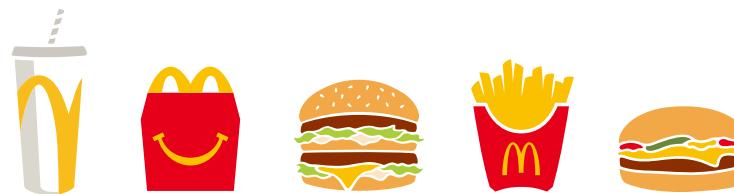




**McDonald's
Sustainability Report
2024**



What's Inside

Introduction

McDonald's welcomes many customers every day and serves meals, which means that as a community member, we have a responsibility to address global issues. In this report, we introduce our efforts to feed and foster communities while working toward the realization of a sustainable society.

- 03** A Message from our CEO
- 04** Our Purpose and Who We Are
- 05** The McDonald's System
- 06** Sustainability Policy and Strategy
- 08** Goals and Progress
- 09** 2024 Highlights



Our Planet

We take climate action seriously—for our planet and the future. To achieve our goal of net-zero emissions by 2050, as a member of society, we proactively engage in addressing global climate change and environmental issues to contribute to environmental conservation. We constantly consider and take action to reduce environmental impact in our business activities.

- 14** Climate Action
- 17** Packaging, Happy Meal® Toys & Food Waste



Food Quality & Sourcing

We are making relentless efforts to achieve a world-class food quality control system in the areas of safety, quality, and cleanliness to prioritize food safety above everything else. We advance efforts together with our suppliers to serve nutritionally balanced meals and ensure animal health and welfare to ensure a stable supply and address environmental and social issues.

- 20** Food Safety
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- 24** Responsible Sourcing
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Jobs, Inclusion & Empowerment

We believe that people are the source of the strength of our business. We aim to create a workplace where all people from diverse backgrounds can take an active role, be true to themselves and grow, and feel positive at work. Guided by our values, we promote safe, respectful, and inclusive workplaces, and offer opportunities to grow. We support the "UP TO YOU" career building program where the sky is the limit based on employees' own choices and efforts.

- 27** People Vision
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- 31** Talent Development & Career
- 33** Fostering Safe, Respectful, and Inclusive Workplaces



Community Connection

As echoed in the words of Ray A. Kroc, the founder of McDonald's, "We have an obligation to give something back to the community that gives so much to us." As a member of the community, putting a smile on the faces of children and their families, customers, the community, and society as a whole is important to us.

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A Message From Our CEO



Thomas Ko
Representative Director, President and CEO
McDonald's Company (Japan), Ltd.

Continuing Our Journey as “Japan’s Most Beloved Restaurant Brand”

I would like to express my sincere gratitude to our valued customers of McDonald's in Japan. I am equally grateful to our crew members who provide exceptional restaurant experiences to our customers across approximately 3,000 locations nationwide, and to our suppliers who ensure the safety and quality of our ingredients. Since assuming my role in July 2024, I have visited many restaurants and suppliers from Hokkaido to Kyushu, listening to our customers and stakeholders. Through these interactions, I have gained a renewed appreciation for McDonald's unique position within our customers' lives and local communities. Why does McDonald's exist? It's to deliver on our purpose of "Feed and Foster Communities." This extends beyond simply selling hamburgers. Our mission is to bring smiles not only to our customers but also to our employees and community members by "Making delicious feel-good moments easy for everyone." Together with our franchisees, we aim to achieve sustainable growth rooted in local communities. This inherently encompasses business operations that consider both environmental sustainability and social responsibility.

Let me share our sustainability progress in Japan for 2024.

In our journey toward achieving net-zero emissions by 2050, we have expanded our greenhouse gas reduction initiatives. Beyond our ongoing energy conservation efforts and renewable energy procurement (approximately 520 restaurants), we have begun testing solar panel installations and EV charging stations at select locations. Additionally, in December, we implemented corporate PPAs to introduce renewable energy at approximately 210 restaurants across the Kanto and Kansai regions.

We are also making steady progress in reducing the use of plastic. We have set a target of switching all Happy Meal toys and packaging for our customers to sustainable materials by 2025. As of the end of 2024, 60 of the 152 kinds of toys have been switched to sustainable materials, and in December, we replaced containers and spoons for McFlurry® as well as select plastic drink cups and lids to paper nationwide. We will also continue our toy collection and recycling initiatives at restaurants nationwide, which have been ongoing since 2018.

In sustainable sourcing, our efforts to promote Marine Stewardship Council (MSC)-certified seafood were recognized with the MSC Japan Award 2024 in the food service category in August.

Our community initiatives including, charity programs, continue to thrive, with Blue Mac Day gaining increasing recognition among customers, expanding support and leading to continuous fundraising activities, resulting in 158.15 million yen of donations to Ronald McDonald House Charities Japan.

As an employer of approximately 210,000 crew members nationwide, we remain committed to being an exemplary employer in our communities. Last year, our efforts to promote women's advancement were recognized with our selection for the first time to the Japanese government's Nadeshiko Brand initiative. Currently, women represent 34.2% of our restaurant managers and 25.3% of our management positions in McDonald's Japan. In March, we updated our crew appearance guidelines to abolish restrictions on hair color, further strengthening our workplace environment where diverse talent can work authentically.

Together with our franchisees in the local community and our valued suppliers, I will ensure that McDonald's continues to provide our customers with exceptional restaurant experiences and meaningful value in a sustainable manner. We sincerely appreciate your continued support of McDonald's.

Our Purpose and Who We Are

Our Purpose

Feed and Foster Communities

Our Mission

Making Delicious Feel-Good Moments Easy for Everyone

Our Values



Serve

We put our customers and people first.



Inclusion

We open our doors to everyone.



Integrity

We do the right thing.



Community

We are good neighbors.



Family

We get better together.

Who We Are

McDonald's Company (Japan), Ltd.

Location

6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1339, Japan
Shinjuku i-Land Tower

Established

May 1, 1971

Capital

100 million yen

Business Activities

The operation of a hamburger restaurant chain and all other relating businesses

Number of Restaurants

2,988

Sales

829.1 billion yen (total sales of company-operated and franchised restaurants)

Number of Employees

2,693 (excluding contract employees)
Part-timers Approx. 210,000 (includes both company-operated and franchised restaurants)

*Figures are as of December 2024

CSR Reporting Scope

Reporting Organization

McDonald's Company (Japan), Ltd.

(including McDonald's Holdings Company (Japan), Ltd.)

Reporting Period

January 1 to December 31, 2024

Reporting Areas

Social responsibility in general (Environmental, Social, and Governance)

Editor and Contact

Communication & Corporate Relations Division

The following names are registered trademarks or trademarks of McDonald's Corporation and its affiliates.
Happy Meal, McFlurry, Filet-O-Fish, McFry, Ronald McDonald House Charities (RMHC), Forest Stewardship Council (FSC)

The McDonald's System

Our Suppliers

Complying with the Supplier Code of Conduct and responsible sourcing

Enhancing the efficiency of logistics in our supply chain

Protecting nature, biodiversity, and ecosystems

Tackling deforestation in our supply chain

Respecting human rights in our supply chain



Animal health & welfare

Our Operations, Employees and Franchisees

Food Safety

Managing food safety from farm to customer

Packaging, Happy Meal Toys & Food Waste

Reducing virgin plastic* and waste

*New, unused plastic made from raw materials derived from fossil resources.

Our Responsibility Toward Children's Health and Nutrition

Offering nutritionally balanced meals
Disclosing nutritional information

Company and Franchise Employees

Diversity, Equity & Inclusion (DE&I)
Talent development & career
Fostering safe, respectful, and inclusive workplaces
Respect for human rights

Company-operated restaurants

McDonald's

Franchised restaurants

McDonald's

Office Buildings/Sites

Reducing greenhouse gas emissions

Company-Operated Restaurants and Franchised Restaurants

Reducing greenhouse gas emissions

Reduction of virgin plastic and waste and use of FSC®-certified and sustainable materials



Our Communities

Local hiring

Engaging in safety & security initiatives and community cleanup

Providing Support for Children's Growth

Supporting youth sports, childcare, and education

Fostering a Charity Culture

Ronald McDonald House Charities

Sustainability Policy and Strategy

Together with you for a better future

McDonald's welcomes many customers every day and serves meals, which means that as a community member, we have a responsibility to address global issues.

That's what we believe, and that's why we will continue to serve safe, secure, and high-quality meals.

We take climate action seriously.
We support the daily lives of everyone in the community.
We increase opportunities for all people to work and grow.

We will continue to feed and foster communities and keep moving forward.

Sustainability Strategy

Our business is built on relationships with a variety of stakeholders, including customers, employees, franchisees, suppliers and communities.

Our purpose is to feed and foster communities. To realize this, we've identified four impact areas that are critical to sustainability* and we are working to leverage our strength and scale.

● Food Quality & Sourcing

We will continue to serve safe, secure, and high-quality meals.

● Our Planet

We take climate action seriously—for our planet and the future.

● Community Connection

We support the daily lives of people in the community.

● Jobs, Inclusion & Empowerment

We increase opportunities for all people to work and grow.

Our Planet



Jobs, Inclusion & Empowerment

Food Quality & Sourcing



The Four Impact Areas

Community Connection

SDG-Focused Targets



Please visit our website for more information:

➡ <https://www.mcdonalds.co.jp/sustainability/sdgs/>

Please also refer to "Our Approach and Actions Toward Sustainability," which is also included in the Annual Securities Report for the fiscal year ended December 31, 2024 (disclosed on March 26, 2025):

➡ https://www.mcd-holdings.co.jp/ir/library_financial_report/

*Sustainability: Refers to ideas and initiatives aimed at the sustainable development of the environment, society, and the economy.

Sustainability Policy and Strategy

Governance

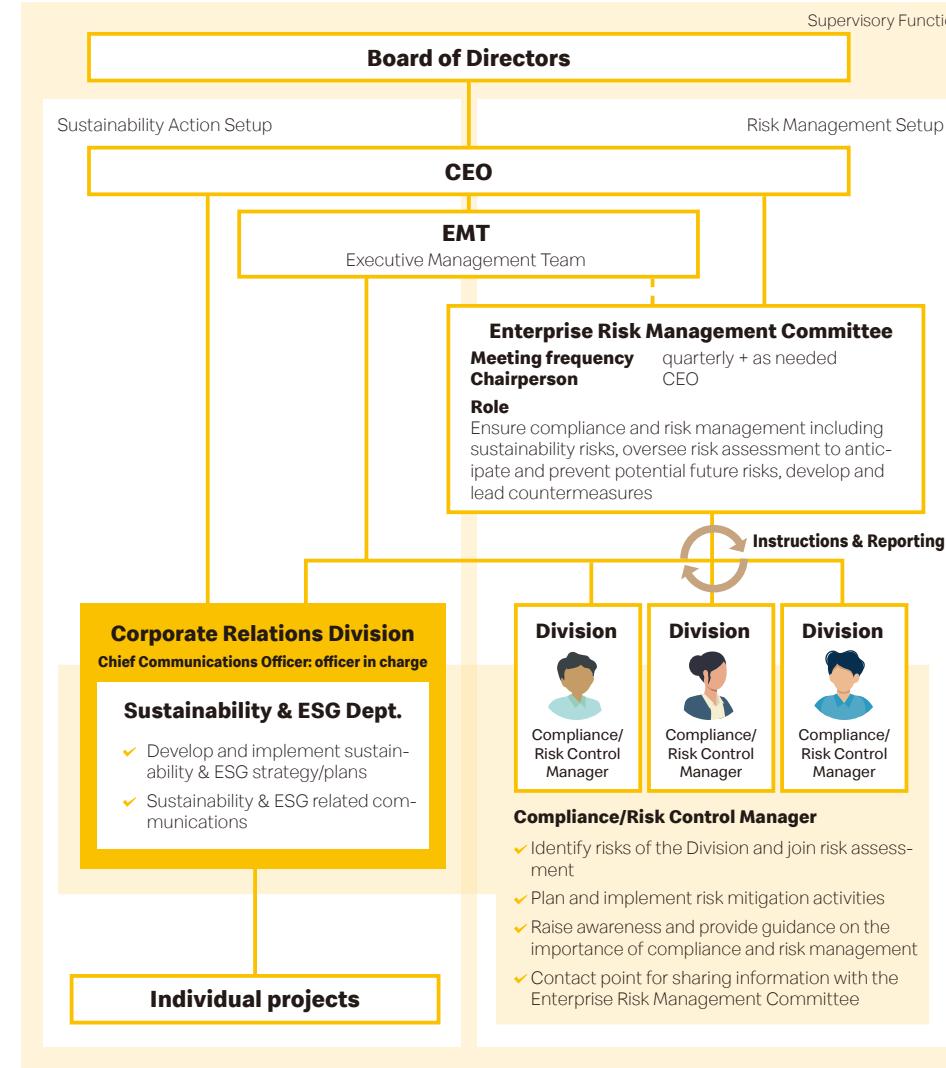
Under the supervision of the Board of Directors and the Audit & Supervisory Board, we aim to balance social issues and the operation of sustainable business through initiatives owned by officers and cross-functional projects.

The CEO oversees and manages the progress of relevant initiatives. Under the supervision of the VP, Chief Communications Officer, Corporate Relations Division (officer in charge), the Sustainability & ESG Department owns and implements sustainability initiatives. The Sustainability & ESG Department plans and develops sustainability strategy and monitors the progress of each initiative. These are reported to the CEO through the officer in charge and to the Board of Directors on a regular basis (at least once a year). Based on the report, the Board of Directors oversees matters to ensure that the execution of sustainability strategy contributes to the sustainable growth of the company.

Business Resilience

The Enterprise Risk Management Committee identifies, evaluates, and manages significant sustainability risk and all other risks, including compliance risks. In principle, the Enterprise Risk Management Committee meets quarterly, with additional meetings held when it is deemed necessary to discuss significant risks on a case-by-case basis, and reports on its activities to the Board of Directors regularly (once a year in principle).

Human rights, compliance, and sustainability risks are also recognized, evaluated, and managed within this process. The Enterprise Risk Management Committee, attended by vice presidents of each division, is responsible for compliance and risk management related to the division, shares information on progress and risks of concern, and implements risk management based on a company-wide strategy.



Respect for Human Rights

We, McDonald's Holdings Company (Japan), Ltd. and McDonald's Company (Japan), Ltd. (hereinafter collectively referred to as "McDonald's Japan") respect human rights, take sufficient care to avoid any negative impact on the human rights of others, and act with integrity to deal with any human rights violations that may occur.

We are committed to respecting human rights as set forth in the Universal Declaration of Human Rights. This policy regarding human rights ("Policy") is guided by the principles set forth in the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

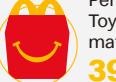
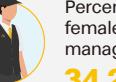
We respect the fundamental rights of McDonald's Japan employees and staff wherever we do business and strive to foster safe and healthy workplaces which are: equal opportunity for all people and free from discrimination and harassment.

These are the principles of McDonald's Japan, and we encourage our franchisees to follow them. In addition, Business Code of Conduct and Supplier Code of Conduct, established by McDonald's Japan, also outline policies related to the above principles. Business Code of Conduct includes our commitment to respect human rights in the workplace and apply to all employees and staff of McDonald's Japan. Supplier Code of Conduct outlines guidelines on respecting human rights that McDonald's Japan expects suppliers to follow.

Please visit our website for more information:

<https://www.mcd-holdings.co.jp/company/humanrights/>

Goals and Progress

		GOAL	PROGRESS	STATUS	DATA	ACHIEVED	ON TRACK	FOCUS
Our Planet	 Climate Action	Net-zero emissions by 2050	✓	<ul style="list-style-type: none"> Introduce renewable energy Energy conservation initiatives Use of domestic wood in restaurant buildings Streamline logistics Waste reduction and recycling 	 Greenhouse gas emissions (office) 0t Renewable energy sourcing 100%	 Greenhouse gas emissions (company-operated and franchised restaurants) 314,268t -21.3% <small>from a 2018 base year</small> <small>*Emissions from electricity and gas</small>	 Number of restaurants using electricity derived from renewable energy Approximately 520	 Percentage of renewable energy 15.5%
		50.4% reduction in greenhouse gas emissions from restaurants and offices by 2030 from a 2018 base year	✓					
Packaging & Happy Meal Toys	 Packaging & Happy Meal Toys	50.4% reduction in greenhouse gas emissions in the supply chain (facilities, logistics, plastic packaging) 16% reduction in greenhouse gas emissions from beef (including dairy cattle) and poultry by 2030 from a 2018 base year	✓	<ul style="list-style-type: none"> Launched project 	<small>(in progress)</small>	 Percentage of all guest packaging items that transitioned to sustainable materials (by weight) 88.8%	 Percentage of Happy Meal Toys using sustainable materials 39.5%	
		Source 100% of guest packaging and Happy Meal toys from renewable, recycled or certified materials by the end of 2025	✓	<ul style="list-style-type: none"> Use of sustainable materials 				
Jobs, Inclusion & Empowerment	 Diversity, Equity & Inclusion (DE&I)	Achieve a 40% ratio of female managers by 2030	✓	<ul style="list-style-type: none"> Promoting women 	 Percentage of female managers 25.3%	 Percentage of female executives 27.8%	 Percentage of female restaurant managers 34.2%	
		Develop and apply Human Rights Policy	✓	<ul style="list-style-type: none"> Develop Human Rights Policy Introduce Supply Chain Human Rights (SCHR) Implement Putting People First Visit (PPFV) 				

2024 Highlights

Our Planet

Climate Action

Initiatives to Reduce Greenhouse Gases (GHG) Renewable Energy Sourcing For our Offices: 100%

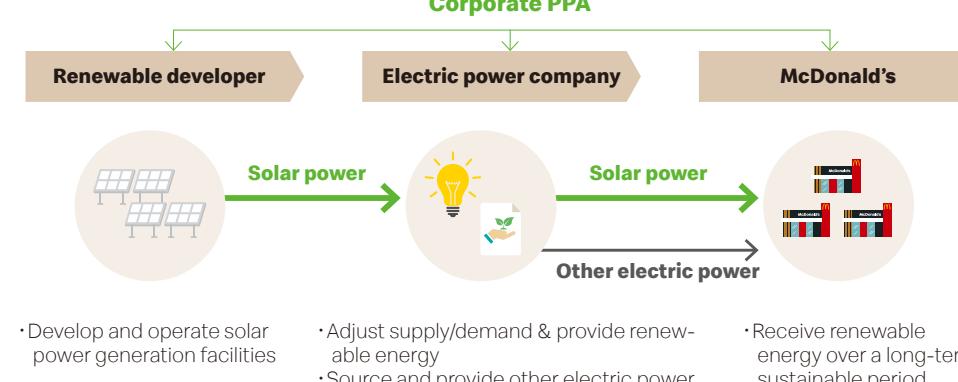
We are making progress in using electricity generated from renewable energy sources such as solar, hydroelectric, and geothermal power.

We reached our goal of sourcing 100% of electricity from renewable energy for our offices and achieved net-zero carbon electricity.

Introduction of the Corporate PPA Program

We enter into Corporate PPAs, contracts with renewable energy developers, to purchase renewable energy over a long period. 206 restaurants are under this program, including 73 restaurants in the Kanto area since December 2024 and 133 restaurants in the Kansai area since February 2025.

Infographic of Power Supply Through the Corporate PPA Program



CO₂ emissions* Offices

0t

Percentage of renewable energy sourcing

100%

CO₂ emissions* Company-operated and franchised restaurants

314,268t

vs. 2018

-21.3%

*Electricity and gas emissions

Percentage of renewable energy

15.5%

Number of restaurants using electricity derived from renewable energy

Approximately 520

Number of restaurants under the Corporate PPA program

206

(excluding McDonald's General Research Facility)

Packaging, Happy Meal Toys & Food Waste

P17



Number of toys collected:

Total of approximately 22.8 million units

Food waste rate

2.3%

Food recycling rate

70.1%

*Includes outbreak control based on a periodic report for food recycling

Launch of Used Paper Cups Recycling



2024 Highlights

Food Quality & Sourcing

Responsible Sourcing

P24

McDonald's Receives the MSC Japan Award 2024

McDonald's Japan has won the MSC Japan Award in the Food Service category, held for the first time in 2024. This award recognizes businesses that promote MSC-certified marine products in Japan.



We began sourcing caught pollock for Filet-O-Fish® from MSC-certified fisheries in July 2015 and obtained MSC CoC certification in October 2019. Today, the Filet-O-Fish package comes with the MSC blue label.



Percentage of caught whitefish for Filet-O-Fish from MSC-certified fisheries

100%

Percentage of FSC®-certified paper containers and packaging for customers, tray liners and wooden cutlery

100%

Percentage of coffee beans certified by Rainforest Alliance

100%

Percentage of RSPO-certified fry oil

100% *Mass Balance Certification



Food Safety

P20

Percentage of suppliers who met SQMS requirements

100%

*SQMS: Supplier Quality Management System. A more robust food safety management system that consists of McDonald's expectations, based on Global Food Safety Initiatives (GFSI) benchmarks

DQMP

Number and percentage of distribution centers audited by a third party and met our standards

15 locations 100%

*DQMP: Distributors Quality Management Program

Number and percentage of restaurants that met audit requirements conducted by external inspection companies

Approximately 3,000 100%

Our Responsibility Toward Children's Health and Nutrition

P23

Removal of synthetic flavors and colors in Happy Meal sets

100%

Animal Health & Welfare

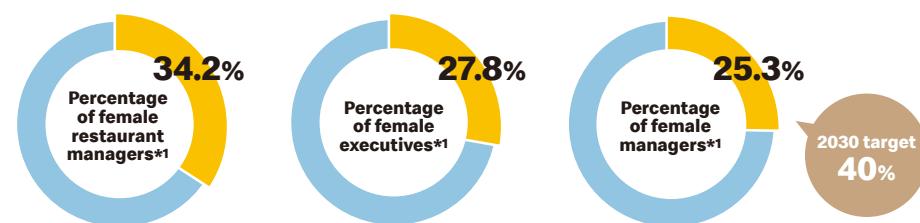
P25

2024 Highlights

Jobs, Inclusion & Empowerment

Selected as “Nadeshiko Brand” for the First Time

In March 2024, McDonald's Japan was selected for the first time as a Nadeshiko Brand, initiated by The Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange to recognize companies that actively work to improve women's employment opportunities and career advancement.



Partial Revision of Appearance Policy (relaxation of hair color rules)

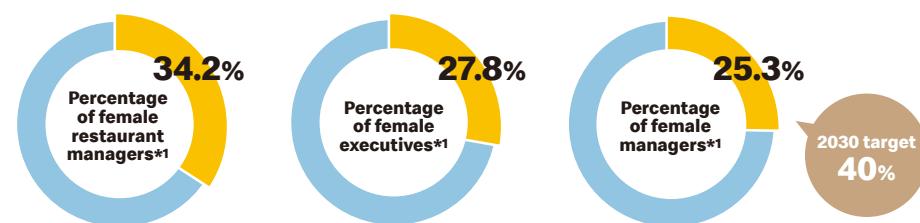
In March 2024, the crew appearance policy was revised to relax hair color rules.



Diversity, Equity & Inclusion (DE&I) → P28

Selected as “Nadeshiko Brand” for the First Time

In March 2024, McDonald's Japan was selected for the first time as a Nadeshiko Brand, initiated by The Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange to recognize companies that actively work to improve women's employment opportunities and career advancement.



Partial Revision of Appearance Policy (relaxation of hair color rules)

In March 2024, the crew appearance policy was revised to relax hair color rules.



Total number of crew members

Approximately **210,000**

Number of crew members aged 24 or under

Approximately **140,000**

Employees with disabilities*2

2.5%

Staff engagement*3

90.1%

*Calculated from staff survey items related to engagement

Number of staff that took maternity, childcare, and nursing care leave*1

129

Paid leave rate*1

60.6%

Senior Crew (60+)

Approximately **13,000**

Number of non-Japanese crew

Approximately **21,000**

Turnover rate*1

7.3%

Return to work rate after parental leave*1

100%

Total monthly average overtime hours among full-time employees*1

18.7 hours

Wage gap between males and females*2

82.2%

*Percentage of females' wages to males' wages

Male childcare leave rate*4

61.5%

People Vision

→ P27

Talent Development & Career

→ P31

Number of employees and crew members taking classes at Hamburger University a year

Approximately **14,657**

Adults with crew experience

Approximately **3 million**

Fostering Safe, Respectful, and Inclusive Workplaces

→ P33

2024 Highlights

Community Connection

Ronald McDonald House

Blue Mac Day (McHappy Day)
Donations and Contributions Reached Record Highs

"McHappy Day," a charity event to support Ronald McDonald House, an accommodation facility for sick children and their families, was held on Sunday, October 20, 2024, at our restaurants nationwide. All donations were sent to the Ronald McDonald House Charities. Thank you very much for your generous support.

P35

Blue Mac Day (McHappy Day) Total Raised and Donated Amount

105,009,725 yen

*Includes donations based on the number of Happy Meal sets sold between October 1-31, front counter donation box, coupons with donations, and donations from app while ordering

RMHC Support Donations from Customers

158,157,652 yen

*Includes front counter donation box, coupons with donations, and donations from app while ordering



Support of Youth Sports

P36

Sports Experience Event

Sports experience events were held at each of the Youth Sports Tournaments (select sites) sponsored by McDonald's. Children are exercising and playing sports less frequently. We want them to "engage in free unstructured play and enjoy basketball, baseball, and football" and held an event for children, including inexperienced ones, to enjoy these sports.



55th McDonald's National Mini Basketball Tournament

Around 8,340 teams nationwide

Takamadonomiya Cup All-Japan Rubber Baseball McDonald's Tournament

Around 10,000 teams nationwide
Approximately 390,000 children supported

JFA All Japan U-12 Football Championship

Around 8,200 teams nationwide
Approximately 360,000 children supported

Community-Linked Activities

P37

Number of Happy Meal sets sold under the Childcare Support Passport Program

359,161 sets

Number of restaurants participating in "#110 House for Children"

2,420

2024 Noto Peninsula Earthquake Donation from McDonald's Japan

2,000,000 yen

Donations from Customers*

18,078,335 yen

*January 4-31 at restaurants nationwide.
 Dates vary among restaurants.

Education Support

P38

 <https://www.mcdonalds.co.jp/sustainability/environment/>

Our Planet

We take climate action seriously—for our planet and the future. To achieve our goal of Net-Zero Emissions* by 2050, as a member of society, we proactively engage in addressing global climate change and environmental issues to contribute to environmental conservation. We constantly consider and take action to reduce environmental impact in our business activities.

*Reduce greenhouse gas emissions to net zero

Our Planet

14 Climate Action

17 Packaging, Happy Meal Toys & Food Waste

Climate Action



We will constantly take climate action in all business activities related to McDonald's operations.



Greenhouse gas* emissions

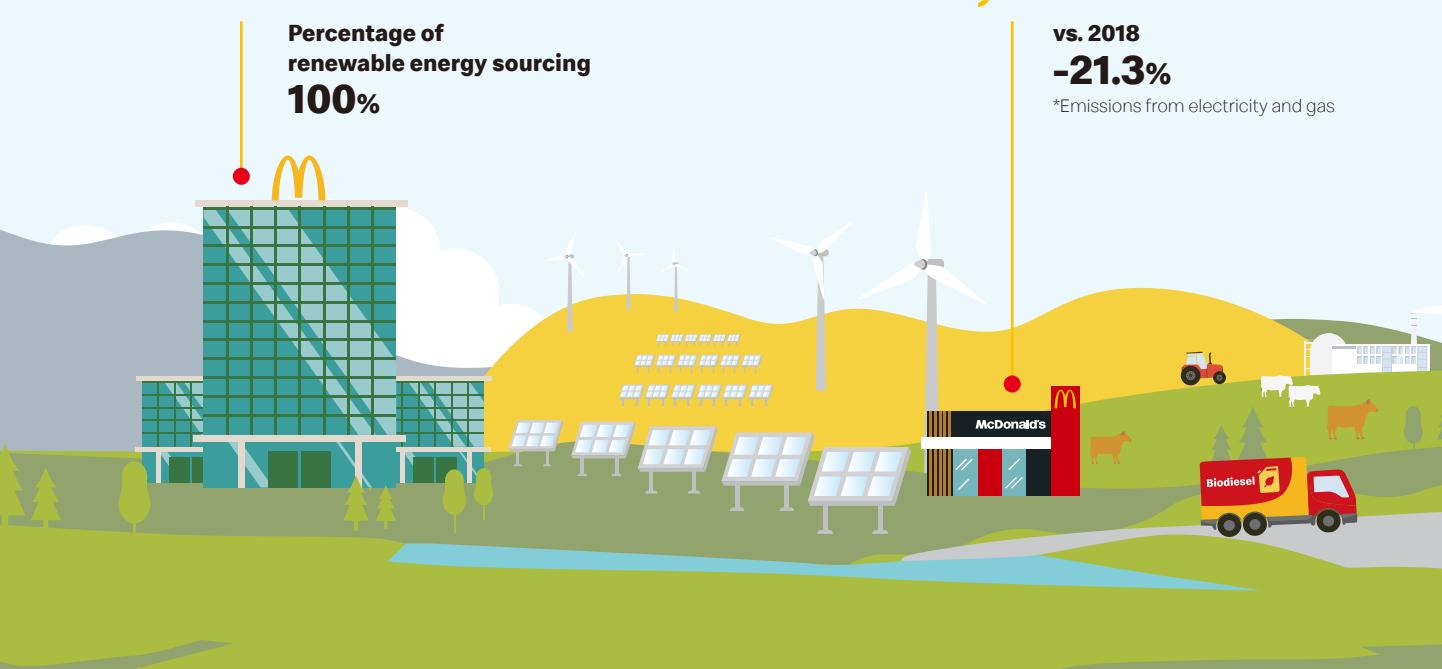
We are working on reducing greenhouse gas emissions to achieve our goal of 50.4% reduction in greenhouse gas emissions from restaurants and offices by 2030 from a 2018 base year.

Office Buildings/Sites

(excluding McDonald's General Research Facility)

2024 0 t

Percentage of renewable energy sourcing
100%



Company-operated and franchised restaurants

2024 314,268 t

vs. 2018
-21.3%

*Emissions from electricity and gas

Carbon-Free Initiatives

We are making efforts to reduce our environmental impact, including energy management at our restaurants and the use of electricity generated from renewable energy sources to achieve our goal of 50.4% reduction in greenhouse gas emissions from restaurants and offices by 2030 from a 2018 base year.

Use of Renewable Energy

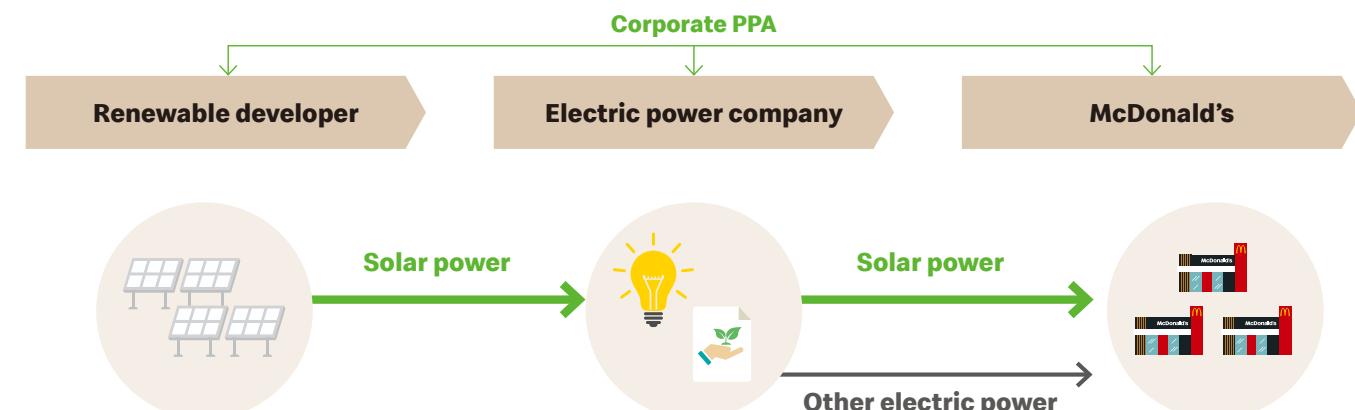
We are making progress in using electricity generated from renewable energy sources such as solar, hydroelectric, and geothermal power. 520 restaurants were using renewable energy in 2024 and we will continue to expand strategically. In addition, we reached our goal of sourcing 100% of electricity from renewable energy for our offices and achieved net-zero greenhouse emissions.



Introduction of the Corporate PPA Program

We enter into Corporate PPAs, contracts with renewable energy developers, to purchase renewable energy over a long period. 206 restaurants are under this program, including 73 restaurants in the Kanto area since December 2024 and 133 restaurants in the Kansai area since February 2025.

Infographic of Power Supply Through the Corporate PPA Program



- Develop and operate solar power generation facilities

- Adjust supply/demand & provide renewable energy
- Source and provide other electric power

- Receive renewable energy over a long-term sustainable period

More Restaurants with Solar Panels

Solar panels have been installed at select restaurants to make effective use of their rooftops. Through this, we will make further progress in energy-saving actions and use energy sources with even less environmental impact.



Carbon-Free Initiatives

Energy Conservation Initiatives

We are implementing a variety of energy conservation initiatives at our restaurants 24 hours a day, 365 days a year.

Planned Maintenance System (PMC)

Restaurant staff implement the inspection and cleaning of equipment according to a set schedule. "Planned Maintenance System," a calendar-based system that allows any of the restaurant staff to perform maintenance, contributes to the maintenance of equipment efficiency and reduction of energy waste.

Planned Replacement of Energy-Efficient Equipment

Restaurants' existing equipment, including air-conditioners, freezers, and refrigerators, are replaced systematically with models that come with higher energy consumption efficiency (energy-saving equipment).

Installation of LED Lights and Demand Monitoring Device

LED lights, which are highly effective in reducing environmental impact, are installed when restaurants are renovated, or lighting equipment is replaced. A demand monitoring device that tracks real-time electricity usage and generates an alarm when power exceeds a set limit is installed to curb wasteful power use.



Initiatives in Logistics

As initiatives to reduce energy consumption during the transportation of ingredients and materials, we are standardizing and improving the efficiency of delivery operations in the supply chain.



Use of Domestic Wood in Restaurant Buildings

In support of the purpose of the "Wood Change" initiative promoted by the Forestry Agency, we are actively using domestic wood wherever possible, such as wood frameworks instead of steel and portions of the exterior for new, remodeled, or rebuilt restaurants. As of the end of December 2024, a total of 125 restaurants have been built with wooden frameworks and 320 restaurants with wood exteriors.



Electric motorcycles for delivery service

We are switching to electric motorcycles with low CO₂ emissions to deliver ordered items.



Installation of EV quick chargers

EV quick chargers are installed at select locations. Renewable energy is used for charging, achieving net-zero CO₂ emissions. We will continue to work on our infrastructure to ensure readiness for the growth of electric cars that produce fewer CO₂ emissions.



Packaging, Happy Meal Toys & Food Waste



We are switching to sustainable materials to drive the reduction of virgin plastic and recycling.



Use of Sustainable Materials

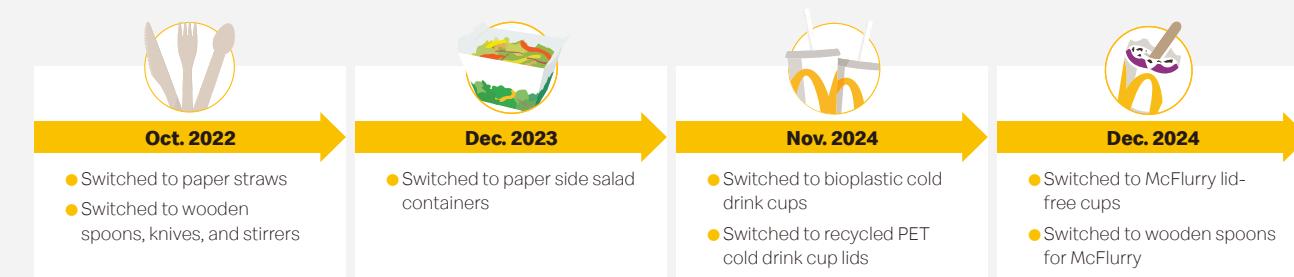
We have set two goals to reduce virgin plastic¹ used in guest packaging and Happy Meal toys. By the end of 2025, we will replace all guest packaging with renewable, recycled, or certified materials, and move toward the use of sustainable materials including renewable, recycled, or certified materials for all Happy Meal toys. With support from our customers, we are also working on simplified packaging according to the situation and needs of our customers.

¹ New, unused plastic made from raw materials derived from fossil resources

Actions for Packaging

In November 2024, plastic cups and lids for cold drinks were replaced with environmentally-friendly biomass PP² and recycled PET.³

In December 2024, we transitioned to McFlurry lid-free cups and wooden spoon.



Actions for Toys

In 2024, 60 of the 152 kinds of toys have been switched to sustainable materials.



(Left) Paper-made double-sided puzzle
(Right) Puzzle case made from environmentally-friendly plastic material
©2025 San-X Co., Ltd. All Rights Reserved.

*Mass balance method

Mass balance method: This method involves blending biomass feedstock with fossil resources during production, and then proportionally attributing the biomass characteristics to the final product

Waste Reduction and Recycling

We have been engaged in guest packaging waste reduction as well as Happy Meal toy and used paper cup recycling. We are also working on the reduction of food waste and food recycling to convert inedible food into energy, reduce food waste, and cut down greenhouse gas emissions from food waste.

Toy Recycling

Since 2018, McDonald's Japan has been implementing an initiative for collecting and recycling Happy Meal toys from nationwide restaurants. Participation in recycling and seeing the green color trays used in our restaurants from a young age provides an opportunity to think about the environment.



**Number of toys collected:
Total of approximately
22.8 million units**

https://www.mcdonalds.co.jp/sustainability/environment/toy_recycling/

Used Paper Cups Recycling

From 2024, we have been collecting used paper cups, which are usually discarded after meals, and recycling them into paper towels for use in our restaurants.



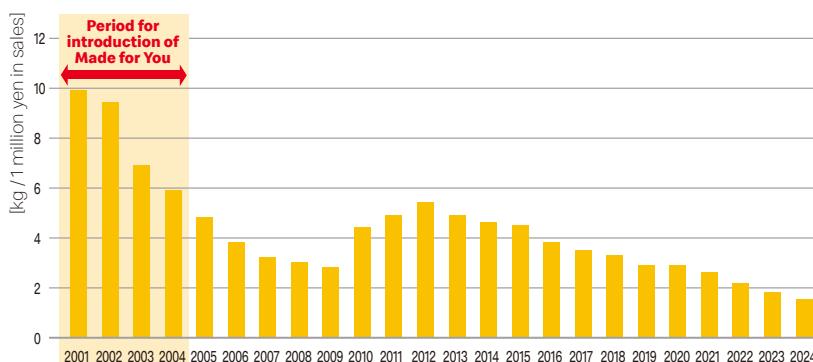
Food Waste

Food Waste Reduction

"Made for You (MFY)" System

The "Made for You" system, where products are made to order, was introduced in 2001. The system enables restaurants to serve freshly made products quickly and also greatly reduces the amount of finished product waste compared to the time when products were prepared in advance.

Product Waste per 1-million-yen sales



Initiatives to Reduce Leftover Food

We are working with our customers to reduce food waste due to leftovers. For example, McDonald's offers a variety of menu items and sizes, allowing customers to choose the amount they can eat. Also, sugar, milk, and other condiments for drinks are served after asking customers the amount they need.

Food waste rate

2.3%

*Discarded edible food (kg) ÷ food purchases (kg)

Food Recycling

We are taking active steps to avoid wasting resources. Food waste from our restaurants are collected and converted to feed, fertilizer, and biomass fuel according to the priority order stipulated in the Food Recycling Law.

Food recycling rate

70.1%

*Includes outbreak control based on a periodic report for food recycling

Recycling rate of used cooking oil

Almost 100%

*Excludes a single restaurant in a commercial facility

Used cooking oil

Almost all restaurants are recycling used cooking oil, which is converted mainly into feed, industrial oil, and biomass fuel.

Kitchen waste

• Kitchen waste from some restaurants in Tokyo is converted to feed (32), fertilizer (48), and biomass fuel (16).

• Kitchen waste from 6 restaurants in Fukuoka City is converted to biomass fuel.

French-fry scraps

French-fry scraps from some restaurants in Osaka Prefecture (47 restaurants) and Kyoto City (13 restaurants) are converted into animal feed.

Coffee grounds

Coffee grounds from 7 restaurants in Himeji City, Hyogo Prefecture are converted into compost and donated to elementary and junior high schools that have requested it for school activities.



- Animal feed
- Fertilizer
- Biomass fuel

Recycling



Food Quality & Sourcing

 <https://www.mcdonalds.co.jp/sustainability/food/>



McDonald's prioritizes food safety above everything else and to ensure this, we work tirelessly to achieve the world's best food management system in terms of safety, quality, and hygiene.

We work together with our suppliers to ensure a stable supply, address environmental and social issues, and offer nutritional balanced menu items. In addition, we work on animal health and welfare responsibly.

Food Quality & Sourcing

- 20** Food Safety
- 23** Our Responsibility Towards Children's Health and Nutrition

- 24** Responsible Sourcing
- 25** Animal Health & Welfare

Food Safety



We are continuing our efforts to achieve the best food management system in the world.



Food Safety Strategy

From farm to customer, we work with suppliers and experts to serve products that meet a variety of standards.



Food Safety Risk Management

The Supplier Quality Management System (SQMS) and our Distributors Quality Management Program (DQMP) are embedded from farm to customer to meet rigorous protocols and reduce a variety of food safety risks.



SQMS*

Percentage of suppliers that meet SQMS requirements

100%

*A more robust food safety management system that consists of McDonald's expectations, based on GFSI benchmarks



DQMP

Number and percentage of distribution centers that have been audited by a third party and met our standards

15 locations 100%



Food Safety Visit to Restaurants

Number and percentage of restaurants that met audit requirements conducted by external inspection companies

Approximately 3,000
100%

Quality Assurance System - From Farm to Customer

The products we serve to customers are managed by our own quality and food safety management system based on international standards, such as the GFSI benchmarks, which are embedded from farm to processing plants, logistics, and food preparation at our restaurants. PACE, HACCP, and other sanitation management methods are adopted by our restaurants to manage product safety.

Fundamental Principles for Suppliers

We require our suppliers to comply with the Supplier Code of Conduct. This code of conduct contains fundamental principles for partnering with McDonald's and stipulates relevant laws and regulations, human rights, work environment, environmental conservation, and business integrity. Details regarding the code of conduct are specified in the "Supply Chain Human Rights Program (SCHR),"* and suppliers are expected to implement and maintain this program.

*Changed from the previous program to SCHR in January 2025. SCHR includes 4 audit scheme items.

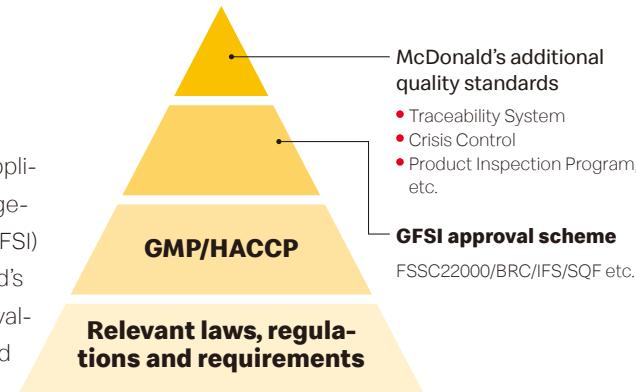
Supplier Summit

We hold a Supplier Summit every year to share our business and future growth plans with our suppliers within and outside of Japan. Food safety and quality, sustainability, and other goals are shared, reviewed and implemented together to strengthen our partnership.



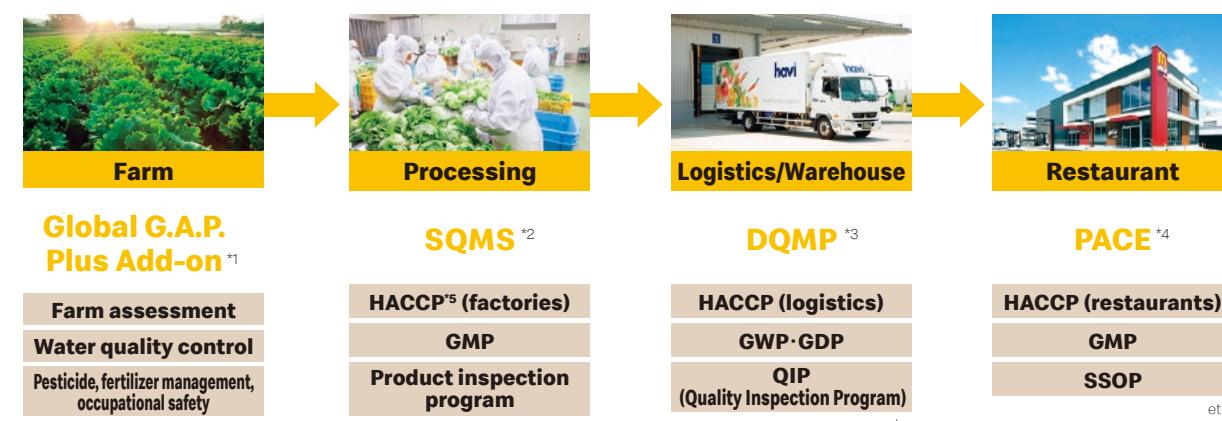
Food Manufacturing Process Management

The food production process is managed by McDonald's Supplier Quality Management System (SQMS), a food safety management system in line with the Global Food Safety Initiatives (GFSI) founded by relevant laws and regulations including McDonald's additional quality standards. We conduct various tests and evaluations including sensory evaluation, and microbiological and physiochemical test analysis to ensure quality assurance.



Traceability

We have a traceability system with the ability to trace back the production history from finished goods to raw materials. This will enable us to quickly identify root causes as well as implement countermeasures in case of an incident.



Confirm the effectiveness of the system through an audit program

*1 Global G.A.P. Plus Add-on: Good Agriculture Practice *2 SQMS: Supplier Quality Management System *3 DQMP: Distributer Quality Management Program *4 PACE: Performance And Customer Excellence to improve operations and provide consulting platform *5 HACCP: Hazard Analysis and Critical Control Point

Health and Safety in Our Restaurants

McDonald's takes hygiene management seriously in all areas of our restaurants to ensure that our customers can visit McDonald's with peace of mind.

Actions that Support Safety and Security

We take seriously the responsibility to ensure health and safety in our restaurants from management to preparation and selling of food. In addition to temperature control of food materials and cooked foods, we complete a variety of daily safety tasks from monitoring the temperature of food materials as well as cooked foods to water quality checks and the degradation of frying oil. We also provide learning opportunities through various manuals and e-learning programs to ensure that our staff understand and practice food safety correctly. In addition, audits are conducted periodically by a third-party professional institution to ensure that health and safety management is properly implemented at our restaurants.

👉 <https://www.mcdonalds.co.jp/sustainability/food/sanitation/>



Hand Washing

Our crew members implement thorough hand washing every hour at least, from fingertips to elbows.

Cleaning and Disinfection of Cooking Utensils

Cooking utensils are cleaned and sanitized regularly to ensure that they are always clean before use.

Full Use of Alcohol Disinfectants

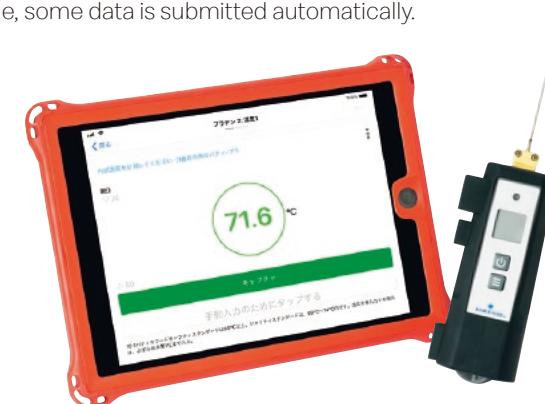
Alcohol disinfectants are used in all frequently used areas such as doorknobs and seating areas.



Use of Digital Tools for Centralized Management and Data Storage

Our restaurants use tablet devices to manage hygiene control, equipment maintenance, and cleaning.

This has improved operability and accuracy compared to conventional paper-based management. For example, some data is submitted automatically.



● Digital Food Safety System

As part of our focused approach to food safety and security, each of our nationwide restaurants is equipped with a tablet installed with the "Digital Food Safety System" to conduct food safety checks daily. More than 30 items are checked efficiently and accurately through the use of the tablet device and Bluetooth-ready thermometers. This includes food temperature measurement, health and safety management, maintenance of a clean kitchen environment, cooking procedures, and verification of staff performance. An alert message appears if there is a problem, prompts staff to pursue the cause, and suggests remeasurement or other solutions on the spot to ensure quick action.



● Digital PMC

Our Planned Maintenance Calendar (PMC) has been converted from paper to digital. This makes entering data easier and enables restaurant managers to make thorough checks and quickly review manuals and work progress. The PMC assists users to not miss items to check and is equipped with an alert function and other tools to enable faster and more accurate task completion.



Our Responsibility Toward Children's Health and Nutrition

To support the healthy growth of children, we offer an extensive lineup of menu items to choose from.



Serving an Even Safer and More Secure Happy Meal Set

We serve around 100 million Happy Meal sets a year. This comes with responsibility, and we are working to serve an even safer and more secure Happy Meal set.

Consideration for Nutritional Balance

In addition to McFry®, the Happy Meal set side menu also includes a choice of Edamame Corn or a side salad. Nutritionally balanced choices are available according to child's growth and dietary needs.

Disclosing Nutritional Information

Allergy, nutrition and country of origin information for all products including Happy Meal sets are available on our official website and official app. In addition, we offer Nutritional Balance Check, Allergen Search, and other contents to assist in enjoying safe, secure, and healthy meals.



https://www.mcdonalds.co.jp/sustainability/food/allergy_Nutrition/



Removal of Artificial Flavors and Added Colors

Happy Meal sets do not contain artificial flavors or colors. We are also working on reducing artificial preservatives.

Nutritional Balance Check

You can find information on McDonald's menu items and can calculate (in percentages) your recommended daily nutrition intake. The information includes helpful advice by age and nutrients from managerial dieticians to support your healthy lifestyle.

Responsible Sourcing

We are considering the global environment, biodiversity, and the people who work in our supply chain. Together with our suppliers and producers, we conduct responsible sourcing.



Sustainable Sourcing of Food and Materials

We are advancing sustainable sourcing of food materials in consideration of forests, water resources, and ecosystems.

FSC® Certified (Forest Conservation)

All paper containers, packaging, tray liners, and wooden cutlery provided to customers at our restaurants are made from FSC-certified paper and wood.

For more information, please visit the [FSC Japan website](#).



Rainforest Alliance Certified (Sustainable Agriculture)

The coffee we serve to our customers is 100% grown by farms that have obtained Rainforest Alliance Certification to conserve forests and ecosystems and provide workers with appropriate working conditions.

For more information, please visit the [Rainforest Alliance website](#).



Beef

We are aiming toward the goal of sourcing beef from deforestation-free supply chains. Globally, McDonald's has achieved 98.8%* of this goal.

*2023 figure



MSC Certified (Fishery Resource Conservation)

Whitefish used in our Filet-O-Fish is MSC certified and comes from sustainable, environmentally friendly fisheries for natural Alaskan pollock.

For more information, please visit the [MSC Japan website](#).



RSPO Certified (Sustainable Palm Oil Procurement)

We use palm oil certified as sustainable by the Roundtable on Sustainable Palm Oil (RSPO) for fry oil. The production of palm oil without taking into consideration the environment and local communities can lead to a large-scale loss of tropical rainforests and a variety of species.

*Mass Balance Certification



Soy

With regard to soy, a standard ingredient in chicken feed, we purchase credits from the Roundtable on Responsible Soy (RTRS) certification.



Animal Health & Welfare



We are committed to sourcing with more focus on animal health and welfare across the globe.



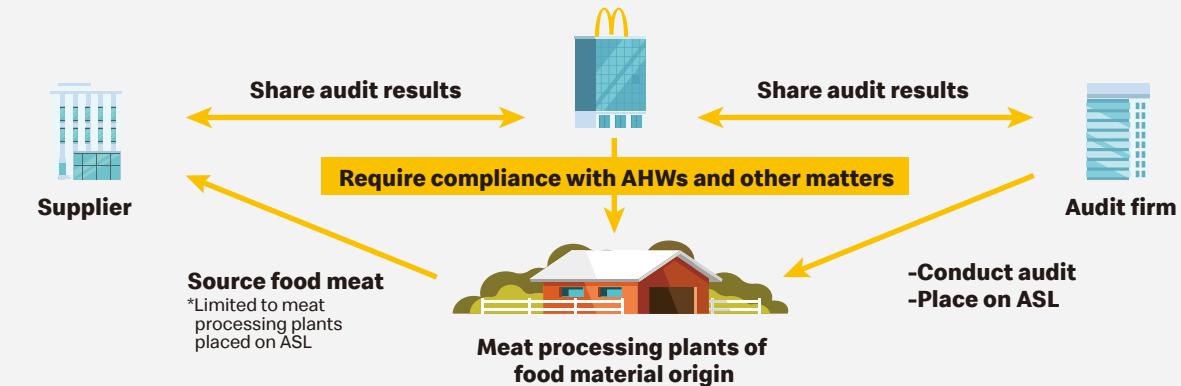
Click here to learn more about Global McDonald's Animal Health & Welfare initiatives.

Compliance with Requirements on Farms and in Meat Processing Facilities

McDonald's requires its meat processing plants of food material origin to comply with Animal Health & Welfare (AHW). AHW audits ensure that cattle/chickens/pigs are slaughtered (meat processing) in a humane manner according to their nature and slaughter process.

McDonald's suppliers can only source meat from meat processing plants that meet the criteria of these audits and are placed on the Approved Supplier List (ASL) as approved suppliers.

The beef, chicken, and pork used by McDonald's Japan are sourced from a supply chain that meets McDonald's sourcing standards.



Beef

From cattle raising to meat processing, we make the health and welfare of animals a priority. We follow policies regarding the use of antibiotics for products for McDonald's Japan.



Chicken

We are committed to sourcing chicken raised in a better environment. We follow policies regarding the use of antibiotics for products for McDonald's Japan.



Pork

We are committed to sourcing pigs raised in a better environment. We only source pork from meat processing plants that take steps to minimize stress on the pigs.



Jobs, Inclusion & Empowerment

<https://www.mcdonalds.co.jp/sustainability/people/>

**We believe that People are the key to a sustainable future.
We are giving full focus on a safe and inclusive workplace where everyone can grow and play an active role.**

Jobs, Inclusion & Empowerment

27 People Vision

28 Diversity, Equity & Inclusion (DE&I)

31 Talent Development & Career

33 Fostering Safe, Respectful, and Inclusive Workplaces

People Vision



We stand behind the words of Ray A. Kroc, founder of McDonald's, who said, "We are not a hamburger business serving people, but we are a people business serving hamburgers."



McDonald's Approach Toward People

We want to spread smiles, not only on the faces of customers but our people as well. Being an employer of choice is a serious responsibility for McDonald's.

We provide growth opportunities and continue to promote a work style in which anyone can play an active role and develop a workplace that makes these possible.

People Vision

This corporate global vision is applied to all people working for McDonald's.

To realize People Vision, McDonald's has made a commitment to all staff and employees—the People Promise. We respect all people who work at McDonald's by providing opportunities to grow, develop skills, develop leaders, and reward their achievements.



People Vision

Striving to become the employer of choice in every town around the world

People Promise

We value you, your growth, and your contributions

Diversity, Equity & Inclusion (DE&I)



We provide a wide range of employment opportunities regardless of gender, age, or nationality, while striving to further enhance individual engagement and create a rewarding workplace.



Advancing DE&I

A diverse workforce has different work styles and support is needed for them to work and grow. At McDonald's, we listen to our staff, organize and review the system, and strive to make the system more staff friendly. Seminars and in-house workshops are held to facilitate the understanding of staff who use the system, their colleagues, and supervisors. Through these efforts, we provide an opportunity for all staff to think about "what I can do to build an inclusive workplace."



Open Door! Team to drive Diversity, Equity & Inclusion

The Open Door! Team supports the development of an open organization that respects individuality, shuns isolation, and provides two-way support. Sponsored by top leaders, this team, which is made up of volunteers from different departments at McDonald's, offers sug-

gestions on systems and mechanisms to develop an active and diverse workforce. The team also partners with universities, other businesses, and relevant organizations to hold awareness-raising seminars and workshops, advancing DE&I within and outside of the company.



Diverse Teams

Diverse crews of different genders, ages, and nationalities work in our restaurants nationwide.

We promote a friendly workplace where everyone feels rewarded and provide work opportunities to many people.

>Youth

We are proactively providing work and growth opportunities to youth. Of the approximately 210,000 crew members, more than 60% are under the age of 24. Work experience with people from diverse backgrounds presents a highly valuable experience and allows them to gain portable skills. A total of approximately 3 million former part-timers at McDonald's are now playing active roles in society. In addition, we partner with NPOs, boards of education, and other organizations to hold an internship program to drive youth employment.

Number of crew member aged 24 or under

Approximately 140,000



Total number of crew members

Approximately 210,000

* Figures include company-operated and franchised restaurants

Homemakers (male & female)

At McDonald's, 1 out of every 5 crew members is a homemaker. We provide a friendly workplace for them. For example, they can work as little as 2 hours a week, and shifts are adjusted on a weekly basis, allowing them the flexibility to work long-term according to their family's needs.

Seniors

People over 60 years old who have gained a variety of knowledge and skills in society are playing an active role at McDonald's. Regardless of age, each crew member works in their own way and style.

Senior Crew (60+)

Approximately 13,000



Foreign Nationals

Crew members from more than 100 countries are working at McDonald's restaurants and we are developing a workplace where they can put their strengths to work by including support items such as multi-language tablets.

Number of non-Japanese crew

Approximately 21,000



Hire Crew with Disabilities

People with disabilities are also working as crew members. We are developing a friendly workplace for everyone by adopting a universal design for orientations and people development kits.

Employees with disabilities

2.5%

*Full-time employees and crew members of McDonald's Japan

Free to Choose Hair Color

In March 2024, our crew appearance policy was revised to relax hair color rules.

We want our crew to work in their own way and express themselves, for example through hair color, so that they can engage in work in a more positive way. We also want to operate restaurants where our customers enjoy their meals in comfortable settings while the values of each individual are being respected. These are the thoughts behind the decision to remove hair color restrictions.

Appearance Policy (excerpt)

- Clean and do not cause discomfort to customers
- Does not affect food safety
- Values diversity



Diverse Teams

Promoting Women

The Open Door! Team takes the lead in promoting women to play an active role through activities such as career support, networking, and leadership development for female employees.

OPEN DOOR/ Women's Café

We provide an opportunity to hold free and open communication for networking among female staff, address career concerns, and enhance health literacy for women.



DE&I Initiatives by Business Partners and the Overall Supply Chain

In addition to in-house initiatives, we are taking actions to increase understanding and awareness of DE&I among business partners and the overall supply chain. These include holding panel discussions at the Supplier Summit, sharing awareness activities for the approximately 100 suppliers, conducting awareness survey led by suppliers, and other ongoing actions. In addition, the Women's Owner Operator Group, which consists of female franchisees, has been established.

Percentage of female restaurant managers	Percentage of female executives	Percentage of female managers
34.2%	27.8%	25.3%

*Full-time employees of McDonald's Japan

Selected as Nadeshiko Brand for the First Time

In March 2024, McDonald's Japan was selected for the first time as Nadeshiko Brand, established by The Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange to recognize companies that actively work to improve women's employment opportunities and career advancement.



Mechanisms and Programs to Support Flexible Work Styles

We are enhancing programs that support various ways of work to realize work-life balance that suits each employee and life events, encouraging them to make use of these programs.

Work Arrangement

Flextime and telecommuting work arrangements are provided for our office staff and a variable working hour system is available for restaurant staff, enabling them to adjust working hours and holidays during busy work periods and for personal activities to maintain work-life balance. In addition, flextime work arrangement is available for Restaurant General Managers to add more flexibility to their work schedule.

Local Salaried Employee Program (company-operated restaurants)

The local salaried employee program has been introduced to promote a flexible way of working. This enables our people to advance their careers within areas that are an easy commute and according to their lifestyles.

Support RGM Program (company-operated restaurants)

When a Restaurant General Manager takes maternity leave, childcare leave, or nursing care, the support RGM assists in restaurant operations. This arrangement allows Restaurant General Managers to maintain a proper work-life balance.

Support Childbirth, Childcare, and Nursing Care

We are developing a workplace including a variety of supportive programs so that our people can make full use of their strengths and play an active role without giving up career advancement in the event of changes in life, such as childbirth, childcare, and nursing care. We also believe that males' involvement in childcare is essential. We are working on creating a workplace that promotes the use of different programs, for example, by setting up a contact point for inquiries from those eligible for childcare leave and distributing Childcare Leave Support Booklet.



Turnover rate ^{*1}	Total monthly average overtime hours among full-time employees ^{*1}	Paid leave rate ^{*1}	Return to work rate after parental leave ^{*1}	Percentage of male taking parental leave ^{*2}
7.3%	18.7 hours	60.6%	100%	61.5%

*1 Full-time employees of McDonald's Japan *2 Full-time workers of McDonald's Japan

Talent Development & Career



We strive to be a “Feel Good Place to Work,” a rewarding workplace where everyone working at McDonald’s enjoys many “Feel-Good” moments.



Talent Development at McDonald's

To realize a “Feel Good Place to Work,” we believe it is important for each individual to harness their potential, work with pride, and recognize self-growth and we implement a variety of talent development initiatives to that end.

Talent Management

To ensure continuous people development, we implement a strategic positioning of our people, job rotation, and others to develop successors.

ALL JAPAN CREW CONTEST (AJCC)

Since 1977, McDonald's has been holding AJCC every year to recognize the day-to-day contributions of our crew and with the hope of instilling pride among crew members. AJCC is truly the pinnacle for restaurants and crew members, which is held every year starting in April, followed by national competitions in December. AJCC contributes to enhanced skills and service, stronger motivation and teamwork, and spurs the growth of individual crew members.



Educational Institution (Hamburger University)

Hamburger University is a professional educational institution that provides learning for all staff to ensure the sustainable growth of McDonald's. This facility is located in only 9 countries and one of them is in Tokyo. Hamburger University in Japan was established in June 1971, one month before the opening of the 1st McDonald's restaurant in Japan at Mitsukoshi in Ginza. This indicates the company's focus on people development as a top priority. Each year, many employees and crew members take classes and utilize training tools to study leadership, team building, and relationships. These lifelong knowledge and skills are useful in a variety of positions and jobs as well as in personal life.

Number of employees and crew members taking classes at Hamburger University a year

Approximately **14,657** *As of December 2024

 https://www.mcdonalds.co.jp/sustainability/people/hamburger_university/

Career Development

"There are no limits to what you can accomplish if you set your mind to it." These words of our founder, Ray A. Kroc are ingrained in our corporate culture. It's UP TO YOU. We believe that McDonald's growth is underpinned by everyone who continues to think about their own careers and takes on challenges regardless of their own career backgrounds or age.

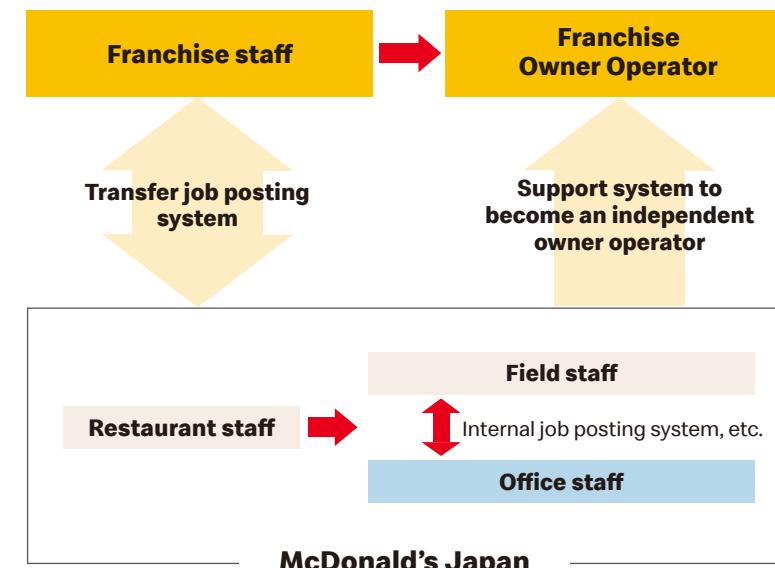
*McDonald's policy describing the diversity of career choices and growth based on individual efforts



Diverse Career Choices

McDonald's offers a wide variety of career programs so that people can build a career that suits their lifestyle. Systems and programs include an internal job posting system, a job posting system for transfer to a franchisee company, and a support system to become an independent owner operator.

Each staff receives a Career Book to provide a wider viewpoint and information on these job opportunities and the number of employees taking on new challenges is increasing every year.



Internal Job Posting System

A variety of open departments and positions are shared with the employees and suitable candidates are selected from among the applicants. Anyone who meets the eligibility and terms for the position can apply. We provide opportunities for our staff to take up the challenge of aiming for and achieving their career goals and work on supporting individuals' career advancement to ensure that we have the right people at the right place.

Career Challenge Job Posting Program

Designed as one of the initiatives to support young employees to proactively develop their own careers, the job posting program began in 2022 for company-operated restaurant employees who joined the company as new graduates within the past three years. The program enables the selected employees to broaden their career outlook and grow as they work at the restaurant support office for 2 years.

A Workplace that Enables Growth

Working in a restaurant as a crew with work colleagues offers everyone an opportunity to develop skills such as communication, cooperation, leadership, and other skills that help individuals flourish at different life stages. Also, our proprietary training program enables our staff to add knowledge to the experience they gained. Working as a crew offers a unique opportunity to

develop these skills and is a key for assisting former crew members to play an active role in a wide range of stages throughout their careers. Office staff can also enhance their abilities through work and attend Hamburger University classes or take elective training to develop portable skills that are useful throughout life.



Fostering Safe, Respectful, and Inclusive Workplaces



McDonald's has introduced Global Brand Standards to foster an inclusive culture where our staff and customers feel safe, and harassment or discrimination of any kind is not tolerated.



Global Brand Standards

Global Brand Standards focus on four key areas: “Preventing harassment, discrimination, and retaliation,” “Preventing workplace violence,” “Listening through restaurant employee feedback,” and “Protecting employee health and safety.” We are committed to providing safe, respectful, and inclusive workplaces for our staff. It is important to implement these standards anytime and anywhere by each and every staff.

Ensure Compliance with the Standards

Distribution of the Brand Standards Playbook and orientations and training to prevent harassment, discrimination, and retaliation have been implemented for our staff to enable the understanding of the four key areas and the details of our actions. The Compliance Hotline and other programs are available in the event that someone is subject to harassment or discrimination.

We want to provide a workplace that is always safe and secure. To that end, we also conduct surveys and stress checks in addition to implementing Putting People First Visit (PPFV) and other programs to identify issues and solicit staff feedback. Issues that cannot be addressed by the restaurant or department alone are shared with relevant departments. Then, the Safety and Health Committee considers and implements specific measures.

PPFV

As part of the process to ensure safety at our restaurants (workplaces), PPFV (Putting People First Visit) is conducted at least once a year to diagnose and review whether the three standards (shown on the right) are met. Failure in a critical item or a total score of below 80% will require a re-visit or additional support to ensure that improvement is made within the set limit.

PPFV check items



Critical Legal Areas

- Proper pay for hours worked
- Proper staff breaks
- Proper filing of crew employment documents
- Recruitment and employment of persons under 18 years of age in line with law and employment regulations



Global Brand Standards

- No harassment or discrimination
- No violence
- Conduct People Survey
- Conduct orientations
- Proper hiring and placement of foreign nationals



Mechanisms, Systems and Career Development

- Use of paid leave
- Pay for performance
- Flexible work schedule
- Benefits
- Use of Hamburger University curriculums and crew training



 <https://www.mcdonalds.co.jp/sustainability/local/>

Community Connection

"We have an obligation to give back to the community that has always supported us."
Everything we do originates from these words of Ray A. Kroc, founder of McDonald's.
As a member of the community, we put the happiness of children and the smiles of our customers, local communities, and society first.

Community Connection

35 Ronald McDonald House

36 Support of Youth Sports

37 Community-Linked Activities

38 Education Support

Ronald McDonald House

We are committed to fostering a charity culture and supporting the Ronald McDonald House Charities Japan (RMHC) with the aim of engaging in activities that put smiles on the faces of the children and their families who stay at the house.



Ronald McDonald House (RMH)

RMH facilities are built adjacent to hospitals to provide a "home away from home" and help families with sick or injured children stay together. There are 12 locations in Japan as of December 2024. Since the establishment of Ronald McDonald House Charities Japan, the operator of RMH, McDonald's Japan has continued to provide support to this day, including setting up donation boxes at nationwide restaurants, offering coupons with donations, and donations from our Mobile Order & Pay app when ordering to provide easy access for customers to engage in charity activities.



RMHC Support Donations from Customers (2024)

158,157,652 yen

*Front counter donation box, coupons with donations, and donations from app while ordering

All the donations made at our restaurants are donated to Ronald McDonald House Charities Japan to operate and build House facilities.



Blue Mac Day (McHappy Day)

"Blue Mac Day" was held on Sunday, October 20, 2024. Using blue drink cups and blue paper bags, restaurants were decorated differently with a blue theme, and we asked for RMHC support. Many people responded and the event raised the largest charitable donation to date. McDonald's Japan donates 50 yen to the Ronald McDonald House Charities Japan for every Happy Meal that is sold during the period.

Donations from Blue Mac Day (McHappy Day)

105,009,725 yen

*Donations based on the number of Happy Meal sets sold during October 1-31, front counter donation box, coupons with donations, and donations from app while ordering

RMHC Support Through the Marathons

Approximately 1,000 "Team RMHC" runners participated in the Tokyo Marathon 2024 in March 2024 to benefit RMHC. The runners were supported by a cheering group of 400 McDonald's staff and business partners.

RMHC support through marathons is spreading in other parts of Japan, and Team RMHC runners also participated in marathons held in Osaka, Kobe, and Fukuoka.



TOKYO MARATHON FOUNDATION



RMHC is a donor recipient organization for the Tokyo Marathon 2024 Charity.

Smile Socks Donation

In honor of children of the same age who are fighting serious illnesses, youth baseball players, youth football players, their parents, and team supporters show their support by wearing red and white striped "Smile Socks" at the national tournament. "Smile Socks Donation" are also held at prefectural youth baseball tournaments and events throughout Japan.



Professional Baseball RMHC Cheering Game

Two professional baseball "RMHC Support Games" were arranged in 2024 for RMHC fundraising. We worked with the baseball teams located near the House for the first-pitch ceremony and fundraising at the ballpark.



One Million Classical Live

Music can move hearts, and to share this with people of all ages from babies to the elderly, we arranged a series of concerts called "One Million Classical Live" and conducted RMHC fundraising at about 30 AEON malls across Japan.



Support of Youth Sports

We focus on promoting the healthy growth of children's minds and bodies through our support of youths enjoying sports.

We also organize Experience Sessions and events for children to enjoy sports, regardless of experience.



Basketball

McDonald's National Mini Basketball Tournament

Mini-basketball is familiar to elementary school children of both genders. The McDonald's National Mini Basketball Tournament for elementary students was held in 2023, the year when we became a sponsor. We set up an experience attraction at the national tournament site to encourage more children to enjoy basketball, and people of all ages, from young children to adults, enjoyed this experience.

55th McDonald's National Mini Basketball Tournament

Around
8,340 teams nationwide



Baseball

Takamadonomiya Cup

All-Japan Rubber Baseball McDonald's Tournament

Known as the elementary school equivalent of "Koshien," McDonald's Japan has been supporting this tournament since 1986. The 2024 national tournament was held in the Meiji Jingu Baseball Stadium, with all teams marching in. In 2024, we continued our support, including the distribution of the Baseball Player Book 2024 booklet to 390,000 registered team players. In addition, after the opening ceremony of the national tournament, we held a "Let's Play Baseball" session in the Meiji Jingu Baseball Stadium, where many children experienced the fun of baseball through hit, throw, and running.

Takamadonomiya Cup All-Japan Rubber Baseball McDonald's Tournament

Around
10,000 teams nationwide



Approximately
390,000 children supported
*FY2024



Youth Football

JFA All Japan U-12 Football Championship

Since 2011, McDonald's has been supporting one of the largest youth football tournaments in Japan where players aged 12 or younger from around the country compete and many J-League and Japan National Team players have been produced. In 2024 we continued our support, including the distribution of the Football Player Book 2024 booklet to 360,000 registered team players. In addition, we set up a child-friendly ball kicking attraction at the national tournament site, where many children, including players, enjoyed the experience of kicking a ball, a basic skill in football.

JFA All Japan U-12 Football Championship

Around
8,200 teams nationwide

Approximately
360,000 children supported

McDonald's Friendly Cup

Starting in 2019, this event has been held in hopes of creating opportunities for more players to forge deeper ties with more friends. The JFA (Japan Football Association) has given special permission for the players to wear Smile Socks in the Friendly Cup as a sign of support for sick children.

Community-Linked Activities

Community involvement means supporting and engaging in local community programs and creating safe and secure neighborhoods.



Safety and Security Initiatives

We partner with local police departments and implement a variety of activities to protect our children in local communities. McDonald's restaurants are registered as "#110 House for Children," where children can freely run into for safety in case of danger or trouble. During the National Traffic Safety Campaign period and other times, we collaborate with local police headquarters to hold crime prevention classes and traffic safety classes in addition to producing videos about community safety and security and calling out to the community through digital signage in our restaurants. Also, safety whistles have been distributed to first-year elementary school students through local education boards and police headquarters.



Number of restaurants participating in "#110 House for Children"
2,420 restaurants

*As of December 2024



Number of Distributed Safety Whistles (2024)
775,700

*Distribution of safety whistles was discontinued in 2024

Childcare

McDonald's supports the Childcare Support Passport Program, promoted by both the Japanese government and local municipalities. Our Cheeseburger Happy Meal set is offered at a special price whenever the Childcare Support Passport, issued by individual prefectures, is presented upon ordering.



Number of Happy Meal set sold under the Childcare Support Passport Program (2024)

359,161 sets

Children's Canteen

As a member of the community, in certain areas, we provide Children's Canteen support upon request and offer other assistance in collaboration with support groups.

Disaster Relief Donation

In the event of a major disaster, we provide relief and support to those affected by the disaster through fundraising at our restaurants and contributions. In January 2024, we conducted a nationwide fundraising campaign at our restaurants to raise donations for the Noto Peninsula earthquake disaster. In July, all McDonald's restaurants in Ishikawa Prefecture raised reconstruction support funds under the slogan "Ganbarou Ishikawa," and 100% of the raised amount (approximately 2.8 million yen) was donated to Ishikawa Prefecture.



2024 Noto Peninsula Earthquake Donation

Donation from McDonald's Japan

2,000,000 yen

Donation from customers

18,078,335 yen

*January 4-31 at restaurants nationwide

*Dates vary among restaurants

Education Support

We offer a wide range of learning opportunities to bring bigger smiles on the faces of children.



Visitation Classes on SDGs

We want children to have an opportunity to think “What can I do?” for the planet and society, and with that in mind, we set up visitation classes on the SDGs in selected locations for upper elementary school students. To date, approximately 1,300 children have taken the class. Our staff working at nearby restaurants introduce McDonald's initiatives in environmental conservation, followed by a class presentation by students on “What we can do for the planet.”

*As of December 2024



McDonald's Radio University®

“McDonald's Radio University,” in which immigrants and refugees are invited to speak as “professors,” was organized and played “on air” at McDonald's restaurants in Roppongi and Tottori. In 2024, this radio program was also played at 4 restaurants in Hirosaki City, Aomori Prefecture. Led by PortB and centered on director & artist Akira Takayama and in collaboration and art galleries/museums, this initiative offers learning and discovery along with meal enjoyment.

Listeners of this radio program realize that McDonald's is open to everyone, offers an opportunity to learn about the existence, thoughts, backgrounds, and identities of diverse individuals, and is a place that accepts people from all walks of life, including adults, children, foreigners, and Japanese.



Food Education

We want children to enjoy eating, obtain proper knowledge, and develop good eating habits. Since 2005, McDonald's has been providing support to elementary schools' food education classes with the use of a digital teaching tool called “Shokuiku no Jikan” developed by McDonald's.

“Shokuiku no Jikan + (Plus)” teaching tool contains seven basics about foods such as correct hand washing, hygiene control, and food waste including information about the SDGs (Sustainable Development Goals), which are also available on our official website and utilized at elementary schools throughout Japan. Furthermore, to provide an opportunity for families to learn about food, a special website is set up during the summer vacation period to offer a template for a summer research project and a lifestyle picture diary.



Hello Ronald!

We offer programs at nursery schools and elementary schools to teach children about rules and manners necessary for daily life. The three programs of traffic safety, crime prevention, and SDGs can be enjoyed in person or online together with Ronald McDonald in a fun and easy way.



2024 DATA

Our Planet

Environmental Data Trends

Energy Consumption & CO₂ Emissions

Nationwide energy usage per type

Electricity	Gas (city gas equivalent)	Water
65,057 million kWh/year	30.26 m ³ /year	5.066 million tons/year
+0.6% YoY	+3.4% YoY	+4.5% YoY

Overall energy usage and CO₂ emissions

Percentage of renewable energy	Crude oil equivalent	Basic unit crude oil equivalent
15.5%	203,622 kl/year	0.2274 kl/1,000 cash register count
		-2.7% YoY

*Unit denominator: thousand cash register count

CO₂ emissions

314,268 t-CO ₂ /year	101.8 t-CO ₂ /restaurant
-5.2% YoY	-6.3% YoY

Energy usage per 1,000 customers per type

Electricity	Gas (city gas equivalent)	Water
427.4 kWh per 1,000 customers	19.9 m ³ per 1,000 customers	3.3 t per 1,000 customers
-3.1% YoY	-0.3% YoY	-0.2% YoY

Waste Trends

Company-wide food and packages waste amount

Company-wide	164.6 thousand tons/year	+2.8% YoY
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Food	50.8 thousand tons/year	+1.8% YoY	Percentage of food waste	30.9%
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Food recycle rate*	70.1%	+1.5% YoY
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*Includes outbreak control based on a periodic report for food recycling

Paper	43.0 thousand tons/year	+3.9% YoY
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Plastic	5.8 thousand tons/year	-3.3% YoY
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Wrapping and others	64.9 thousand tons/year	+3.3% YoY
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Food and Packing waste amount per 1 million yen in sales

Company-wide	203.0 kg/million yen	-3.3% YoY
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Food	62.7 kg/million yen	-4.1% YoY
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Target for fast food restaurants to contain food waste based on the Food Recycling Law = Below 83.3kg per 1 million yen in sales

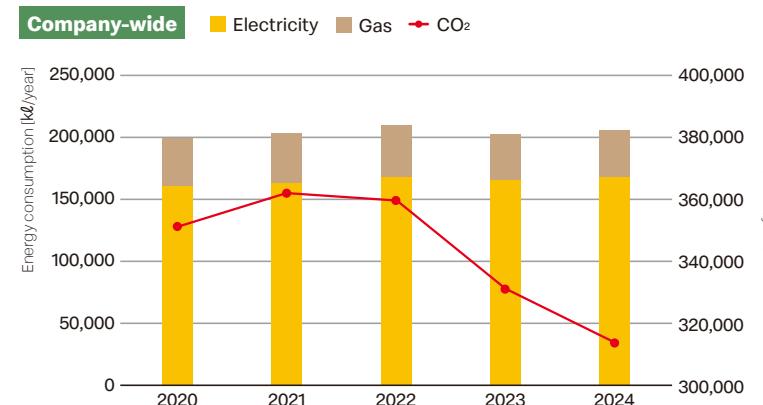
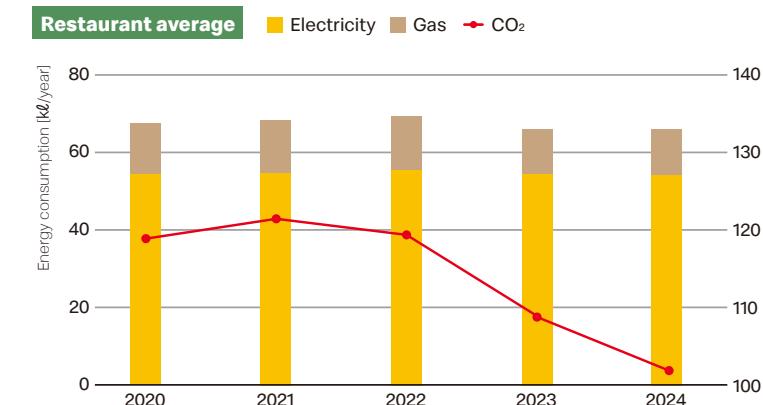
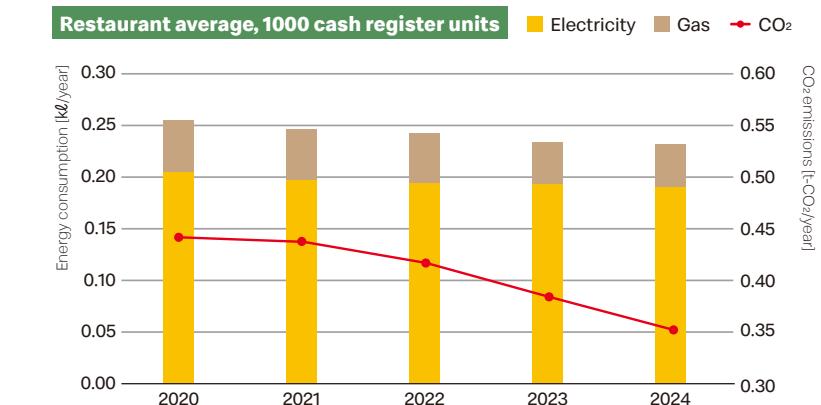
Paper	53.0 kg/million yen	-2.6% YoY
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Plastic	7.2 kg/million yen	-7.7% YoY
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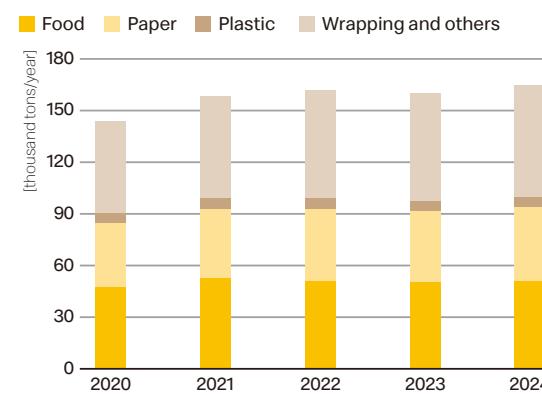
Wrapping and others	80.0 kg/million yen	-2.9% YoY
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Our Planet

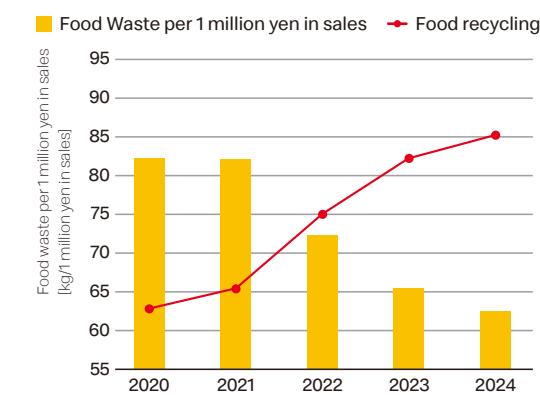
Environmental Data Trends

Energy Consumption & CO₂ EmissionsEnergy Consumption & CO₂ EmissionsEnergy Consumption & CO₂ Emissions

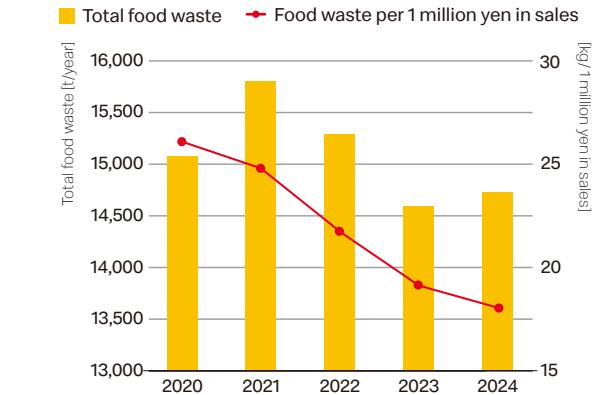
Trends in Waste (all restaurants)



Food Waste per 1 million yen in sales & food recycling rate

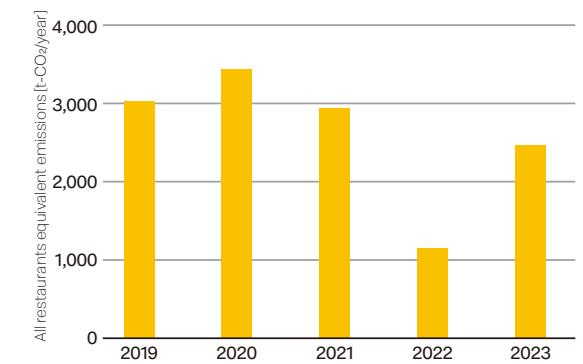


Total Food Waste & Food Waste per 1 million yen in sales



CFC Emissions (all restaurants)

*Calculated from April to March of the following year



Food Quality & Sourcing

Food Safety


SQMS

(Supplier Quality Management System)
Percentage of suppliers who met a more robust food safety management system that consists of McDonald's expectations, based on GFSI benchmarks

100%

DQMP

(Distributors Quality Management Program)
Number and percentage of distribution centers audited by a third party and met our standards

15 locations 100%


Number of food poisoning outbreaks
0 cases



Food Safety Visit to Restaurants
Number and percentage of restaurants that met audit requirements conducted by external inspection companies

Approximately 3,000 100%


Serious food safety violations
Number/percentage of restaurants that received serious violations from food safety audit institutions

0 restaurants 0%

Responsible Sourcing


FSC® Certified (Forest Conservation)

Percentage of FSC-certified paper containers and packaging for customers, tray liners and wooden cutlery

100%

MSC Certified (Fishery Resource Conservation)

Percentage of caught whitefish for Filet-O-Fish from MSC-certified fisheries

100%

Beef

Percentage of sourcing from deforestation-free supply chains

98.8%

*Figures from McDonald's Global (2023)


Rainforest Alliance Certification (Sustainable Agriculture)

Percentage of coffee beans certified by Rainforest Alliance

100%

RSPO Certified (Sustainable Palm Oil Procurement)

Percentage of RSPO-certified fry oil

100%

*Mass Balance Certification


Soy

Percentage of purchased credits for RTRS* certification for soy in chicken feed

100%

*Roundtable on Responsible Soy

Jobs, Inclusion & Empowerment

Number of company-operated restaurants
787

Total number of employees (full-time employees)
2,693

Employees with disabilities
2.5%

Employee engagement³
90.1%

Calculated from staff survey items related to engagement

Number of staff that took maternity, childcare, and nursing care leave¹
129

Paid leave acquisition rate¹
60.6%

*1 Full-time employees of McDonald's Japan

*2 Full-time employees and crew members of McDonald's Japan

*3 Full-time employees of McDonald's Japan and restaurant staff of company-operated and franchised restaurants

*4 Full-time workers of McDonald's Japan

Average hourly wage by region

The minimum wage is set by each prefecture. In 2024, the national average was 1,055 yen. We guarantee a 100% minimum wage in all regions and set competitive pay levels based on the level of roles and responsibilities under McDonald's global compensation policy.

Number of franchised restaurants
2,201

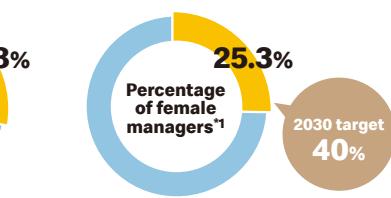
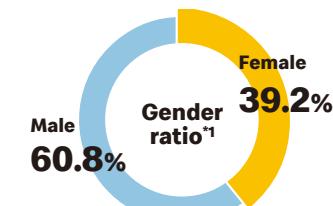
Percentage of female restaurant managers¹
34.2%

Percentage of female executives¹
27.8%

Turnover rate¹
7.3%

Return to work rate after parental leave¹
100%

Average monthly overtime hours among full-time employees¹
18.7 hours



Male childcare leave acquisition rate⁴
61.5%

Third Party Testimonial

It is of great social significance that a well-known brand like McDonald's is committed to sustainability. As indicated by its purpose of "Feed and Foster Communities," McDonald's is loved by people of all generations and deeply integrated into daily life, which is why it can leverage its strengths and scale to demonstrate a genuine commitment to sustainability.

In the area of Our Planet, the company is making progress in initiatives such as decarbonization, waste reduction, and recycling. Food waste is a growing issue in the restaurant industry. As early as 2001, McDonald's introduced the "Made for You" system and has been continuously addressing this issue and making steady progress.

Approximately 210,000 people from diverse backgrounds including age, gender, and nationality are working at McDonald's restaurants. Developing a rewarding workplace for such a diverse workforce is no easy task, but the company is taking actions such as the development of multilingual training materials for non-Japanese crew and universal design materials tailored for Challenge Crew (disabled persons). To fundamentally drive Diversity, Equity & Inclusion (DE&I), a company-wide shift in mindset is a must. The presence of the Open Door! Team, sponsored by top leaders, no doubt plays an important role in helping diverse individuals to become engaged employees. I believe these actions and initiatives offer valuable insights to other companies.

Collaboration with suppliers is essential to achieving sustainable corporate activities. In this regard, it is noteworthy to mention how

McDonald's uses sustainably certified materials and resources, for example the MSC certification for the whitefish in the Filet-O-Fish, the Rainforest Alliance certification for coffee beans, and RSPO-certified palm oil for fry oil. Companies that source large amounts of materials have a significant impact on environmental conservation and improving labor conditions, especially when they choose sustainable materials. Moving forward, I expect McDonald's to give the same due consideration to human rights and the environment when sourcing non-certified raw materials and further elevate sustainability.

Human rights are one of the items that have been newly disclosed this time. McDonald's Japan developed a human rights policy and is committed to respecting human rights. In recent years, businesses have been strongly expected to respect human rights in their operations. As such, it is essential to identify any human rights risks and actively work toward addressing them. Establishing a grievance mechanism is equally important in case any violations occur. Eyeing the future, I expect the company to conduct effective human rights due diligence and implement business activities that benefit the company as well as suppliers and local communities.

That being said, environmental and human rights issues are diverse and complex, and there are many aspects that are not easy to address. That is why it is important to view sustainability actions as a way to fundamentally enhance corporate value. As a leading company in sustainable management, I expect McDonald's Japan to take on the challenge of advancing the innovative and fundamental initiatives.



Asuna Okubo

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