-RESTAURANT RECYCLING TO 50% AND MINIMIZE WASTE

Top 9 Markets

PROVIDE BALANCED CHOICES

2020 ASPIRATIONAL GOALS

SERVE 100% MORE FRUIT, VEGETABLES, LOW-FAT DAIRY OR WHOLE GRAINS

Top 9 Markets

REDUCE SALT/SODIUM, SUGAR, SATURATED FAT OR CALORIES ACROSS THE MENU

Top 9 Markets. Develop goals by 2015.



OUR JOURNEY TOGETHER.
FOR GOOD.

CORE VALUE

COMMITTED TO OUR PEOPLE

CREATE OPPORTUNITY

Provide lifelong skills and career opportunities for our global workforce.

PROMOTE DIVERSITY AND INCLUSION

Foster a work environment that values the unique contributions of all.



COMMITTED FOR OVER 50 YEARS TO OUR EMPLOYEES AND COMMUNITIES



CORE VALUE

GIVE BACK TO OUR COMMUNITIES

IMPROVE THE LIVES OF CHILDREN AND THEIR FAMILIES

Through support of Ronald McDonald House Charities and other organizations.

STRENGTHEN COMMUNITIES

By addressing needs such as education and physical activity.

FROM OUR CEO



Welcome to the 2014 Good Business Report.

Being a modern, progressive burger company starts with making every customer visit simple, easy and enjoyable. It also means supporting — and leading — meaningful change our customers notice across our industry, our value chain and the communities we serve.

Driven by what customers expect of McDonald's, we're refocusing our business and moving with a faster cadence of action. Our commitment to bolder decision-making, customer-centric innovation and

renewed emphasis on the fundamentals extends to our sustainability efforts. We're making progress on those things that matter most to our customers, business and society.

We recognize that lasting change starts with partnerships. We're taking bigger, bolder steps with our global network of franchisees, suppliers and employees. Our franchisees' efforts to operate greener restaurants and support their local communities drive our environmental goals and reflect our culture of giving back. Our suppliers' insights and innovation underpin our work to source our food and packaging sustainably. Our company has been partnering with respected organizations for years — and as founders of the Global Roundtable for Sustainable Beef, we're developing globally accepted criteria for sustainable beef.

At the same time, we're championing simplicity and efficiency at every level — from resource efficiency in the supply chain to environmental efficiency in the restaurants. We're managing energy use, recycling waste and conserving water to build our brand and drive the business.

Thank you for your interest and for your contributions to our sustainability progress. I look forward to the work we'll do together in the coming year.

“We recognize that lasting change starts with partnerships. We're taking bigger, bolder steps with our global network of franchisees, suppliers and employees.”




A handwritten signature in black ink that reads "SE Easterbrook". The signature is stylized and fluid.

Steve Easterbrook
President & CEO, McDonald's Corporation



OUR JOURNEY TO DATE

Status Key:

∅ No Progress + Some Progress ++ Good Progress +++ Excellent Progress » Met Goal

Pillar	2020 Aspirational Goal	Status	Progress Assessment
FOOD Provide Balanced Choices 	Serve 100% more fruit, vegetables, low-fat dairy or whole grains (Top 9 Markets).	++	Achieved 30% increase in 2014 compared to 2012.
	Reduce salt/sodium, sugar, saturated fat or calories across the menu (Top 9 Markets; develop goal by 2015).	∅	Evolving scope of second goal to consider ingredients as well as nutrients.
SOURCING Source All of Our Food and Packaging Sustainably 	Beef: Support Sustainable Production		
	Lead development of global principles and criteria in 2014.	>>	Supported the Global Roundtable for Sustainable Beef in developing and publishing global principles and criteria.
	Develop goals and begin purchase of verified sustainable beef by 2016.	++	Pilot programs are underway to test how we can measure and verify sustainable beef.
	100% of coffee, palm oil and fish verified as supporting sustainable production.		
	Coffee	++	Achieved an estimated 32% verified sustainable in 2014.
	Palm Oil	++	We are re-evaluating our 2020 palm oil goal as we plan to take more of a leadership stance. As for our 2015 goal, approximately 97% of palm oil used for restaurant cooking and for par-frying by our suppliers is either RSPO-certified sustainable or covered by GreenPalm Book and Claim certificates.
	Fish	>>	100% of the fisheries from which McDonald's sources whitefish were from verified sustainable sources in both 2013 and 2014.
	100% of fiber-based packaging from certified or recycled sources.	++	Increased amount of fiber-based packaging from verified sustainable sources to 23%. ¹
PLANET Develop and Operate the Most Environmentally Efficient McDonald's Restaurants 	20% increase in energy efficiency of Company-owned restaurants (Top 9 Markets excluding Brazil and Japan; develop Franchisee goal in 2016).	∅	Experienced about a 6% decrease in the energy efficiency of our Company-owned restaurants in these markets due to lower guest counts and other factors, despite efforts at the market level to reduce energy usage and improve energy management in the restaurants.
	Increase energy efficiency through restaurant standards (Top 9 Markets; develop goal in 2014).	+	We did not develop a restaurant standards goal in 2014 as other business needs have prompted us to change our approach to restaurant standards more broadly. Instead, we are embedding sustainability considerations into our overall restaurant standards.
	Increase amount of in-restaurant recycling to 50% and minimize waste (Top 9 Markets).	+	At the time of this report, we do not have sufficient global waste data to be able to report our 2014 progress against this goal. Around the world, McDonald's restaurants are collecting materials, such as used cooking oil and corrugated cardboard, for a wide range of secondary uses. The Company is in the process of establishing a holistic recycling tracking methodology applicable to all waste streams in all restaurants globally.

SHARED VALUE, STRONG BUSINESS

Pillar	Core Value	2014 Highlights
PEOPLE Committed to Our People 	Create opportunity: Provide lifelong skills and career opportunities for our global workforce.	Maintained and launched several training, educational and life skills programs in multiple markets and enhanced benefits for employees of Company-operated restaurants in our largest market, McDonald's USA. Collaborations with organizations like the United States Hispanic Leadership Institute and Junior Achievement, as well as various scholarships, support youth success in college educations and careers.
	Promote diversity and inclusion: Foster a work environment that values the unique contributions of all.	27% of positions at vice president and above at McDonald's Corporation are held by women.
COMMUNITY Give Back to Our Communities 	Improve the lives of children and their families through support of Ronald McDonald House Charities and other organizations.	At least one Ronald McDonald House Charities core program provides care for families being served at 89% of the top children's hospitals worldwide. ²
	Strengthen communities by addressing needs such as education and physical activity.	Continued offering scholarships and other educational resources to communities in multiple markets, while maintaining our legacy of promoting physical activity for kids at local, national and global levels.

¹ Based on fiber-based consumer facing packaging for all McDonald's restaurants globally. Packaging categories included without limitation are the following: hot cups, cold cups, carry out bags, folding cartons, clamshells, wraps, food service bags, napkins, salad bowls, Happy Meal containers, drink carriers. Packaging metrics do not include operational supplies or pre-filled food packaging (e.g., sauce packets, salad dressings).

² According to sources such as the 2014 Leapfrog Top Hospital Report and other similar reports.

During 2014, we made progress on a number of our sustainability goals in the midst of significant changes and challenges within our company. I'm proud of our achievements in a number of areas that build shared value for our business and the world at large.

I also recognize that while our Global Sustainability Framework is a valuable starting point, it is not a final destination. Going forward, it's imperative that we continue to embed sustainability into the core of our business and engage both our internal and external stakeholders in meaningful dialogue on our sustainability priorities and performance.

In 2015, we are focused on continuing momentum in our areas of strength, and engaging consumers on important sustainability issues. At the same time, we are taking a fresh look at our Global Sustainability Framework to ensure both our focus areas and goals represent optimal opportunities for growing our business while making a positive difference in society. As always, we are committed to sharing our performance and challenges in a comprehensive and transparent manner, and will continue to do so through our ongoing reporting and broader communications efforts.



Francesca DeBiase

Francesca DeBiase
Senior Vice President
Worldwide Supply Chain
& Sustainability,
McDonald's Corporation

ABOUT THIS REPORT

Continuing to elevate our transparency around sustainability issues is a long-held priority for the Company, and will continue to be so in the future. We've been reporting on our journey for more than a decade, publishing seven full-length and two summary reports to share our progress from 2002 to 2013. We're encouraged by the progress we've made, but we know there is much more to do. Measuring and sharing our progress helps us continuously improve.

What we mean when we say ...

Given the complexity of McDonald's business, communicating about our sustainability progress can be challenging, so we've defined key terms used throughout this report.

McDonald's Terms and Definitions	
McDonald's	Our global Brand, unless specified otherwise
We/The Company	McDonald's Corporation and its majority-owned subsidiaries worldwide
McDonald's System	The Company, its Franchisees and suppliers are collectively referred to as the "McDonald's System"
Franchisees	Collective group of independent individuals and entities operating McDonald's restaurants (see page 1 of the Company's 2014 Annual Report on Form 10-K for more information regarding the Company's franchise arrangements, including developmental licensees and affiliates)
Arcos Dorados	Arcos Dorados Holdings Inc., an independent publicly traded company, is the Company's largest developmental licensee, operating approximately 2,100 restaurants in Latin America and the Caribbean
McDonald's Japan	McDonald's Holding Company (Japan), Ltd., an independent publicly traded company, is the Company's largest affiliate, operating nearly 3,100 restaurants in Japan
Restaurants	Includes restaurants owned by the Company and its Franchisees

Scope of The Report

The reporting organization of this publication is McDonald's Corporation, headquartered in Oak Brook, Illinois, USA. Performance data included in this report generally reflects operations from 9 markets: Australia, Brazil, Canada, China, France, Germany, Japan, the United Kingdom and the United States. For two of these markets (Brazil (operated by Arcos Dorados) and Japan (operated by McDonald's Japan)), we rely entirely on the accuracy of the performance data provided by their management. The Company has designated these 9 markets the "top 9" based on a number of factors, such as McDonald's System-wide sales, revenues, operating income, number of restaurants and potential for growth. Together, they represent about 70% of total revenues. Data in this report with respect to the top 9 markets has been aggregated and may not necessarily be indicative of any particular market's performance.

Except where noted, reported performance includes all Restaurants.

Our Sustainability Report Covers	
Top 9 Markets	Australia, Brazil, Canada, China, France, Germany, Japan, United Kingdom, United States
Period	January 1-December 31, 2014
Baseline Year for Aspirational Goals	2012, with the exception of our energy efficiency goal (2013)
Units	Metric, unless otherwise noted
Currency	U.S. dollar
Reporting Framework	Global Reporting Initiative (GRI) 3.1 Sustainability Reporting Guidelines — See the GRI Index for details

ETHICS AND GOVERNANCE

Global Reporting Initiative

Select indicators from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, as described in GRI 3.1, are included in this report. The GRI Index is available as a separate addendum on our corporate website. Specific performance periods are shown in the appropriate chapters.

Report Information

Statements contained in this report about future developments and past occurrences are based on information and assumptions available as of the date of this report. The Company assumes no obligation to update any of the information or statements in this report. In addition, certain information in this report has been provided by third-parties, including by our suppliers. In these cases, we have relied on these third-parties for accuracy and completeness.

What You'll Find Inside

In alignment with the pillars of our Global Sustainability Framework, the main chapters of this report are as follows: Food, Sourcing, Planet, People and Community. In each chapter, we share background and rationale behind our focus areas, the goals we are striving to achieve and a transparent assessment of our progress to date.

We aim to be a modern, progressive burger company, one that delivers outstanding food and beverages at a great value with the ease and convenience our customers expect. To achieve this, our actions must reflect our shared commitment to be ethical, truthful and dependable. Our Values, Standards of Business Conduct and a multifaceted compliance program help us live up to this commitment by providing a solid foundation for the Company and by offering direction and resources for many of the complicated issues and decisions impacting McDonald's.

Board of Directors: Promoting Good Governance and Ethical Conduct

The Board of Directors of McDonald's Corporation is a group of diverse and experienced business leaders committed to advancing strong corporate governance. The Board is actively engaged in overseeing and reviewing the Company's strategic direction and objectives, taking into account (among other considerations) the Company's risk profile and exposures. Six standing Board committees—Audit, Compensation, Governance, Executive, Finance, and Sustainability and Corporate Responsibility—support the Board's oversight. With the exception of the Executive Committee, all the committees are made up of independent members of the Board. Please see our corporate website for more.

Standards of Business Conduct

For Company employees worldwide, the framework for ethical business practices is the Standards of Business Conduct. First published more than 40 years ago, the Standards of Business Conduct have been continually revised to reflect the changing business environment and were last updated in 2013. The Standards of Business Conduct apply to Company employees worldwide and can be found on our corporate website.

Central to the Standards of Business Conduct are three principles—personal accountability, open communication and responsible action. Company employees are asked to recognize that they can “keep the shine on our Arches by doing the right things in the right way,” by acting in accordance with our Standards and exercising good judgment.

“McDonald's sustainability journey continued in 2014 with solid progress in Good Food, Sourcing, Planet, People and Community. There is more work to do, but the Company is measuring and communicating this progress against its Global Sustainability Framework in tangible and transparent ways to drive further gains in the coming years. I'm proud to be part of this work and to witness the continued integration of sustainability practices into the business, along with the continued evolution of this great brand.”

Walter E. Massey
Member, McDonald's Board of Directors
Chair, Sustainability and Corporate Responsibility Committee





STAKEHOLDER ENGAGEMENT

At McDonald's, we like to say that none of us is as good as all of us. That's why stakeholders have been central to our progress on sustainability issues for a long time. Over the years, we've developed lasting relationships with experts from academia, non-governmental organizations (NGOs), the socially responsible investment community and others to advance progress on a range of issues. This has included convening expert groups to advise us on the latest research, trends and best practices in nutrition, environmental protection, animal health & welfare and other important topics—and to help us develop our Global Sustainability Framework. Please see the Engagement Timeline on page 36 for a 40-year summary of these collaborations.

Refining Our Engagement Strategy

We'll continue to cultivate meaningful relationships with these individuals and groups. At the same time, we have begun approaching engagement more holistically so we can continue being a catalyst for positive change. Over the past year, we started taking a closer look at the bigger picture to further shape our sustainability strategy and make sure we understand the issues that today's stakeholders care about most.

We collect input through annual and ad hoc surveys, research by third parties, focus groups, direct dialogue and meetings, social media, our website and conferences. While consumers, sustainability "influencers" and employees have different levels of awareness about McDonald's activities, our 2014 research confirmed that the topics they would like us to focus on over the next 5 years are related to nutritious food choices, sustainable sourcing and opportunities for our people. Going forward, we will continue to monitor their perceptions of our approach, progress and the McDonald's brand.

Partners in Progress

Globally and in our markets, McDonald's participates in a variety of coalitions, associations and initiatives committed to a common cause.

Sustainability

- World Wildlife Fund (collaborator)
- BSR (Business for Social Responsibility) (member and research partner)
- Global Reporting Initiative (organizational stakeholder - Germany)
- GreenBiz Group (collaborator)

Food

- Alliance for a Healthier Generation (partner)
- Clinton Global Initiative (member)
- Global Food Safety Initiative (board member)
- International Food & Beverage Alliance (member)

Sourcing

- Global Forest & Trade Network (member)
- Global Roundtable for Sustainable Beef (founding member)
- GTPS - Brazilian Roundtable on Sustainable Livestock (member)
- Roundtable on Sustainable Palm Oil (member)
- Sustainable Agriculture Initiative Platform (member - Europe)
- U.S. Roundtable for Sustainable Beef (founding member)

Planet

- Energy Star (partner)
- Food Waste Reduction Alliance (member)
- Keep America Beautiful (corporate partner)
- U.S. Green Building Council (member)

People

- Catalyst (global research partner)
- NAACP (member)
- Joining Forces Coalition (member)
- Multicultural Foodservice & Hospitality Alliance (member)



**GOOD
BUSINESS:
FOOD**



At McDonald's, Good Food means great taste, modern choices and real ingredients. The Company continues to strive to find new ways to strengthen the nutritional profile of our menu items while maintaining the great tastes our customers expect. And while nutrition concepts vary around the world, some are nearly universal, such as the value of eating a variety of foods from recommended food groups. McDonald's wants to help make it easier for customers to eat from these food groups by serving more menu items that include fruits, vegetables, low-fat dairy or whole grains.

"Customer lifestyles and expectations have changed significantly since McDonald's first opened its doors 60 years ago. As a company, we put the customer experience at the center of everything we do. As a result, we've worked hard to meet these changing lifestyles and expectations with an evolving array of menu options that embody great taste and quality, innovation, value and balance."

**Ann Wahlgren,
Vice President, Global Menu Strategy, McDonald's Corporation**



WHAT WE'RE FOCUSED ON **GOOD FOOD**

In 2014, the Company laid out aspirational goals for Good Food using a 2012 baseline, and we've made progress serving more menu items that provide fruit, vegetables, low-fat dairy or whole grains. We have continued the conversation around our second aspirational goal, and the challenge lies in establishing a single metric across the top 9 markets that accurately reflects and sufficiently captures ingredient improvements across our menu. We are striving to establish this goal by the end of 2015.

OUR 2020 ASPIRATIONAL GOALS

Serve 100% more fruit, vegetables, low-fat dairy or whole grains. (Top 9 markets)

Reduce salt/sodium, sugar, saturated fat or calories across the menu. (Top 9 markets. Develop goals by 2015.)

HOW WE ARE MOVING AHEAD

Our 2020 Aspirational Goal – Serve 100% More Fruit, Vegetables, Low-Fat Dairy or Whole Grains Top 9 Markets

30%
**MORE FRUIT, VEGETABLES, LOW-FAT DAIRY
OR WHOLE GRAINS**
were served in
McDonald's restaurants compared to 2012

Percentage based on units served in the top 9 markets in 2014 compared to 2012.

Focusing on Food Groups

In 2014, whole grains, fruit and vegetables contributed towards this goal in a number of markets. For example, McDonald's USA, the Company's largest market, continued to offer English muffins made with 8 grams of whole grain.

In addition, fruit and vegetable offerings were expanded in the U.S., Europe and Latin America. McDonald's USA introduced Cuties California Clementines as a Happy Meal option in November 2014. McDonald's Europe expanded fruit and vegetable giveaways in various countries. Since the program began in 2010, McDonald's restaurants in Europe have distributed a variety of fruits and vegetables, including apples, cherry tomatoes, kiwi, melon, carrots, mixed fruit and pineapple.

Wraps are another way McDonald's can offer balanced, varied and culturally relevant menu items tailored to local palates. On the menu in Australia, Europe, Latin America and the U.S., wraps tend to include a variety of vegetables — lettuce and spring greens, cucumbers, carrots, red onions — grilled or crispy meats, eggs and other ingredients.

Nutrition Improvements

2020 Aspirational Goal - Reduce Salt/Sodium, Sugar, Saturated Fat or Calories Across the Menu

Top 9 Markets. Develop goals by 2015

In 2014, we committed to establishing specific goals for reducing sodium, sugar, saturated fat or calories in the top 9 markets by 2015. As nutrition trends continue to evolve with an increased focus on ingredients beyond sodium, sugar, saturated fat or calories, we believe there is an opportunity to craft a more holistic goal that goes beyond nutrients and resonates more with today's consumer.

Over the last several years, a number of McDonald's markets have made nutrition improvements to certain menu favorites. For example, since 2009, McDonald's France and McDonald's Germany have reduced the sodium in Medium Fries by approximately 58%.¹ Since 2010, McDonald's USA has reduced sodium in Medium Fries by about 30%. During that same time, the Company reduced sodium by varying levels in our popular McNuggets in a number of markets.² We also reduced sodium in commonly used ingredients such as some of our burger buns, American cheese and ketchup, which helped to reduce the overall sodium in our Cheeseburger by an average of 10% and in our Big Mac by an average of 9% in some key markets.³

We will continue exploring new ways to strengthen the nutritional profile of our menu items while maintaining the tastes customers love.

1 Sodium reduction information in this section is based on published nutrition data in the applicable markets, subject to local nutrition analysis and calculation standards and applicable disclosures

2 Reductions range from 7% in Brazil to 10% in the U.S., 15% in the U.K., and 27% in Canada

3 Average based on sodium reductions for these menu items in Australia, Brazil, France, Germany and the U.S.





McDONALD'S PARTNERSHIP WITH THE ALLIANCE FOR A HEALTHIER GENERATION

In partnership with the Alliance for a Healthier Generation, the Company made a Clinton Global Initiative Commitment to Action in September 2013. A defining feature of this commitment is its scale—20 major markets, which represent more than 85% of the Company's global system-wide sales.

Commitment 1: Feature only water, milk and juice as the beverage in Happy Meals on menu boards and in-store and external advertising directed to children. For Happy Meals, remove all soda logos and images of cups with soda from the Happy Meal section of menu boards (where it exists) and all in-store and external advertising directed to children and phase out the listing of soda on the Happy Meal section of the Menu Board. Soda will be available as a beverage option but it will not be listed on the Happy Meal section of the menu board.

Commitment 2: Offer customers a choice of side salad, fruit or vegetable as a substitute for French Fries in value meals.

Commitment 3: Utilize Happy Meal and other packaging innovations and designs to generate excitement for fruit, vegetable, low/reduced-fat dairy, or water options for kids or offer new fruit, vegetable, low/reduced-fat dairy or water options in the Happy Meal.

Commitment 4: Dedicate one Happy Meal box or bag panel to communicate a fun nutrition or children's well-being message four times annually.

Commitment 5: Include a fun nutrition or well-being message in 100% of advertising directed to children.

The Company has retained Keybridge, a public policy economics firm, to independently verify progress in a clear and transparent manner. In 2014, Keybridge designed a verification strategy that it is beginning to pilot. The Keybridge report is expected to be finalized by June 2015 and will summarize our progress to date.

Preliminary results in our largest market, McDonald's USA, are encouraging. For example, in 2014, McDonald's USA included a fun nutrition or children's well-being message on all external advertisements directed to kids, removed the listing of soda from Happy Meal menu boards, and introduced new fruit and low-fat dairy side options, such as Go-GURT low-fat strawberry yogurt and Cuties California Clementines as Happy Meal options.

In
52
COUNTRIES,

McDonald's has made a voluntary pledge for responsible marketing to children.

From late November 2014 through March 2015,
McDONALD'S USA SOLD MORE THAN 37 MILLION CUTIES CLEMENTINES,
more than 31 million of which were sold with children's meals.

NUTRITION TRANSPARENCY

The Company is committed to helping customers make informed nutrition choices. From printed brochures and nutrition labeling right on select food packaging, to innovative mobile apps, QR codes and online nutrition calculators, as well as calories on menu boards, our multifaceted approaches give McDonald's customers the information they seek in many markets around the world.



Our Food. Your Questions. Grows to More Countries

Originally launched by McDonald's Canada in 2012, *Our Food. Your Questions.* has expanded to Australia, several countries in Latin America, as well as in Germany, New Zealand and the U.S. This innovative platform helps maintain open and honest conversations about where our food comes from, what's in it and how it's prepared. In Latin America, Arcos Dorados received more than 710,000 visitors and 11,560 questions from curious consumers across Central and South America and the Caribbean.

Informed Dining Across Canada

Informed Dining is a voluntary nutrition information program that makes comprehensive and easy-to-understand information available to guests before they order. McDonald's Canada was one of the first restaurant chains to implement a national rollout of the program in the more than 1,400 McDonald's locations across the country. Informed Dining marks the continued evolution of McDonald's Canada's longstanding commitment to provide customers with information and builds on existing initiatives like its online Nutrition Centre and mobile application.



Informed Dining is an official mark owned by the Province of British Columbia and reproduced under license.

Offering Nutrition and Allergen Information

McDonald's Europe (all European Union markets and most other markets across Europe) has evolved its approach to nutrition information on its packaging, making it easier for customers to make informed choices, while complying with new European Union legislation and local law. Many of these markets also provide allergen information in all restaurants and drive-thrus.



GOOD BUSINESS: SOURCING



McDonald's journey toward sustainable sourcing begins with our direct suppliers and extends to a complex network of indirect suppliers that source ingredients for our menu items. We recognize that the impacts of a large, global supply chain like ours are significant. In fact, the majority of environmental impacts to air, land and water occur in the McDonald's supply chain. That's why the Company works with its direct suppliers who are committed to doing business responsibly in their own supply chains and making sure that they meet our requirements for ethics, environmental responsibility and economic viability — what we call the Three Es.



Jose Armario
Executive Vice President, Worldwide Supply Chain, Development and Franchising, McDonald's Corporation

"We take seriously the responsibilities that come with being a leader, such as using our scale to help make the world a better place. This commitment is evident in our supply chain, where McDonald's suppliers share our high standards for food safety and quality, environmental responsibility, workplace accountability and animal health and welfare. Globally, we're collaborating with our valued suppliers and others in the industry to bring about meaningful, lasting change."

WHAT WE'RE FOCUSED ON GOOD SOURCING

When the Company established its Global Sustainability Framework in 2014, we set aspirational sourcing goals for five of our six priority products — beef, packaging, fish, coffee and palm oil. Since then, we have made good progress on many fronts, while continuing to address some challenges.

Regional and global **efforts to support sustainable beef production in collaboration with key NGO and industry stakeholders** are on track. The Company worked with a broad group of stakeholders to finalize principles and criteria for sustainable beef and began work on pilot programs to test indicators that will be instrumental in meeting our goal to begin purchasing a portion of our beef from verified sustainable sources in 2016.

Globally, **23% of fiber-based consumer packaging came from verified sustainable sources**, and suppliers are devising more recyclable packaging for McDonald's food and beverages.

In both 2013 and 2014, **100% of the fisheries** from which McDonald's sources whitefish are from verified sustainable sources.

Globally, **the volume of verified sustainable coffee served in McDonald's restaurants grew to an estimated 32% in 2014**, and the Company and its Franchisees are supporting projects on the ground to increase the amount of available sustainable coffee and help improve farmer livelihoods.

The Company is working with suppliers, industry groups and NGOs to **develop a common set of guiding principles and best practices for sustainable poultry** — poultry being our sixth priority product. We plan to finalize these global principles in 2016.

OUR 2020 ASPIRATIONAL GOALS

Beef: Support Sustainable Production

Lead development of global principles and criteria in 2014.

Develop goals and begin purchase of verified sustainable beef by 2016.

100% of coffee, palm oil and fish verified as supporting sustainable production.

100% of fiber-based packaging from certified or recycled sources by 2020.

HOW WE ARE MOVING AHEAD

Six Priority Products for Sustainable Sourcing

The Company prioritizes its sustainable sourcing work based on product impact and influence. That is, we focus on the products that carry the greatest impacts — such as biodiversity loss or deforestation — and where we have the most influence to create positive change. In 2010, World Wildlife Fund helped the Company define sustainable sourcing priority areas, and we continue to work with them to evaluate progress and opportunities for improvement. Much of the Company's work toward a sustainable supply chain is also connected to our Planet Pillar priorities and aspirational goals. In an effort to reduce impacts across the entire McDonald's value chain, the Company is engaging suppliers, employees and even customers on this shared journey.

United Nations Climate Summit

McDonald's participation at the 2014 United Nations Climate Summit focused on our approach to sustainable sourcing.

- »»» At the invitation of UN Secretary-General Ban Ki-moon, former McDonald's President and CEO Don Thompson spoke on the role of industry in supporting Climate-Smart Agriculture and the Company's goal to source sustainable beef.
- »»» The Company signed the Joint Statement on Climate-Smart Agriculture, a commitment to develop agricultural practices that help farmers increase productivity, mitigate climate change impacts and increase resilience.
- »»» The Company endorsed the New York Declaration on Forests, a call for companies, governments and organizations to "do their part" to halve the loss of natural forests globally by 2020 and end it by 2030.

MILESTONES IN BEEF SUSTAINABILITY

2020 Aspirational Goal for Beef: Support Sustainable Production

Lead development of global principles and criteria in 2014.

Develop goals and begin purchase of verified sustainable beef by 2016.

The Company 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. In 2014, the GRSB finalized a global set of principles and criteria, marking a major milestone in our journey to sustainable beef and meeting the Company's first beef goal. At the first annual Global Conference on Sustainable Beef, held in 2014, more than 96% of the membership voted to approve these principles and criteria. The next step involves pilot projects to test this new framework in the McDonald's supply chain. Since beef production varies globally, the Company has begun with pilot work in Canada and will follow with pilots in other McDonald's markets.

Geo-Spatial Mapping the Beef Supply Chain

For more than 20 years, the Company has had a policy prohibiting the sourcing of beef from within the Amazon Biome. Now, with the release of the Company's Commitment on Deforestation, we are taking an even more holistic and proactive approach to eliminating deforestation. Still, as part of our continuing efforts in this area, we are always looking for opportunities to build more transparency and traceability into supply operations. A groundbreaking, two-year pilot to map the Brazilian cattle farms in the McDonald's beef supply chain is helping to prove compliance using satellite imagery and GPS. From 2013 through 2014, the geospatial tool monitored more than 2.8 million cattle from more than 10,000 farms, providing the name of the farm, city and state and abattoir. The project has been expanded to determine whether the cattle can be traced back to birth, a step toward further traceability.

Alberta rancher Bob Lowe and Nancy Labbe of WWF visit a cattle ranch in Canada.

Applying Sustainable Beef Principles in Canada

McDonald's Canada is working closely with a broad cross-section of the Canadian beef value chain—including the Canadian Roundtable for Sustainable Beef (CRSB)—on a pilot focused on developing sustainability indicators that apply the CRSB's principles and criteria to Canadian production. Specifically, the pilot will help the Company, its suppliers and other key stakeholders understand how we can measure, verify and communicate to consumers the sustainability of beef production in Canada. McDonald's Canada is building on the leadership already demonstrated by the Canadian industry, and the pilot is designed to set the industry up for further success in this area.

Important related work is taking place in other areas of the world as well. For example, McDonald's Europe continued demonstrating leadership by chairing the Sustainable Agriculture Initiative Platform's beef working group, which is scheduled to publish a Europe-tailored Farm Sustainability Assessment in alignment with the GRSB principles in September, 2015. Similarly, efforts are underway in Brazil to identify the most appropriate regions to pilot and test sustainable beef principles, and collaborations are being developed in New Zealand to demonstrate sustainable beef production at the farm level. In March, 2015, McDonald's USA became a founding member of the United States Roundtable for Sustainable Beef.



SUSTAINABLE PACKAGING

2020 Aspirational Goal - 100% of fiber-based packaging from certified or recycled sources by 2020.

Most of the fry boxes, sandwich “clamshells,” wrappers, cups and other items that help to keep McDonald’s food ready to eat are made of fiber—that is, paper or cardboard. The Company and its suppliers have made positive gains in several areas toward our 2020 aspirational goal:

Recycled or Certified Packaging

- »»»» Worked with suppliers to implement chain of custody certification (2014).
- »»»» Certified 100% of fiber-based packaging in Brazil through either the Forest Stewardship Council® (FSC®) or Programme for Endorsement of Forest Certification (PEFC).
- »»»» Achieved certification on 100% of fiber-based packaging by FSC or PEFC in 37 European countries (2014). Approximately 50% of the fiber-based packaging content is recycled fiber.
- »»»» Began transitioning to FSC-certified cups for coffee and other hot drinks for U.S. restaurants (early 2015).

Global Forest & Trade Network

McDonald’s became the first global restaurant business to be accepted into the Global Forest & Trade Network, a World Wildlife Fund initiative to eliminate illegal logging and transform the global marketplace into a force for saving the world’s valuable and threatened forests.

% of Certified or Recycled Fiber-Based Packaging^{1,2}

2012	9.3%
2013	13.9%
2014	23%

¹ Based on fiber-based consumer facing packaging for all McDonald’s restaurants globally. Packaging categories included without limitation are the following: hot cups, cold cups, carry out bags, folding cartons, clamshells, wraps, food service bags, napkins, salad bowls, Happy Meal containers, drink carriers. Packaging metrics do not include operational supplies or pre-filled food packaging (e.g., sauce packets, salad dressings).

² Methodology for calculating metric was modified in 2012 to be in line with other fiber certification standards by requiring chain of custody documentation.

Commitment on Deforestation

In 2014, the Company developed a comprehensive deforestation commitment that was publicly announced in April of 2015. We view protection of forests and High Conservation Value areas as important business and societal issues and believe our role is not just to avoid negative impacts, but to promote responsible production that benefits people, communities and the planet. The Commitment clarifies and expands on the Company’s goals to sustainably source beef, fiber, coffee, palm oil and poultry, and supports progress toward our 2020 aspirational fiber goal.

INNOVATIONS FOR SUSTAINABLE COFFEE

2020 Aspirational Goal - 100% of coffee verified as supporting sustainable production by 2020.

McDonald's is committed to serving coffee and espresso drinks brewed from responsibly sourced, high-quality coffee beans and invests in farmer training that supports ethical, environmentally responsible and economically viable production in coffee-growing communities. In 2014, we made steady progress toward our goal, led by McDonald's USA, where the volume of certified coffee served in its 14,350 restaurants reached approximately 22%, and Brazil, where 100% of the coffee sold in McDonald's restaurants was Rainforest Alliance Certified™. These significant steps toward meeting our 2020 goal follow leadership demonstrated in McDonald's European¹ markets, which already source 100% of their coffee (except decaf) from farms that are Rainforest Alliance Certified™, UTZ Certified or certified by Fairtrade International.

¹ Excludes Morocco, which McDonald's considers part of its geographic segment in Europe.

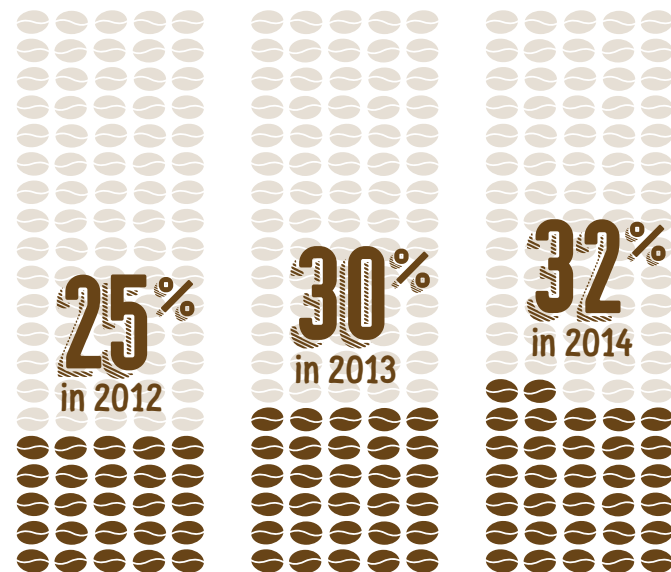
Directly Supporting Sustainable Coffee Production and Farmers

A 4.5-year, \$6 million technical assistance program sponsored by McDonald's USA, McDonald's Canada and their Franchisees is helping Guatemalan coffee farmers. Over the course of the program, more than 14,000 farmers will participate in trainings and demonstrations of sustainable coffee growing practices.

During this period, one of the most devastating coffee diseases (Coffee Leaf Rust) hit the area, damaging a significant percentage of farmers' coffee trees in the program. With McDonald's support, our program partners TechnoServe and SCAN (Sustainable Commodities Assistance Network) responded to this challenge in different ways, including replanting and focused agronomic best practice training. In addition, farmers are also being trained in best practices for staple food production to help ensure food security, while also planting alternative crops to provide food for their families and to sell to local and international markets to diversify their income.

Thanks to the training and outreach provided by our partners, initial evaluation shows that the first cohort of farmers trained in coffee practices (9,000 farmers) are implementing improved agricultural and business practices that have, on average, increased coffee yields by more than 20%. This means higher incomes for farmers and more food for their families during the lean months that threaten most of the region's coffee-producing families.

% of Verified Sustainable Coffee Globally (est.)



PRINCIPLES FOR SUSTAINABLE POULTRY

Because there are no broadly accepted, credible principles or standards for sustainable chicken production, the Company is working with its suppliers, industry groups and NGOs to develop a common set of guiding principles and best practices for sustainable poultry. We plan to develop and test these global principles and criteria in 2016 so we can learn from them and expand them for McDonald's poultry supply.

Initial progress toward principles and criteria is being made in Europe, where McDonald's has been leading the way toward sustainable chicken production with the Sustainable Three Es Project. This three-year initiative aims to improve standards in the European supply chain and inform global principles for sustainable poultry. The project includes a 2020 commitment by suppliers to McDonald's Europe to use only enriched housing systems, including natural daylight and perches, and purchasing only sustainable certified soy, a major component of poultry feed (in 2014, approximately 20% of the soy used for chicken feed was covered by Roundtable for Responsible Soy certificates).

The Company continues to support the Brazilian Soya Moratorium, which helps prevent deforestation in the Amazon biome.



SUPPORTING SUSTAINABLE PALM OIL

2020 Aspirational Goals

100% of palm oil used for restaurant cooking or by McDonald's suppliers to par-fry chicken and potato products will be RSPO-certified sustainable or covered by GreenPalm Book and Claim certificates by 2015.

100% of all palm oil or palm kernel oil used as an ingredient by McDonald's suppliers for use in McDonald's products will be RSPO-certified sustainable or covered by GreenPalm Book and Claim certificates by 2020.



In 2014, the Company came close to achieving its goal of having 100% of palm oil used for restaurant cooking or by McDonald's suppliers to par-fry chicken and potato products be RSPO-certified sustainable or covered by GreenPalm Book and Claim certificates by 2015. As of the end of 2014, approximately 97% of palm oil used for these purposes was either certified or covered in this way.

Looking forward to 2020 and the longer-term aspirational goal we have established on this important issue, we see an opportunity to take more of a leadership stance in 2015. We've heard from expert stakeholders that our palm oil goals and strategy can be made stronger. We agree. We are committed to taking a holistic approach that will serve both the Company and the industry as a whole.

To this end, the Company will continue encouraging McDonald's suppliers to move toward full traceability to their plantations and mills as a way to ensure no deforestation and deep peat development. For more about the Company's work to support sustainable palm oil, please see the Company's annual reports to the Roundtable on Sustainable Palm Oil (RSPO) or visit our website.

PROMOTING POSITIVE WORKPLACES AND HUMAN RIGHTS IN OUR SUPPLY CHAIN

The Company expects its suppliers, independent businesses in their own right, to support our commitment to fundamental human rights for all people: to treat their employees with fairness, respect and dignity and to follow practices that protect the health and safety of people working in their facilities. Our Supplier Code of Conduct is the foundation of McDonald's Supplier Workplace Accountability program. The Code is supplemented by detailed supplier guidance, annual self-assessments, training and on-site third-party audits to monitor compliance and promote continuous improvement.

In 2015, the Company will provide even more training for suppliers, and reinforce the need for foundational systems. We will also provide suppliers with translated versions of the Supplier Self-Assessment Questionnaire, Self-Assessment Summary and Supplier Guidance Document in more than 20 languages.

100%

of suppliers have signed the Code of Conduct

96%

of facilities completed the annual self-assessment questionnaire

More than

1,700

full audits have been conducted at supplier facilities

94%

of facilities have completed their baseline audit



Animal Health & Welfare

McDonald's Animal Health & Welfare vision is to make meaningful and enduring improvement to the health and welfare of animals in our supply chain throughout their lives. The Company requires that all facilities providing meat be approved annually by independent animal welfare audits. In 2014, 99.8% of the facilities from which the Company sources beef, poultry and pork passed audits for compliance with our animal health and welfare standards, which are based on recognized international and U.S. standards.

Alternative Sow Housing

In 2012, McDonald's USA announced its commitment to work with pork suppliers to phase out the use of gestation stalls for housing pregnant sows. By 2017, McDonald's USA will source pork only from producers who share this commitment. By the end of 2022, McDonald's USA will source pork only from supply chains that do not use gestation stalls for housing pregnant sows. McDonald's USA is already working with producers and suppliers to support their transition to group housing systems and will develop verification systems to assess compliance.

Through engagement with McDonald's USA's suppliers and the industry, we are seeing significant progress towards this commitment and are on track to meet the 2017 goal. As of March, 2015, McDonald's USA's direct suppliers have committed to working to deliver toward this goal. Further, at least 69% of McDonald's USA's pork volume is currently sourced from producers that are committed to phase out the use of gestation stalls for McDonald's pork supply in the U.S. The remaining 31% is provided by producers with whom engagement continues or is simply awaiting confirmation. With many in McDonald's USA's supply chain making progress, we remain optimistic that McDonald's USA will meet this commitment by the end of 2022.

Vision for Antimicrobial Stewardship

In 2014, the Company worked to develop its Global Vision for Antimicrobial Stewardship in Food Animals (VAS), which strives to "preserve antimicrobial effectiveness in the future through ethical practices today." Published in March of 2015, it was developed based on recommendations from external subject matter experts from around the world. The VAS builds on our 2003 policy and provides guidance to Company suppliers in parts of the world where the industry does not yet have systems in place that would allow them to verify compliance throughout the supply chain. Compared to the 2003 policy, this document outlines the Company's goals to:

- »»»» Apply the guiding principles to suppliers of all animal proteins, not just chicken
- »»»» Prohibit the use of critically important drugs (i.e., as defined by the World Health Organization, WHO, as critical to human health) that are not approved for veterinary use
- »»»» Prohibit the use of medically important drugs (i.e., as defined by the WHO, important to human health but also approved for veterinary use) when used for growth promotion
- »»»» Require veterinarians to oversee animal care
- »»»» Implement farming practices that reduce or eliminate the need for antibiotic use by using proven best practices such as probiotics or animal husbandry practices
- »»»» Embrace farming systems that reduce the need for antibiotics





GOOD BUSINESS: PLANET



Our aspiration is to develop and operate the most environmentally efficient McDonald's restaurants, delivering value both to the business and the communities we serve. Since the Company's founding, being good neighbors has been part of our heritage. Back then, environmental management generally meant doing less harm. But today, we focus more on our opportunities to do more good. That's why the Company and its Franchisees are seeking new ways to further improve restaurant efficiency, manage energy usage and costs, recycle waste and conserve and reuse water, all while engaging our people and our customers to strengthen the business and our brand.

"We have the honor of serving customers all over the world. With that, comes a responsibility to be stewards of sustainability. Through our diligence in technology, innovation, supply chain and operations, we are making strides in environmental management around the world, and gaining momentum across our industry. We will continue to empower our people to introduce solutions that provide value both for our restaurants and the communities they serve."

Jim Sappington
Executive Vice President
Operations and Technology Systems,
McDonald's Corporation



WHAT WE'RE FOCUSED ON GOOD PLANET

During 2014, we sought to strengthen our foundation for pursuing our aspirational goals. This work included improving our internal accountability and governance around environmental matters.

We have found that accurately tracking environmental data across the top 9 markets, which represent thousands of restaurants, continues to be a challenge within our franchise structure. As a result, we used the data that was available and extrapolated it to estimate our progress toward these goals. To strengthen our approach in the future, we are re-evaluating our metrics and methodologies for energy efficiency and restaurant waste and recycling. We will continue to integrate environmental efficiency into the core of the business and aim to make sustainability a more visible part of the McDonald's experience.

OUR 2020 ASPIRATIONAL GOALS

20% increase in energy efficiency of Company-owned restaurants. (Top 9 Markets excluding Brazil and Japan. Develop Franchisee goal in 2016.)

Increase energy efficiency through restaurant standards. (Top 9 Markets. Develop goals in 2014.)

Increase amount of in-restaurant recycling to 50% and minimize waste. (Top 9 Markets)

HOW WE ARE MOVING AHEAD

Moving toward 2020 and beyond, the Company will continue focusing on energy management, waste minimization and recycling, and water efficiency. Since some McDonald's markets have made more progress than others, it's imperative that we leverage and scale best practices, where appropriate, that are initiated within markets across the McDonald's System to drive innovation and progress toward the Company's goals.

Designing and Operating More Sustainable Restaurants

The Company is currently developing global sustainable restaurant guidelines to provide a more robust framework for energy conservation, waste reduction and recycling and water conservation solutions, as well as operational and engagement practices. This will build on the momentum already established by programs in our various markets, such as in the U.S. and Europe. The Company's aim is to recognize, track and promote best practices, while enabling flexibility to accommodate differences in available technologies and infrastructure for energy, waste and water efficiency throughout local markets.

Greening Our Restaurants

McDonald's Europe formalized its Green Building Guidelines in 2009-2010, and is currently enhancing them to include an even broader array of sustainability issues and impacts. Between 2010 and 2014, some 3,880 (49%) of the new, remodeled and re-imaged restaurants were in alignment with these guidelines. Similarly, McDonald's USA has tailored its own sustainable design standards for the U.S. market. When compared to the 2005 U.S. prototype restaurant designs, these standards have contributed to energy and water efficiency improvements of nearly 18% and 8%, respectively, in the restaurants. Each of these guidelines and standards are internal, and not subject to independent third-party verifications.



ENERGY EFFICIENCY - IMPROVING OUR CARBON INTENSITY

2020 Aspirational Goals

20% increase in energy efficiency of Company-owned restaurants. (Top 9 Markets excluding Brazil and Japan. Develop Franchisee goal in 2016.)

Develop Franchisee goal in 2016.)

Increase energy efficiency through restaurant standards. (Top 9 Markets. Develop goals in 2014.)

With respect to our first energy goal, the Company's energy efficiency as measured in kWh/guest count decreased about 6% during 2014 due to lower guest counts and other factors, despite efforts at the market level to reduce energy usage and improve energy management in the restaurants. Moving forward, we will continue to drive energy management practices in the restaurants, and evaluate additional approaches to track restaurant energy efficiency progress more holistically.

When the Company established its Global Sustainability Framework, our plan was to develop a quantitative goal to increase energy efficiency through restaurant standards before the end of 2014. We did not develop that goal in 2014 as other business needs prompted us to change our approach to global restaurant standards more broadly. Instead, we intend to focus on our broader approach to global restaurant standards, and to ensure that environmental considerations are embedded within them. Meanwhile, various McDonald's markets continued moving ahead with energy efficiency improvements in lighting, equipment and operational practices.

⁶ For our 2012-2014 analyses, we worked with Enviance to launch an updated methodology to estimate GHG emissions from McDonald's restaurant energy use and refrigerant emissions worldwide.

⁷ Best available primary energy data from our top 9 markets (see table at right) was extrapolated to estimate energy consumption and GHG emissions for all restaurants worldwide as of December 31, 2012 (34,480 restaurants), December 31, 2013 (35,429 restaurants), and December 31, 2014 (36,258 restaurants). Refrigerant emissions were estimated using input/output analysis of McDonald's data and U.S. industry average emissions information.

⁸ Enviance addressed uncertainty in GHG emissions estimates by conducting 1 million Monte Carlo simulations to establish 95% confidence intervals around each data point for 2012-2014.

Energy Consumption — McDonald's Restaurants¹

McDonald's Company-Owned Restaurants (top 9 markets)	2012 ³	2013 ⁴	2014 ⁵
Direct energy consumption: kWh/GC ²	0.222	0.247	0.268
Indirect energy consumption: kWh/GC	1.115	1.138	1.197
Overall energy consumption: kWh/GC	1.337	1.385	1.465
Overall energy consumption: GWh	2,875	2,903	2,983
McDonald's Franchisee Restaurants (top 9 markets)	2012	2013	2014
Estimated direct energy consumption: kWh/GC	0.393	0.430	0.476
Estimated indirect energy consumption: kWh/GC	1.308	1.131	1.382
Estimated overall energy consumption: kWh/GC	1.701	1.743	1.858
Estimated overall energy consumption: GWh	15,337	15,777	16,472

¹ These figures represent estimates based on the best available energy data in our top 9 markets. Currently we do not have Company-owned restaurants in Brazil or Japan.

² GC represents total transactions for the calendar year. "Direct" energy data reflects the use of natural gas, propane, fuel oil and liquefied petroleum gas. "Indirect" energy data reflects electricity usage. We categorized them in this fashion to show their relationship to Scope 1 and Scope 2 of our estimated System-wide GHG emissions. Due to a change in our data collection methodology in 2012, we do not present a side-by-side comparison with data from 2011 or earlier.

³ 2012 figures reflect primary data from 4,217 out of 4,265 Company-owned restaurants and 6,825 out of 21,828 Franchisee restaurants in our top 9 markets, totaling 11,042 out of 26,093 restaurants overall. Primary energy data was extrapolated to estimate energy consumption for all restaurants in the markets and ownership types reported. The top 9 markets included approximately 76% of the restaurants worldwide (26,093 out of 34,480 as of December 31, 2012).

⁴ 2013 figures reflect primary data from 4,296 out of 4,310 Company-owned restaurants and 7,386 out of 22,236 Franchisee restaurants in our top 9 markets, totaling 11,682 out of 26,546 restaurants overall. Primary energy data was extrapolated to estimate energy consumption for all restaurants in the markets and ownership types reported. The top 9 markets included approximately 75% of the restaurants worldwide (26,546 out of 35,429 as of December 31, 2013).

⁵ 2014 figures reflect primary data from 4,066 out of 4,229 Company-owned restaurants and 5,983 out of 22,664 Franchisee restaurants in our top 9 markets, totaling 10,049 out of 26,893 restaurants overall. Primary energy data was extrapolated to estimate energy consumption for all restaurants in the markets and ownership types reported. The top 9 markets included approximately 74% of the restaurants worldwide (26,893 out of 36,258 as of December 31, 2014).

GHG Emissions — McDonald's Restaurants

GHG Protocol Categories ⁶	2012 ⁷	2013 ⁷	2014 ⁷
Company-Owned Restaurants, Worldwide	Total Estimated GHGs in Megatons of CO₂ equivalents⁸		
Direct-Scope 1	0.173	0.185	0.178
Indirect - Scope 2	1.726	1.658	1.775
Franchisee Restaurants, Worldwide (Part of McDonald's Scope 3)	Total Estimated GHGs in Megatons of CO₂ equivalents⁸		
Franchisee Direct	1.026	1.084	1.114
Franchisee Indirect	6.619	6.804	7.262

PARTNERS IN ENERGY EFFICIENCY: OUR SUPPLIERS

Globally, the Company works with its suppliers to identify energy efficiency improvements in McDonald's equipment and building components. Each year, approved equipment suppliers are challenged to identify further energy improvements for building and kitchen equipment.⁹ We ask them to estimate annual energy and cost savings as a result of these improvements. In 2014 alone, the Company and Franchisees purchased 132,186 pieces of equipment estimated to save about 142 gigawatt hours and \$14.2 million in energy costs. Nearly \$40 million has been saved since 2012. As more efficient equipment is incorporated into the Company's standards, less efficient equipment is removed, improving overall energy efficiency over time.

Letting LED Lead The Way

In the U.S., LED lighting is now standard for all new and rebuilt McDonald's restaurants (excluding certain signs and equipment lamps). Since 2010, U.S. restaurants that have used LED lighting have achieved an estimated average reduction of 7% in energy usage per year. We estimate that they have collectively saved or avoided about 114 million kilowatt hours and \$11 million in energy costs. Similarly, in Europe, LED lights are now part of the restaurant guidelines for all markets. For example, McDonald's U.K. plans to have all new restaurants 100% LED by the end of 2015.

Looking to the Future

McDonald's markets around the world are implementing a variety of energy efficiency solutions. At the global level, the Company is also looking toward the next generation of energy innovations that might be relevant to restaurant operations. In 2014, a study was completed to explore the feasibility of a net-zero energy McDonald's restaurant—one that produces as much renewable on-site energy as it consumes in one year. The study, prepared by Rocky Mountain Institute, Fisher Nickel, Inc. and New Buildings Institute, examined the technical and financial feasibility of achieving a new net-zero energy restaurant in the U.S. The study also looked at the potential energy savings and the gap between theoretical achievable and real energy demand, based on three representative McDonald's restaurants. Another energy efficiency study was commissioned by McDonald's Austria analyzing energy saving potentials in different areas of the restaurant. Though these studies were preliminary, the findings could help shape the path of the Company's future energy efficiency and sustainability efforts.

⁹ Building equipment refers to fixtures and fittings such as LED lighting, exhaust fans, and building signage, among others. Kitchen equipment refers to appliances such as low oil volume fryers, grills, ice and beverage machines, and refrigeration units, among others. "Savings or saved" means the estimated annual amounts saved on a going forward basis when a new approved model of equipment replaces a prior approved model (such as in building remodels) and the amounts avoided when the equipment is installed in new restaurants (such as in new construction). These estimated figures are self-reported by equipment suppliers based on standardized parameters of 18 hours of operation/day, open 365 days/year, \$0.10/kWh and/or \$0.876/Therm. We have a strategic equipment sourcing strategy that has been in place for several years, and we will continue to work with our approved suppliers in the years ahead as we strive for better efficiency.



MINIMIZING WASTE

2020 Aspirational Goal

Increase amount of in-restaurant recycling to 50% and minimize waste. (Top 9 Markets)

Around the world, McDonald's restaurants are recycling waste materials, including used cooking oil and corrugate, or cardboard, for a wide range of secondary uses. In our 2012/2013 report, the Company took the recycling rates from the restaurants where that data was available, and then extrapolated it to calculate the estimated recycling rates in the top 9 markets. At the time of this report, we do not have sufficient global waste data to be able to report our 2014 progress against this goal. We are developing a better, more holistic recycling tracking methodology applicable to waste streams across all restaurants in the top 9 markets.

Too Good to Waste

Next steps to minimize waste and increase recycling include:

- »»» Establishing a better, holistic measurement methodology, consolidation and reporting process for the 2020 goal
- »»» Developing waste and recycling best practices framework, as part of global guidelines for the Company's geographic regions
- »»» Advancing recycling pilots at the restaurant level to identify widely scalable practices

The Company is evaluating the best ways to measure all waste streams, including and beyond oil and corrugate, and working to develop restaurant waste guidelines with the input of suppliers and others. For instance, McDonald's USA is working with a waste management service provider to identify ways to estimate other forms of recycling, with more results available in 2015. In addition, the Company continues to launch in-restaurant recycling programs in select markets.



Continued Progress on Zero Waste in Europe

Twenty-six countries are contributing to McDonald's Europe's vision of zero waste to landfill and incineration by recycling. Road maps have been set in 3-year intervals, with annual tracking through an online questionnaire. In 2013, an average of 34% of total waste (by weight) from restaurants in 26 European countries was being recycled. The European recycling efforts have been driven in part by zero waste guidelines, including the European recycling minimum standards, and customer involvement. At the time of this report, 2014 data for our European markets was still being finalized. In 2015, McDonald's Europe will explore ways to make it easier and more convenient for customers to separate waste and advance progress toward zero waste.

Reducing Waste, Connecting with Community

Recycling gives McDonald's a great way to connect with customers and crew, and further our waste diversion efforts. In the U.S., McDonald's is piloting a used coffee grounds composting program called "Good Neighbor, Good Grounds" to reduce the amount of organic waste being sent to landfills. Several restaurants are partnering with local community gardens and other non-profit organizations that welcome the benefits of used coffee grounds, while others are offering used coffee grounds to customers for use in their home gardens.

Providing customers with sustainable coffee begins well before it reaches our restaurants. For more about the Company's efforts toward sustainable coffee from farm to cup, please see the Sourcing chapter of this report.



Becoming Water Stewards in Our Communities

In 2014, the Company began developing a long-term water stewardship strategy, both for restaurants and our supply chain, which we hope to finalize in 2015. Key considerations include the way water fits into our global restaurant guidelines and best practices, as well as our sustainable sourcing goals.

In 2014, the Company conducted additional water risk mapping using the Aqeduct tool developed by the World Resources Institute (WRI) to pinpoint the number of McDonald's restaurants in areas of high or extremely high water stress. Going forward, the Company's geographic regions will be able to use a more data-driven, risk-based approach to advance water stewardship, manage efficiency and prepare for future water scenarios. We have also asked our suppliers to use the World Resources Institute Aqeduct tool to assess their own water risk.



**GOOD
BUSINESS:
PEOPLE**



83%
**OF McDONALD'S
RESTAURANT MANAGERS**
think McDonald's
is a great place to work

Data reflects numbers from Company-owned restaurants in Australia, Canada, China, France, Germany, U.S. and the U.K., as well as restaurants owned by McDonald's Japan and all restaurants in Brazil.

OPPORTUNITY FROM DAY ONE

At McDonald's, people are the face of our Brand. We know McDonald's can make a positive impact in the lives of many by providing opportunity through training and education. For crew and managers, training in restaurant operations is just the beginning. The Company and its Franchisees also offer educational support that benefits employees whether they choose a career at a McDonald's restaurant or elsewhere.

"McDonald's is a diverse and inclusive business where ambitious people at every level have the opportunity to realize their true potential. McDonald's restaurants offer thousands of young people their first jobs, and we, along with our Franchisees, are proud to support them in developing the core workplace skills that will stay with them throughout their working lives. For those who choose to build a career with McDonald's, our training, education and leadership development programs can take them to the highest levels in our organization or with our Franchisees. And through our progressive people practices, McDonald's aims to help all of our people build brighter futures for themselves, their families and their local communities."

David Fairhurst
Senior Vice President
International Human Resources and Strategy, McDonald's Corporation



WHAT WE'RE FOCUSED ON

GOOD PEOPLE

We are committed to creating opportunity and promoting diversity and inclusion.

The Company and its Franchisees share the philosophy that training and education are fundamental. McDonald's is proud to provide its employees with tools, training and educational opportunities that help them succeed. The Company also provides extensive optional resources to help Franchisees offer these opportunities to their own employees. Across all McDonald's people programs, we are committed to promoting diversity and an inclusive work environment in which everyone has the opportunity to reach their fullest potential.

TRAINING AND DEVELOPING OUR PEOPLE

Training for Success in the Restaurant and Beyond

From crew to manager and beyond, McDonald's offers career paths and training to help people progress. Much of our training focuses on the functional operations skills required for on-the-job performance in the restaurant. In addition, fundamental workplace skills such as time management, teamwork, communications, customer service and work ethic are emphasized. Employees often begin at the crew member level. After completing required training and mastering certain skills, they can obtain many of the qualifications needed to advance to the next level, into restaurant management positions.

In 2014 more than
75%
OF MANAGERS FEEL
FAVORABLE
about the training they
receive on the job

Data reflects numbers from Company-owned restaurants in Australia, Canada, China, France, Germany, U.S. and the U.K., as well as restaurants owned by McDonald's Japan and all restaurants in Brazil.

Approximately
51%
OF RESTAURANT MANAGERS
started out as Crew

Data reflects numbers from Company-owned restaurants in the U.S. in 2014.

Hamburger University - McDonald's Center of Training Excellence

Like nothing else, McDonald's Hamburger University (HU) embodies our commitment to training and development. Since first opening in 1961, HU has grown to seven campuses around the world and provides training for McDonald's Franchisees, managers and employees. Contrary to its name, HU is about a whole lot more than cooking burgers. Students are trained in restaurant procedures, quality, food safety, service, cleanliness and other restaurant and business management topics. In some areas, students are even eligible to receive college credits for their HU courses.

World-Class Leadership Development

The Jim Skinner Institute of Leadership provides training to Company leaders. In 2014, more than 1,200 people enrolled in programs through the Institute, and 25 director and officer leadership development programs were delivered around the world. More than 200 leaders participated in a new "Leading in Challenging Times" development series and more than 800 in the "Student of the Business" series.

Core Values and Our Standards of Business Conduct Guide Us

McDonald's is a company guided by core values. One of the values that guides our behavior, actions, and decisions every day is our commitment to our people. We demonstrate that commitment in many ways, including through our Standards of Business Conduct. These standards provide clarity, guidance and resources on a wide range of issues that stand for operating with fairness, honesty and integrity, including:

- »»» Conducting our activities in a manner that respects human rights as set out in the United Nations Universal Declaration of Human Rights
- »»» Treating employees with fairness, respect and dignity
- »»» Ensuring employees have the right to work in a place that is free from harassment, intimidation or abuse, sexual or otherwise, or acts or threats of physical violence
- »»» Embracing the diversity and inclusion of employees, Franchisees, customers and suppliers
- »»» Providing equal treatment and equal employment opportunity
- »»» Providing a safe, productive and healthy working environment

TOP COMPANY FOR LEADERS

In 2014, McDonald's was ranked **#7** in North America and **#11** globally in the Aon Hewitt Top Companies for Leaders® report.

OPENING THE DOOR TO EDUCATION

Ambition Needs a Starting Place

In many countries, McDonald's provides opportunities to access formal education that help people develop skills to serve them well within McDonald's restaurants and beyond. The Company's education framework includes five areas:

1 HIGHER EDUCATION PARTNERSHIPS

Collaborations with higher-education institutions that provide cost-effective learning options.

2 ACCREDITATION

McDonald's management training translates to university credit recommendations.

3 INTERNSHIPS

Hands-on learning opportunities that help students gain job experience in the field they are studying in school.

4 SCHOLARSHIPS

Financial support for eligible individuals who are pursuing education.

5 LIFE SKILLS PROGRAMS

Practical skills that lead to career opportunities at McDonald's, with our Franchisees or beyond.

University Partnerships and Scholarships

McDonald's markets are finding additional ways to support employee growth and development. For example, Arcos Dorados partners with a university to offer classes toward an MBA in Sustainability at the HU in Brazil. During the first half of 2014, McDonald's Canada and its Franchisees provided scholarships worth more than \$290,000.

Apprenticeships and Accreditation

McDonald's Europe has also led the way with a wide array of educational opportunities, including apprenticeships, language programs and university accreditation. In Germany, for example, three apprenticeship and integrated degree programs for restaurant crew and managers offer practical experience in restaurant operations along with education toward a hospitality specialist, professional caterer or Bachelor of Arts degree recognized by the German Chambers of Industry and Commerce. Students who complete the Bachelor of Arts curriculum become part of the management team directly after their studies. In 2015, over 675 employees of Company-owned and Franchisee restaurants are expected to earn degrees through these programs.

The McDeutsch online language course aims to make it easy for restaurant employees to master German, with options for beginners to more advanced speakers and special content to help with vocabulary specific to McDonald's operations.

Archways to Opportunity

In the U.S., McDonald's Archways to Opportunity provides educational resources to employees of Company-owned restaurants and participating Franchisees. The program includes:

- 1. English Under the Arches** - English as a Second Language courses offered free of charge
- 2. High School Completion** - Opportunities to complete high school online, with costs covered by a tuition assistance program
- 3. College Credit Connection** - Help for those interested in pursuing a degree via American Council on Education credit recommendations for training classes, partnerships with colleges and universities and innovative degree programs like College for America
- 4. Resources and Support** - Tuition assistance, access to educational advisory services and scholarships

Internships for Opportunity

McDonald's China offers restaurant internships and HU courses to strengthen leadership skills and scholarships that support further university study. "Fast-Track to Director" focuses on MBA students, with the goal of supporting executive trainees toward director-level careers within three years. Leadership forums, internships and HU courses all help prepare these promising students for successful careers with McDonald's China.

PROMOTING DIVERSITY AND INCLUSION

McDonald's USA New Employee Benefit Package

In April of 2015, McDonald's USA announced enhanced benefits for employees at its Company-owned restaurants, including a wage increase and paid time-off for eligible full and part-time crew employees. On July 1, 2015, starting wages at Company-owned restaurants in the U.S. will be one dollar over the locally-mandated minimum wage. The wages of all employees up to restaurant manager will be adjusted based on tenure and job performance. Also on July 1, full- and part-time crew employees at Company-owned restaurants who have at least one year of service, will begin to accrue personal paid time-off.

These two benefit enhancements apply to Company-owned restaurants, which employ more than 90,000 employees and represent about 10% of McDonald's U.S. restaurants. The more than 3,100 Franchisees in the U.S. operate their individual businesses and make their own decisions on pay and benefits for their employees.

At the same time, McDonald's USA announced an expansion of its Archways to Opportunities program (explained in more detail to the left), which provides eligible U.S. restaurant employees — at both Company-owned and franchised restaurants — with free high school completion and college tuition assistance.

McDonald's is committed to providing inclusive work environments, training and support. Because diversity and inclusion is a foundational element of our culture, it permeates multiple aspects of the business. Here, we highlight some specific Company initiatives being activated at corporate and market levels to further support McDonald's holistic approach to developing its people.

Employee Business Networks

Every other year, the Company hosts a summit for the Employee Business Network Leads to support their growth, enhance their development and foster relationships to strengthen business results. More than 200 employees participated in the 2014 summit to drive progress through the McDonald's African American Council, McDonald's PRIDE, Asia Pacific Middle East Network, National Hispanic Employee Business Network and Women's Leadership Network.

Global Women's Leadership

McDonald's Women's Leadership Network (WLN) shines a light on the significant contributions women make to McDonald's worldwide, and works to foster a culture where women have the most opportunity to succeed and grow. The global WLN and five regional women's networks support women's career development and advancement around the world.

27% OF POSITIONS V.P. AND ABOVE
at McDonald's Corporation are
held by Women
(as of 1/16/15)



Careers for Veterans: Hiring those Who Have Served

Starting in 2013, the Company and its Franchisees committed to hiring 100,000 veterans by the end of 2015 in the U.S. As of this report, more than 100,000 career opportunities have been provided in Restaurants. McDonald's USA is rated among the top 100 "Military Friendly Employers" by GI Jobs. Among other initiatives, McDonald's USA has:

- »»» Launched a veteran development program to leverage the leadership capabilities service people develop in the military to accelerate their growth toward management positions. This program supports both current McDonald's veteran employees and new veteran hires.
- »»» Created McDonald's Veterans Employee Resource Group in 2014.
- »»» Joined the Military Spouse Employment Partnership to support hiring of military spouses.



GOOD BUSINESS: COMMUNITY



McDonald's Founder Ray Kroc used to say, "We have an obligation to give something back to the community that gives so much to us." Today, McDonald's remains committed to being a good neighbor in thousands of local communities where McDonald's restaurants operate. 60 years after the Company's founding, we are still a good neighbor and leverage our size, global reach and franchise model to positively impact the communities we serve. Franchisees and suppliers also support community activities in the areas they serve.

"Community is woven throughout the fabric of McDonald's rich history, as evidenced by our focus on giving back to the diverse communities we serve. We are committed to further strengthening this outreach by improving the lives of children and their families and by advancing educational and employment opportunities; supporting the important work and services provided by Ronald McDonald House Charities; and encouraging physical activity. In doing so, we will pay tribute to our heritage by contributing to many communities in a meaningful and lasting way."

J.C. Gonzalez-Mendez
Senior Vice President
Global Inclusion, Community Engagement & Philanthropy, McDonald's Corporation



WHAT WE'RE FOCUSED ON GOOD COMMUNITY

While the expression of our collective commitment to giving back varies from country to country, the Company is globally aligned around two main priorities:

Improving the Lives of Children and Their Families

Through support of Ronald McDonald House Charities (RMHC) and other organizations.

Strengthening Communities

By addressing needs such as education and physical activity.

HOW WE ARE MOVING AHEAD

In 2014, the Company continued to refine its global community strategy through the work of the Global Inclusion & Community Engagement Department, which oversees this important area of focus.

Helping Children and Families as the RMHC Mission Partner

RMHC, the Company's "Charity of Choice," helps children and families find comfort through its far-reaching network of support that spans 60 countries and regions. RMHC is recognized globally for its role in enabling family-centered care and providing accommodations when families have to cope with a child's serious illness and the burden of medical treatment far from home. RMHC keeps families together when they need it most, providing support, stability and vital resources. And for 40 years, the McDonald's System has been right beside RMHC, helping to make it possible for the Charity to positively impact health outcomes for children and their families, and helping to expand support to even more community members over the years. See the RMHC website for more information about RMHC programs.

40 Years of Keeping Families Together

The first Ronald McDonald House opened in 1974 in Philadelphia, Pennsylvania (U.S.). To celebrate this special anniversary, McDonald's, RMHC and the charity's other supporters came together to create a social media movement. Supporters and families took to Facebook, Twitter, Instagram and YouTube wearing the recognizable RMHC red and white striped socks and gear, and tagged their posts and photos with #forRMHC to show solidarity with families who have been touched by the charity.



RMHC is an independent not-for-profit organization that is tax-exempt under Section 501(c)(3) of the U.S. Internal Revenue Code. The Charity receives funds and other support from multiple organizations, including the McDonald's System and others.

Supporting Children and Families in 60 Countries and Regions

In 2014, with support from the McDonald's System and others, RMHC continued expanding its impact on the lives of children and families around the world:

Ronald McDonald Houses:

344,
including

11
opened in 2014

Ronald McDonald Family Rooms:

187,
including

12
opened in 2014

Ronald McDonald Care Mobiles:

50,
with

2
added in 2014

At least one
RMHC core program
provides care for families
being served at

89%

of the top children's
hospitals worldwide

According to sources such as the 2014 Leapfrog Top Hospital Report and other similar reports.

Children and Their Families Served:

5.7 MILLION in 2014

In 2015, the Charity plans to open 10 new Ronald McDonald Houses, add 11 Ronald McDonald Family Rooms and launch 3 new Ronald McDonald Care Mobile programs.



STRENGTHENING COMMUNITIES

In 2014, the Company continued to support and empower local communities by partnering with certain non-profits, providing grants and sponsorships, offering pro bono support, facilitating employee volunteerism and supporting executives serving on non-profit boards.

Community Impacts 2012-2014¹

In addition to being focused on community outreach, the Company positively affects local communities through the Company's business operations. Along with Franchisees and suppliers, the Company generates significant economic impacts, such as creating jobs and making capital investments that can contribute to stronger communities around the world.

Year	Cash And In-Kind Contributions	Capital Expenditures	Income Taxes Paid
2012	\$23.6M	\$3.0B	\$2.4B
2013	\$21.7M	\$2.8B	\$2.5B
2014	\$19.9M	\$2.6B	\$2.4B

¹ McDonald's Corporation and its consolidated subsidiaries.

It Starts with Education & Life Skills

In addition to offering educational and developmental opportunities in the restaurant, the Company and its independent Franchisees help promote education in the broader community.

Inspiring Student Success in the U.S.

The Company prioritizes diversity and inclusion in delivering on our commitment to support youth success in college educations. One example is the multi-year partnership with the United States Hispanic Leadership Institute (USHLI) and CoolSpeak to present the 2014 USHLI Student Leadership Summit. The 10-city summit reached approximately 20,000 students and faculty across the country.

Since 1999, the Company has partnered with Junior Achievement, the world's largest organization dedicated to giving young people the knowledge and skills they need to plan for their future. During the 2013-2014 school year, the Company's volunteers taught more than 2,500 students in 119 classrooms, and financial donations helped buy learning materials for 100 classes. To date, Company volunteers have contributed 4,700 volunteer hours to teach more than 24,000 students.

Building Life Skills for Stronger Communities

A variety of unique employment initiatives in McDonald's restaurants and offices support economic opportunity in the community, and the Company has also begun offering life skills training programs, work-ready skills development and "learn and earn" programs in select markets. For example, a program by McDonald's Australia recruits young adults who face employment adversity through a four-stage, six-month program that provides them with 30 hours of part-time work per week, along with various support services. The Salvation Army Employment Plus places these young adults in local McDonald's restaurants, and Salvos Youth Foundation coaches provide employment mentoring and support. The program is being further rolled out across McDonald's restaurants in New South Wales, Queensland, the Australian Capital Territory and other areas of Australia.

Strong Candidates for Strong Communities in the U.K.

McDonald's U.K. is striving to raise public awareness about the importance and economic value of "soft skills," such as communication and interpersonal skills, teamwork, and time- and self-management. Mastering these skills can lead to employment opportunities, career progression and employee confidence and satisfaction. Through the campaign, McDonald's U.K. and a coalition of supporters will invite businesses, policy experts, campaign groups, trade associations and academics to help create and share new ways to recognize and improve soft skills in the workplace and at school.

Making Physical Activity Fun

McDonald's has a legacy of promoting physical activity for kids at the local, national and global levels by supporting access to different types of play and sports through partnerships with various sporting associations. The Company's long-time sponsorship of premier global sporting events like the Olympic Games and FIFA World Cup — and associated fun activities for children and youth — are just part of the picture. McDonald's markets around the world support their local communities through grassroots programs, ranging from hockey clubs in Russia, to youth baseball teams in the U.S., to youth football (soccer) programs in the U.K.

Getting Kids Active - The McDonald's Sports Tournament in France

In 2014, McDonald's France hosted a free sport tour in 125 towns and cities for children ages 5 to 12. Held in partnership with the French National Olympic and Sport Committee, the event allows children to discover and try Olympic sports, such as cycling, running, handball and judo. Several thousand children have taken part in various McDonald's sport tournaments in France since 2006.

Fitness on Two Wheels - BikeMania in Hungary

The 2014 annual McDonald's Hungary BikeMania initiative for local communities included a bike tour around Lake Balaton, bike fun parks, traffic safety parks, as well as skill tests and races for teenagers and young adults. The event also showcased educational videos and provided an interactive booklet for kids to encourage them to test their skills and learn about safe biking. Watch the videos at <http://bringamania.hu/kategoria/2-videok>.

Play is More Fun Together - Champions of Play Initiative in Indonesia

In Indonesia, parents joined forces with their children to compete with other parent-child teams in the exciting Family Playlimpics. With games, competitions, family activities, entertainment and prizes, the event drew more than 1,000 families. The 2014 Playlimpics leveraged McDonald's existing Champions of Play program as a fun way to get parents even more involved in promoting physical activity.

The Future of Vibrant Communities Begins with Education

At the 2014 USHLI Student Leadership Summit, students were encouraged to continue their education and apply for the Ronald McDonald House Charities/Hispanic American Commitment to Educational Resources (RMHC/HACER) Scholarship. Supported by Hispanic Franchisees in the U.S., the program annually awards four scholarships of \$100,000 each to help Hispanic students continue their educations.

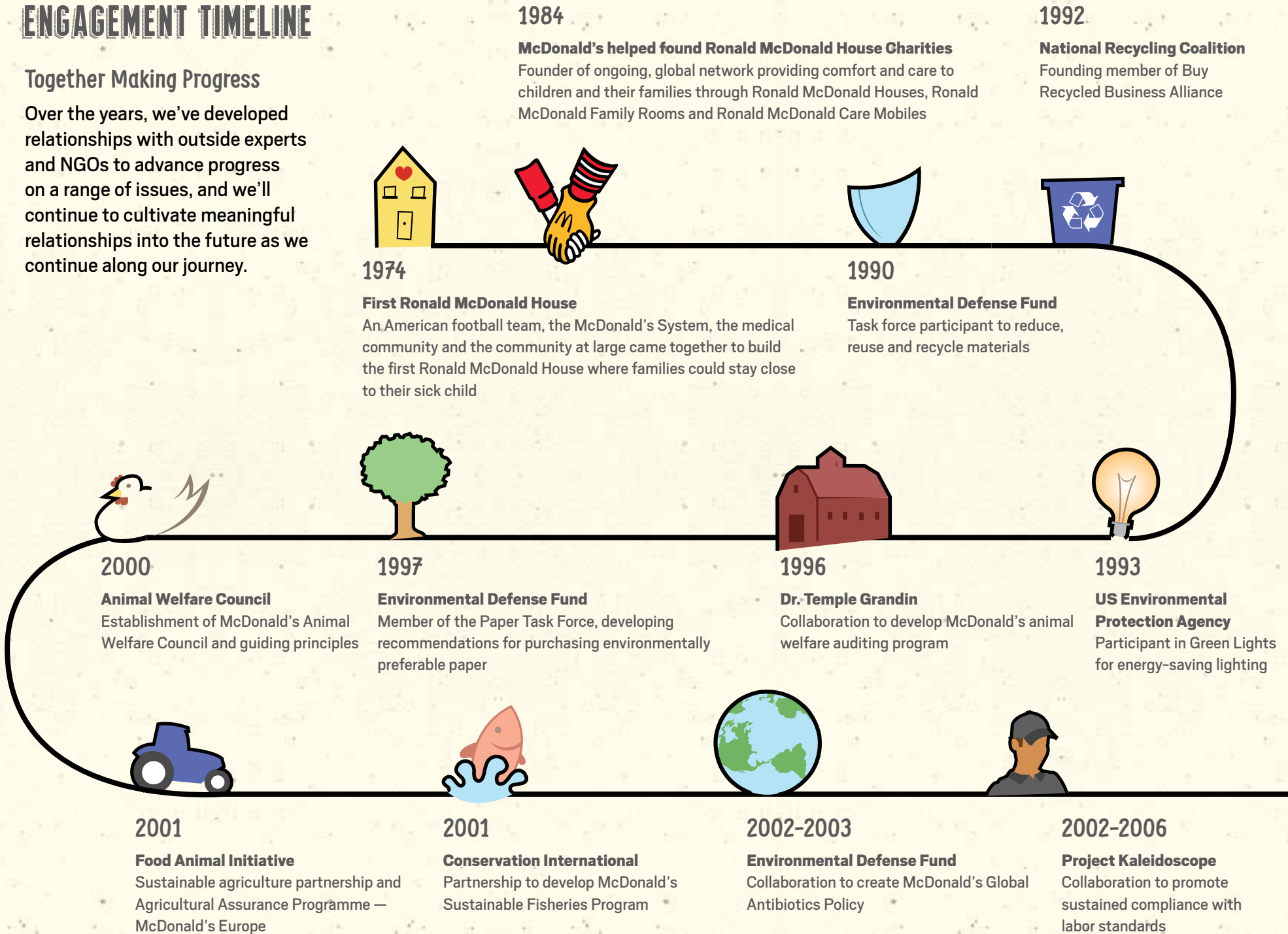
The RMHC/HACER scholarship is part of a larger commitment to supporting education. In the U.S., four RMHC scholarship programs, funded by Franchisees, McDonald's customers and donations from the community, help students further their education. In 2014, a total of \$4 million was disbursed to nearly 1,900 students. These scholarships celebrate the diversity of students and make it possible for selected students to attend college and pursue their dreams. Local educators, community leaders, and representatives of the Company and Franchisee organizations review applications with a special focus on candidates' academic achievement and community involvement. Support of this scholarship program exemplifies the Company's role as a convener, helping to unite different organizations for the benefit of students and their communities.



ENGAGEMENT TIMELINE

Together Making Progress

Over the years, we've developed relationships with outside experts and NGOs to advance progress on a range of issues, and we'll continue to cultivate meaningful relationships into the future as we continue along our journey.



1984

McDonald's helped found Ronald McDonald House Charities

Founder of ongoing, global network providing comfort and care to children and their families through Ronald McDonald Houses, Ronald McDonald Family Rooms and Ronald McDonald Care Mobiles

1992

National Recycling Coalition

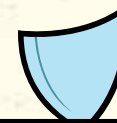
Founding member of Buy Recycled Business Alliance



1974

First Ronald McDonald House

An American football team, the McDonald's System, the medical community and the community at large came together to build the first Ronald McDonald House where families could stay close to their sick child



1990

Environmental Defense Fund

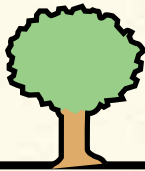
Task force participant to reduce, reuse and recycle materials



2000

Animal Welfare Council

Establishment of McDonald's Animal Welfare Council and guiding principles



1997

Environmental Defense Fund

Member of the Paper Task Force, developing recommendations for purchasing environmentally preferable paper



1996

Dr. Temple Grandin

Collaboration to develop McDonald's animal welfare auditing program



1993

US Environmental Protection Agency

Participant in Green Lights for energy-saving lighting



2001

Food Animal Initiative

Sustainable agriculture partnership and Agricultural Assurance Programme — McDonald's Europe



2001

Conservation International

Partnership to develop McDonald's Sustainable Fisheries Program



2002-2003

Environmental Defense Fund

Collaboration to create McDonald's Global Antibiotics Policy



2002-2006

Project Kaleidoscope

Collaboration to promote sustained compliance with labor standards

2012

KaBOOM!

Partnership to build 12 playgrounds—McDonald's Foundation

2013

Alliance for a Healthier Generation

Partnership with Alliance on Clinton Global Initiative commitment to promote balanced food and beverage choices

2014

Joining Forces Coalition

Joined the U.S. White House Joining Forces Coalition as part of our commitment to create more than 100,000 career opportunities for military veterans in three years.

2014

WWF's Global Forest & Trade Network

Signed GFTN agreement in support of responsible forest management.

2014

NY Declaration on Forests

Endorsed New York Declaration on Forests, a call for companies, governments and organizations to "do their part" to halve the loss of natural forests globally by 2020 and end it by 2030.

2010

World Wildlife Fund

Supply Risk Analysis to inform the Company's Sustainable Land Management Commitment; Conveners of Global Conference on Sustainable Beef

2008

Global Food Safety Initiative

Member of the GFSI Board

2005

Sustainable Agriculture Initiative Platform

Member of global food value chain initiative for sustainable agriculture

2011

Global Sustainability Framework Stakeholder Team

Establishment to inform McDonald's global aspirational goals

2009

Coalition for Sustainable Egg Supply

Partnership to study humane and sustainable laying hen options—McDonald's USA

2006

Amazon Soy Moratorium

Supporter of moratorium to stop illegal deforestation

2003

McDonald's Global Advisory Council

Formation of global expert panel on nutrition and children's well-being

2004

Refrigerants, Naturally!

Member of global initiative to combat climate change and ozone layer depletion

2005-2012

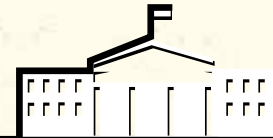
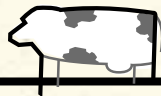
Ceres

Member of Ceres, which supported our stakeholder engagement efforts

2005

Conservation International

Partnership to develop McDonald's Supplier Environmental Scorecard



LET'S CONTINUE THE JOURNEY

Visit us at our website to learn more:

<http://www.aboutmcdonalds.com/mcd/sustainability.html>

Contact: Kathleen Bannan, Kathleen.Bannan@us.mcd.com.



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THE 2014 GOOD BUSINESS REPORT HIGHLIGHTS



In 2014

30%

**MORE FRUIT, VEGETABLES,
LOW-FAT DAIRY
OR WHOLE GRAINS**

were served in
McDonald's restaurants
compared to 2012

Top 9 markets



More than

96%

**OF THE GLOBAL
ROUNDTABLE
FOR SUSTAINABLE
BEEF'S MEMBERSHIP**

voted to approve final principles
and criteria for sustainable beef



In 2014

83%

**OF McDONALD'S
RESTAURANT MANAGERS**

in our top markets globally
think McDonald's is a great
place to work

Data reflects numbers from Company-owned restaurants in
Australia, Canada, China, France, Germany, U.S. and the U.K.,
as well as restaurants owned by McDonald's Japan and all restaurants in Brazil.



In 2014, with support
from the McDonald's
System and others,
**RONALD McDONALD
HOUSE CHARITIES
SERVED**

5.7

**MILLION CHILDREN
AND THEIR FAMILIES**



In 2014 alone, the Company and Franchisees purchased

132,186

**PIECES OF ENERGY
EFFICIENT EQUIPMENT**

Estimated to save about

142

**GIGAWATT
HOURS AND \$14.2** **MILLION IN
ENERGY COSTS**

LET'S CONTINUE THE JOURNEY

Visit us as our website to learn more at
<http://www.aboutmcdonalds.com/mcd/sustainability.html>