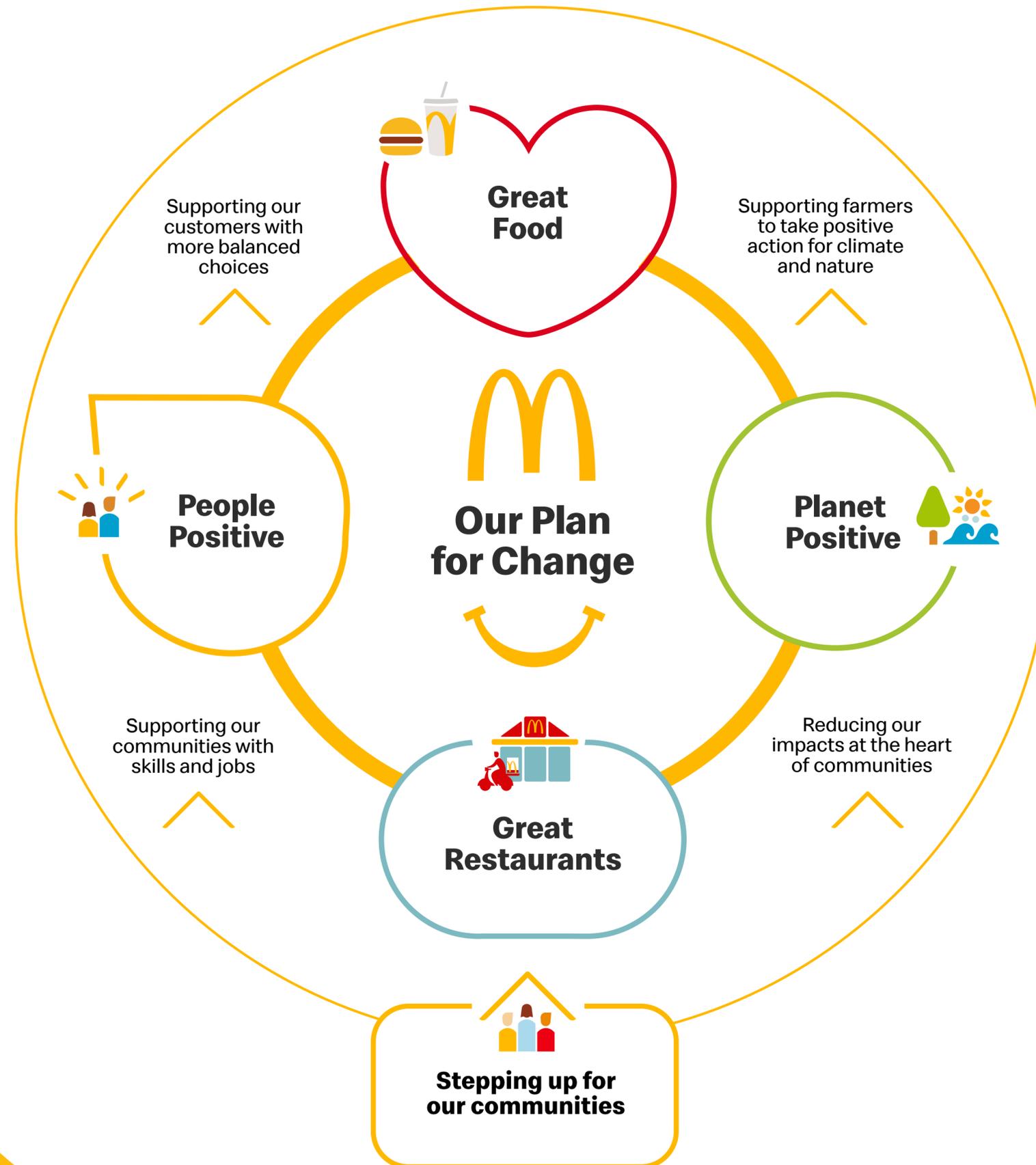


McDonald's UK & Ireland Sustainability Plan 2021

Our Plan for Change is a clear plan with goals and actions to help us lead positive change right across our business, from farms to front counter. It outlines the steps we're taking now, and in the long term. It includes clear time-bound commitments across every aspect of what we do.



LAST UPDATED OCTOBER 2022

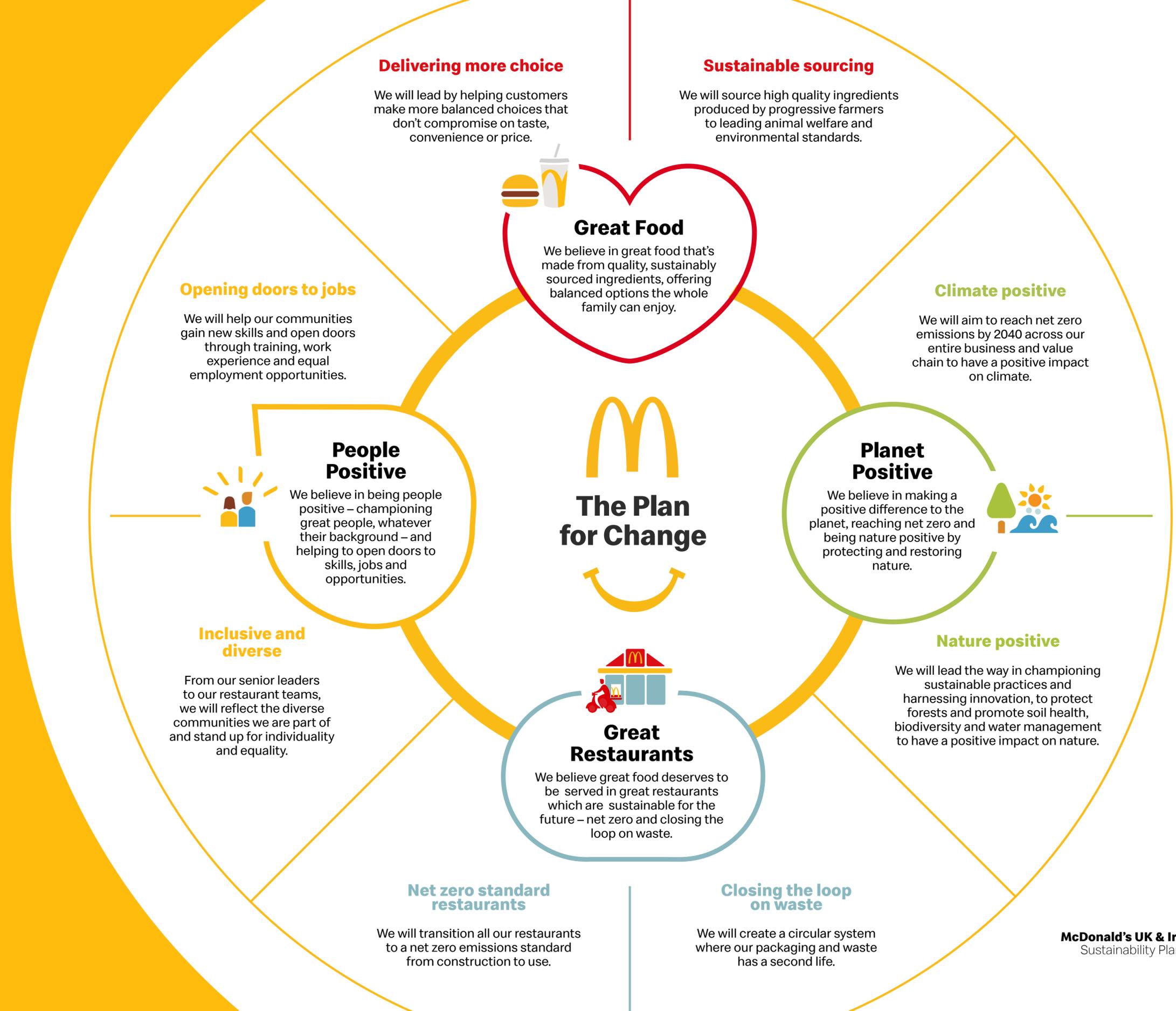
To find out more go to
www.mcdonalds.co.uk/planforchange

Our Plan for Change

How we'll achieve it

We're challenging ourselves to lead change across four key areas: Planet, People, Restaurants and Food. That means achieving net zero and protecting and restoring nature. Championing great people, whatever their background. And sourcing quality, sustainable ingredients that provide more balanced and tastier options. All served in restaurants that are built for the future and make waste a thing of the past.

We've set out goals in each of our focus areas to help guide our actions. We will measure and share our progress against these because we know how important it is for us to deliver and to be clear on how we are doing – as every change we make, adds up to a lot.



To find our more go to www.mcdonalds.co.uk/planforchange



Planet positive

We believe in making a positive difference to the planet, reaching net zero and being nature positive by protecting and restoring nature.



Climate positive

Our commitment

We will aim to reach net zero emissions by 2040 across our entire business and value chain to have a positive impact on climate.

Our goals

By 2030

Achieve net zero emissions for all our restaurants and offices.

By 2040

Achieve net zero emissions for our entire business and value chain, working with our suppliers and franchisees to have a positive impact on climate.

Nature positive

Our commitment

We will lead the way in championing sustainable practices and harnessing innovation, to protect forests and promote soil health, biodiversity and water management to have a positive impact on nature.

Our goals

By 2023

Launch our nature positive programme to scale innovative nature-based solutions.

By 2025

Have regenerative agriculture initiatives in each of our priority supply chains to promote soil health, water management and biodiversity.

By the end of 2025

Soy used in our ingredients and in the animal feed in our supply chain will be deforestation free.*

By 2030

The global McDonald's business will have eliminated deforestation from our supply chains.

* Product scope includes soy sourced for feed of livestock used in McDonald's products e.g. chicken and beef. It also includes soy used directly as an ingredient, e.g. soy lecithin, in McDonald's products.



Great Food

We believe in great food that's made from quality, sustainably sourced ingredients, offering balanced options the whole family can enjoy.



Sustainable sourcing

Our commitment

We will source quality ingredients produced by progressive farmers to leading animal welfare and environmental standards.

Our goals

By 2023

Develop a Plan for Change Scorecard in collaboration with independent experts, to expand and embed ethical and sustainability criteria in our sourcing decisions.

By 2025

Support resilient livelihoods and sustainable outcomes through McDonald's Farm Forward, benefiting over 23,000 British and Irish Farmers.

Engage 10 million families, and connect them to farming, nature and the future of sustainable food.

By 2030

Have kick-started over 100 careers in food and farming for young people from diverse backgrounds through our McDonald's Young Talent programme.

Delivering more choice

Our commitment

We will lead by helping customers make more balanced choices that don't compromise on taste, convenience or price.

Our goals

From 2021

Conduct ongoing positive behaviour change research and implement findings across our order channels to inspire our customers to make more balanced choices.

By 2022

Launch the McDonald's Nutrition Innovation Council, to create recipe reformulations and innovations that support more balanced options that taste delicious.

Develop nutrition criteria in line with recognised guidelines, working with advice from the British Nutrition Foundation, to better define the choices we offer on our menu.

By 2023

Help customers to navigate our menu by refreshing our menu signposting and nutrition labelling.

By 2025

Have a market leading vegan plant-based food and drinks offering.

By 2026

A minimum of 50% of our products available across the total of our restaurants, excluding promo products, will meet our nutrition criteria.



Great Restaurants

We believe great food deserves to be served in great restaurants which are sustainable for the future – net zero and closing the loop on waste.



Net zero standard restaurants

Our commitment

We will aim to transition all our restaurants to a UK industry net zero emissions standard from construction to use.

Our goals

By 2022

Launch our first UK industry net zero emissions standard restaurant and create a blueprint for freehold new builds.

By 2023

Furniture in new and refurbished restaurants will be made with recycled or certified materials and designed to be recycled or reused at end of life.

By 2030

Achieve net zero emissions for all our restaurants and offices.

Closing the loop on waste

Our commitment

We will create a circular system where our packaging and waste has a second life.

Our goals

By 2024

Our customer packaging will be made from renewable, recycled or certified sources and designed to be recyclable or compostable.

By 2027

Give the waste collected from our restaurants a second life by recycling, reusing or composting.

By 2030

Reduce the amount of material used across packaging in customer and kitchen areas in the McDonald's system by 20% versus 2020.



People positive

We believe in being people positive – championing great people, whatever their background – and helping to open doors to skills, jobs and opportunities.



Opening doors to jobs

Our commitment

We will help our communities gain new skills and open doors through training, work experience and equal employment opportunities.

Our goals

By 2024

Support youth services through every restaurant.

By 2025

Have supported 3,000 apprentices.

By 2030

Help one million people gain new skills and open doors to jobs.

Inclusive and diverse

Our commitment

From our senior leaders to our restaurant teams, we will reflect the diverse communities we are part of and stand up for individuality and equality.

Our goals

By 2024

We will work with our supplier partners and franchisees to advance social inclusion through a Mutual DE&I Commitment.

By 2025

40% of participants in our new corporate placement and internship programme for our restaurant employees will be from underrepresented groups.

By 2030

Reach and maintain gender balance within our senior leadership roles.

Ensure 40% of all senior leadership roles are held by people from underrepresented groups.

Net zero standards and definitions

Here you'll find the background to our approach to net zero within our Plan for Change.

Climate net zero goals and definitions

Globally, McDonald's Corporation is committed to reaching net zero emissions by 2050 by joining the Science-Based Target initiative (SBTi) Business Ambition for 1.5°C and the UN Race to Net Zero. McDonald's UK & Ireland plans to align its market strategy with this approach, moving faster where we can.

McDonald's UK & Ireland becoming net zero emissions by 2040 will involve significantly reducing its greenhouse gas (GHG) emissions in alignment with a 1.5°C climate scenario pathway and neutralising all residual emissions with high quality carbon removal projects.

We also recognise that the Science-Based Target initiative (SBTi) net zero criteria will only apply for "full companies" and not for "part-of companies e.g. restaurants and operations", and we will aim to adhere to the spirit of SBTi net zero criteria when applying these to McDonald's UK & Ireland activities.

All details will be further defined and reported on once the final SBTi net zero criteria become available at the end of 2021.

Our UK and Ireland net zero goals and definitions:

Our goal: By 2030, we will achieve net zero emissions for all of our restaurants and offices

Our definition: This significant decarbonisation of the emissions from all of our restaurants and offices (both franchised and company-owned) will be in line with the SBTi net zero criteria and a 1.5°C climate scenario pathway. This is an interim target towards becoming net zero across our entire business by 2040.

Our goal: By 2040, we will achieve net zero emissions for our entire business and value chain and work with our suppliers and franchisees to have a positive impact on climate.

Our definition: This includes our restaurants, operations and value chain (GHG Protocol Scopes 1,2,3) in alignment with the SBTi net zero criteria and a 1.5°C climate scenario pathway.

Our restaurants and offices net zero goals and definitions:

Until the SBTi has developed criteria that can be used as guidance for our business incorporating our restaurants and offices, we will continue to use the UKGBC Net Zero Carbon Buildings Framework.

The UKGBC framework sets out definitions and principles around two approaches to net zero carbon, which are of equal importance:

1.1 Net zero carbon – construction is defined as:

"When the amount of carbon emissions associated with a building's product and construction stages up to practical completion is zero or negative, through the use of offsets or the net export of on-site renewable energy."

1.2 Net zero carbon – operational energy is defined as:

"When the amount of carbon emissions associated with the building's operational energy on an annual basis is zero or negative.

A net zero carbon building is highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset."

Our goal: From 2022 we will launch our first UK industry net zero emissions standard restaurant and create a blueprint for freehold new builds.

Our definition: We will aim to use the UKGBC Net Zero Carbon Buildings Framework definition of 'net zero carbon – construction (modules A1 – A5)' for all new build restaurants and 'net zero carbon – operational energy (module B6)' for all restaurants.

Our goal: From 2023 furniture in new and refurbished restaurants will be made with recycled or certified materials (link to 7.2) and designed to be recycled or reused (link to 7.2) at end of life.

Our definition: Furniture can include, but is not limited to, tables, chairs, wall panels, recycling units, patio seating and signage. Ensuring our restaurant refurbishment programmes are designed with circularity in mind is part of our journey to net zero emissions.

Our goal: By 2030, we will achieve net zero emissions for all our restaurants and offices.

Our definition: Achieving net zero emissions in line with the SBTi net zero criteria means significantly reducing our greenhouse gas (GHG) emissions in alignment with a 1.5°C climate scenario pathway and neutralising residual emissions with high quality carbon removal projects.

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Statements contained in this report about future developments and past occurrences are based on information and assumptions available as of the date of publication. While we are committed to providing timely updates, the Company holds no obligation to update information or statements.