FACTS & FIGURES

McDONALD'S GERMANY

CORPORATE RESPONSIBILITY REPORT 2016
AT A GLANCE

CONTENT

ABOUT THIS REPORT

REPORTING PERIOD AND PROFILE

McDonald's Germany updates and publishes its sustainability data every year. This "Facts & Figures" brochure outlines our key figures and the progress we made in 2016. It supplements McDonald's Germany Corporate Responsibility Report 2016 – At a glance, which we have printed and made available in all restaurants. We publish a full corporate responsibility report every two years. Our last full report came out in 2015.

Our Corporate Responsibility Report 2016 – At a glance publication and this accompanying "Facts & Figures" brochure were prepared in accordance with Global Reporting Initiative (GRI G4) guidelines. Key indicators were audited by KPMG AG Wirtschaftsprüfungsgesellschaft.

McDonald's Germany issued its first declaration of compliance with the German Corporate Governance Code in 2015. We will update this every two years.

All information in this document refers to the restaurants operated directly by McDonald's Germany as well as all restaurants in Germany and Luxembourg run by franchisees and the management of McDonald's Germany. Any other information is highlighted accordingly. In the interests of readability, we do not write out the full legal names of companies.

GRI indicators:
G4-28, G4-29, G4-30, G4-32, G4-33

ABOUT McDONALD'S GERMANY

MARKET POSITION

McDonald's Germany, Munich branch, manages one of the largest markets within the global McDonald's organization. In total, McDonald's Germany and its franchisees employed around 58,000 people during fiscal 2016. The company achieved net revenue for the year of EUR 3.2 billion. Ten restaurants in Luxembourg are also currently managed by McDonald Germany. Every day, around 2.3 million guests visit the 1,480 restaurants in Germany and Luxembourg. With a share of around 25 %, McDonald's Germany is the clear market leader in the foodservice sector in Germany[1]. There were no significant changes to the size, organization or ownership structure of McDonald's Germany during the reporting period.

GRI indicators:
G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-10, G4-13, G4-17, G4-23, G4-EC1

RESTAURANTS

At the close of fiscal 2016, there were 1,470 McDonald's restaurants of different sizes and in different locations throughout Germany. 1,313 of these (approximately 89 percent) were run by franchisees. In Luxembourg, there were ten restaurants run by one franchisee.

GRI indicators:
G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-13, G4-17

T1: **Development of restaurants in Germany**

	2012	2013	2014	2015	2016
Number of restaurants in Germany	1,440	1,468	1,477	1,478	1,470
Number of McCafés in Germany	817	847	862	859	852

In summer 2016, McDonald's Germany started to redesign all of its restaurants. By the close of 2019, the majority of restaurants in Germany will have been converted to the "restaurant of the future" concept. At the deadline for submissions for this brochure (May 31, 2017), there were 328 "restaurants of the future" in Germany. The concept includes a range of new features. Eating areas, for example, are given a modern, fresh design. We also put the focus firmly on families by offering children's play areas (Playlands) and digital games. Furthermore, guests can order food in a number of different ways at restaurants of the future: either at the front counter, at new, digital order terminals known as kiosks or from service employees with tablet PCs. All products are prepared exclusively to order. The restaurants also offer table service, allowing guests to have their food brought to their table.

[1] DEHOGA: "Systemgastronomie in Deutschland 2017" (The foodservice sector in Germany 2017).

CORPORATE GOVERNANCE

Holger Beeck is Managing Director and President of McDonald's Germany. Marcus Almeling is Vice President and Chief Financial Officer. Gabriele Fanta took on the role of Executive Board member responsible for HR on April 1, 2016. Willi Palm was appointed Executive Board member responsible for regions and operations on the same day. Susan Schramm became Chief Marketing Officer on November 1, 2016.

A total of 238 franchisees were in the system at December 31, 2016. 198 of these were men and 40 were women. 57 are second-generation franchisees. Every franchisee runs 5.6 restaurants on average.

Different committees are responsible for communication and strategic collaboration between the management of McDonald's Germany and franchisees in Germany. Franchisees are represented by the Franchisee Leadership Council (FLC). The Leadership Team (LST) supports the work of the Executive Board and the FLC. The LST includes the directors of all departments.

GRI indicators:
G4-34 & LA12

T2: **Composition of governance bodies** (2016)	Executive Board[2]	Franchisee Leadership Council (FLC)	Leadership Team (LST)
Men	60 %	80 %	87 %
Women	40 %	20 %	13 %
Under 30	0 %	0 %	0 %
30–50	80 %	40 %	80 %
Over 50	20 %	60 %	20 %
German national	100 %	87 %	100 %
EU national	0 %	13 %	0 %
Outside EU	0 %	0 %	0 %

ASSURED ☑

[2] These figures refer to the members of the Executive Board based at McDonald's Germany, Munich branch.

SOCIAL COMMITMENT

Ronald McDonald House Charities

The majority of funding for the Ronald McDonald House Charities stems from donations made by McDonald's Germany, its franchisees and suppliers as well as McDonald's restaurant guests. Facilities run by the Ronald McDonald House Charities include 22 Ronald McDonald houses and six Ronald McDonald family rooms across Germany. In 2016, it enabled around 14,800 families to be close to their seriously ill children while they underwent treatment in hospital.

The 2016 charity gala organized by McDonald's Germany in aid of the Ronald McDonald House Charities collected record donations in excess of EUR 1.6 million. Over a million themed plasters were sold during the Trostpflaster (feel-good plaster) campaign, which ran from September 22, 2016 to October 12, 2016 at McDonald's restaurants in Germany and Luxembourg. The entire net proceeds, corresponding to 84 cents from each sale (sale price after sales tax was deducted), goes directly to the Ronald McDonald House Charities.

GRI indicators:
G4-SO1

T3: **Donations to the Ronald McDonald House Charities** (in EUR thousand)

	2012	2013	2014	2015	2016
McDonald's Germany, franchisees and suppliers	3,405	3,449	3,241	3,201	3,296
Collection boxes in restaurants	2,825	2,810	2,996	3,041	3,214
Charity gala	1,352	921	911	923	1,604
Charity events (Helping Hands, Trostpflaster)	751	921	974	1,296	961
Total amount donated by McDonald's Germany	8,333	8,101	8,122	8,461	9,075

McDonald's Player Escort & Olympics Kids Programs

Together with other European McDonald's markets, we gave 1,122 children the opportunity to be McDonald's Player Escorts at the 51 games of the UEFA EURO 2016™ championships in France from June 10 to July 10, 2016. McDonald's Germany made a dream come true for 29 children by enabling them to accompany the players of Germany's national soccer team onto the pitch at the start of their games. Over 2,000 young soccer fans between the ages of six and ten applied online by submitting a video of themselves singing their favorite soccer anthem.

McDonald's has been an official sponsor of the Olympics since 1976. Under the motto "The Spirit of Friendship", McDonald's enabled a total of 100 children from 20 different countries to attend the opening ceremony of the world's biggest sporting event in 2016. Two children from Hamburg were chosen as the Olympics Kids for Germany and were given the chance to participate in the opening ceremony of the 2016 Olympic Games in Rio de Janeiro on August 5. In total, over 80 children from Germany aged between eight and twelve applied to the program.

OUR FOOD AND WHERE IT COMES FROM

SUPPLIERS

In 2016, we sourced a total of 827 different food and packaging products from 136 different suppliers. McDonald's fosters long-term business relationships inspired by a strong sense of partnership. 79 percent of our purchased volume comes from 30 suppliers that we have worked with for more than 20 years. This includes many well-known brand manufacturers such as Develey, Bonduelle, Lieken and Hochland.

In 2016, we launched a campaign aimed at making our strict supply chain quality standards more transparent for our guests. Under the banner of "Die McDonald's Qualitätskette" (The McDonald's Quality Chain), we are showcasing our key suppliers and the work they do for McDonald's. https://www.mcdonalds.de/qualitaet/qualitaetskette

GRI indicators:
G4-12, G4-EC9

RAW MATERIALS

We source the majority of our raw materials from Germany. This sourcing approach contributes to a steady stream of fresh ingredients and supports the German agricultural sector. It also reduces the distances goods are transported, which helps reduce our impact on the environment. We rely on established quality labels to ensure products meet key ecological and social standards. This is particularly important for raw materials sourced from outside of Europe.

In 2016, we sourced 64 percent of our raw materials from Germany. 32 percent came from the EU and four percent was sourced from other countries outside of the EU.

GRI indicators:
G4-EN1, G4-EC9, G4-FP9

T4: **Origin of raw materials used in 2016** (in percent)   ASSURED ☑

Raw materials from	Germany	EU (excl. Germany)	Rest of world
Potatoes	77 %	23 %	0 %
Beef	93 %	7 %	0 %
Wheat flour (for making products)	90 %	10 %	0 %
Milk (incl. milk for shakes and sundaes)	98 %	2 %	0 %
Tomatoes (incl. tomatoes for ketchup and sauces)	0 %	94 %	6 %
Chicken	19 %	60 %	21 %
Oil (for fryers and making products)	32 %	67 %	1 %
Lettuce	32 %	66 %	2 %
Onions	0 %	98 %	2 %
Sugar (for portioned packets and making products)	51 %	48 %	1 %
Pork	89 %	11 %	0 %
Cheese (incl. processed cheese slices)	43 %	45 %	12 %
Cucumbers	95 %	5 %	0 %
Apples	17 %	76 %	7 %
Oranges	0 %	0 %	100 %
Eggs (for breakfast products)	100 %	0 %	0 %
Coffee	0 %	0 %	100 %
Fish	0 %	39 %	61 %
Cherries	0 %	57 %	43 %
Bananas	0 %	0 %	100 %
Shrimps	0 %	0 %	100 %

T4: **Origin of raw materials used in 2016** (in percent)

ASSURED ☑

Raw materials from	Germany	EU (excl. Germany)	Rest of world
Strawberries	39 %	0 %	61 %
Bell peppers	0 %	100 %	0 %
Quinoa	0 %	0 %	100 %
Total	64 %	32 %	4 %

In winter, we usually source our lettuce from southwestern regions of Europe such as Italy and Spain. However, poor weather conditions in winter 2016/2017 resulted in crop failures, which meant that, at times, we had to buy lettuce from Tunisia and the US.

T5: **Volume of raw materials used in 2016** (in tons)

ASSURED ☑

Raw materials	Volume
Potatoes	116,964
Beef	36,673
Wheat flour (for making products)	33,175
Milk (incl. milk for shakes and sundaes)	27,182
Tomatoes (incl. tomatoes for ketchup and sauces)	22,150
Chicken	20,091
Oil (for fryers and making products)	17,071
Lettuce	10,357
Onions	10,081
Sugar (for portioned packets and making products)	9,698
Pork	6,585
Cheese (incl. processed cheese slices)	6,082
Cucumbers	4,490
Apples	3,475
Oranges	2,884
Eggs (for breakfast products)	1,644
Coffee	1,526
Fish	1,066
Cherries	768
Bananas	719
Shrimps	341
Strawberries	252
Bell peppers	149
Quinoa	64
Total	333,487

CO$_2$ FOOTPRINT OF OUR SUPPLY CHAIN

The majority of our carbon footprint (87 percent) originates from the agricultural production of our raw materials and the subsequent processing of foodstuffs. Animal products are a major contributing factor here (see page 14). We are working hard with our suppliers to reduce harmful emissions in our supply chain.

As of July 2017, we source all our fresh eggs for our breakfast menu products exclusively from hens fed on soy from certified sustainable farms in Europe. This reduces transport emissions and ensures that the soy is grown in harmony with nature. It also supports the European agricultural sector. In addition, we have been using free-range chicken eggs for our breakfast menu since 1999.

Around two thirds of our beef originated from dairy cattle in 2016. We sourced the remaining third primarily from young bulls and a small percentage from heifers. Sourcing the majority of our beef from dairy cattle has the advantage of distributing our CO$_2$ footprint across milk and meat and therefore lowering it relative to relying solely on beef cattle, which are reared exclusively for meat production and slaughtered after 18 to 24 months. Dairy cattle live for around four to five years and produce milk for around three years before they are slaughtered. In order to produce milk, a cow must give birth to a calf. Our BEST Beef program thus also contributes to longer lifespans among dairy livestock.

GRI indicators:
G4-EN17, G4-FP2

BEST PROGRAMS

Under the umbrella of our BEST program, we are working to gradually make conventional livestock breeding methods more sustainable. McDonald's Germany launched its forward-looking BEST program several years ago to promote excellence, safety and transparency in cattle breeding. On the one hand, this initiative governs the way we work with the agricultural sector in Germany today, ensuring that we can continue to source the raw materials we need for our products in sufficient quantities and at the same high quality levels for many years to come. And, on the other, it addresses ecological concerns around farming and the growing importance of animal husbandry practices that improve animal welfare and meet general consumer expectations more effectively. These goals can be achieved most effectively through collaboration with all key stakeholders along the value chain in close consultation with the scientific and research community. In future, we aim to expand our BEST program to include all raw materials of animal origin.
More at: www.best-programm.de

GRI indicators:
G4-FP5, G4-FP9, G4-EN1,
G4-24, G4-25, G4-26, G4-27

BEST Beef
We launched the BEST Beef initiative in 2010. Our program for promoting a more sustainable approach to cattle farming and supporting German agriculture comprises three modules. Farmers that meet the criteria of all modules receive a bonus of EUR 0.09 per kilogram of slaughtered meat. The bonus prices are individually listed in individual invoices, providing farmers with a transparent breakdown.

- In 2016, meat certified under the BEST Beef Program accounted for around six percent of all beef processed for McDonald's Germany. We have set ourselves the target of further increasing this share.

- At December 31, 2016, over 2,800 agricultural holdings, six farming cooperatives and seven abattoirs were involved in the program. This represents around 630 extra farmers compared with 2015.

- In 2016, we paid BEST Beef bonuses for 24,054 cows. This is more than in all previous years. We have paid bonuses for a total of 63,739 cows since the start of the program.

- McDonald's Germany sources the majority of its beef from dairy cattle. As such, our cooperation with the dairy industry is crucial for the ongoing development of BEST Beef. On July 1, 2016, the Zott dairy and McDonald's Germany launched a collaborative project within the framework of the BEST Beef initiative aimed at creating synergies in the agricultural sector. Zott has incorporated the BEST Beef modules into the audits it carries out among its dairy farmers. Farmers will then receive the slaughter price bonuses based on the BEST Beef modules they fulfil.

- In 2016, we also started to check compliance with BEST Beef modules as part of the QS audits regularly carried out at farms. Around 730 audits have been completed since then.

BEST Chicken

Our BEST Chicken program aims to improve the conditions under which chickens are reared. We have been working on this initiative with our supply chain and with scientists since 2013. We want to find ways of evolving standards in conventional livestock breeding to promote animal health and species-appropriate behaviors without challenging farmers to such an extent as to compromise progress. In 2017, we will be developing new feed compositions and an optimized energy management system for intensive barns within the framework of BEST Chicken.

In addition to this, by fall 2017, we will have equipped nine intensive farms in Germany with additional perches, roosting platforms and pecking fixtures. All of these measures are results from earlier projects that we are now implementing (BEST Chicken module 1).

QUALITY LABEL

T6: **Volume of certified raw materials used in 2016** (in tons)

GRI indicators:
G4-FP2, G4-EN1

Quality label	Raw materials	Volume	Percentage of total raw materials
	Apples	2,126	61 %
	Milk	252	1 %
	Caffeinated coffee	1,526	100 %
	Fish	1,066	100 %
	Shrimps	341	100 %

PRODUCT QUALITY AND SAFETY

At our suppliers

Food quality and safety are top priorities for us. We can trace every product and its ingredients every step of the way back to its specific origins within a few hours. When producing food for McDonald's, our direct suppliers must comply with the standards set down in the McDonald's Supplier Quality Management System (SQMS). SQMS is our own guideline outlining standards for quality assurance and food safety among direct suppliers. It builds on conventional GFSI standards[3] (IFS, BRC, FSSC 22000), complementing these with a number of requirements specific to McDonald's.

All suppliers of standard products are audited in line with SQMS. Only suppliers that successfully pass these audits can become standard suppliers for McDonald's. Promotional product suppliers have to be audited either to the International Food Standard (IFS) and/ or the British Retail Consortium (BRC) standard, or according to the ten core requirements of the SQMS. In individual cases, we also accept a supplier's own standards, provided they correspond with McDonald's own requirements. In total, 106 SQMS audits were carried out in 2016. 72 of these were full SQMS audits and 34 were audits based on the ten core requirements.

In our restaurants

In 2016, we used roughly the same checks and standards to assess quality, service, cleanliness and food safety as those used in previous years. The only exception here is the evaluation of guests' restaurant experiences. Rather than using mystery shoppers, we now give our guests the opportunity to evaluate their experiences themselves.

- From November 2016 on, each guest can rate their visit to McDonald's online. Every receipt contains an access code that can be entered at www.mcdonalds.de/ deinfeedback. Guests can then rate a range of factors such as quality, cleanliness and friendliness. They can also leave praise or suggestions for improvement.

- We carried out a total of 845 ATCQ checks[4] in 2016 to assess the quality of our core products in restaurants.

- As part of our own food safety audits, we took a total of 41,051 samples in 2016 and had these tested in a recognized, accredited laboratory. In addition to this, we carried out 274 unannounced food safety audits.

- Our own checks are flanked by regular inspections from local authorities. In 2016, the authorities made 170 visits to restaurants run directly by McDonald's Germany.

GRI indicators:
G4-PR1, G4-PR5, G4-FP5

DIALOG WITH GUESTS

McFamily Fun Days

In 2016, we organized a total of 607 McFamily Fun Days in selected restaurants. Launched in 2014, these family days provide fun and games for children and their families. The restaurants hosting these events offer a wide range of activities including bouncy castles, face painting and photo booths.

Live@McDonalds

The Live@McDonald's social media event took place on October 15, 2016. 750 restaurants in Germany held backstage tours, giving guests a chance to take a look behind the scenes at McDonald's. One restaurant in Berlin staged a 12-hour show, which was broadcast live

GRI indicators:
G4-24, G4-25, G4-26, G4-27, G4-PR5

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[3] GFSI Global Food Safety Initiative Standard.
[4] ATCQ: Across the Counter Quality.

on the McDonald's Germany social media channels and on television monitors in restaurants. The event saw McDonald's Germany offer unprecedented levels of transparency, with over six million people viewing the show online. More than 20,000 guests took a behind-the-scenes tour at our restaurants.

Ingredients checker

During the Live@McDonald's event, we also announced the launch of our new digital ingredients checker. Guests who want to find out more about our products can now scan the QR codes on product packaging to access a website with information on the product in question. Guests can also select the individual ingredients listed here to find out more about their quality and origin. The ingredients checker is another building block in our transparent information policy.

"The tasteful truth about McDonald's" campaign

At the end of January 2017, we launched our new quality campaign "The Truth about McDonald's". Since then, we've been playing with the concept of fake news and using common misconceptions to highlight the quality of our food.
You can find out more at www.mcdonalds.de/wahrheit

Change-M blog

The www.change-m.de blog was set up in September 2015. Since then, a cross-departmental team has been working together to help McDonald's Germany become more sustainable. In addition to the core bloggers, guest bloggers from inside and outside of the company make regular contributions. The blog provides an interactive platform for anyone who wants to follow our journey, reflect critically on our performance, engage in discussions or simply find out more about what McDonald's Germany is doing and what we want to change. We published a total of 63 articles in 2016 and are delighted to see visitor numbers increasing steadily.

Our food. Your questions.

We answer all questions about our food on our online dialog platform www.frag.mcdonalds.de. In 2016, we received 1,840 questions and responded to each one.
In addition to this, visitors to the site selected the "I have the same question" button for over 2,000 questions. The most important issues for our guests were:

- Product requests and questions (e.g. "Why don't you make a gluten-free burger?")

- The menu (e.g. "How does the McMenu work?")

- Preparation (e.g. "Do you prepare pork and beef separately?")

- Ingredients and exact content (e.g. "Do you use emulsifiers from plant or animal sources?")

- Origin of raw materials (e.g. "Where does your meat come from?")

- Animal welfare / breeding methods (e.g. "Do you know how the animals are bred?")

Guest service

McDonald's guest service is a central contact point for customer questions and complaints. Our team was contacted 61,947 times in 2016. Around half of these were complaints. The other half were specific queries or praise.

HAPPY MEAL

Fruit in Happy Meals

In 2016, we sold a total of 3,474 tons of fruit in our Happy Meals. As of February 2014, our Happy Meals contain a fruit product in addition to the main meal, side order and drink. In 2016, our young guests could choose between organic apple slices and Fruchtquatsch (fruit puree made of bananas, apples and cherries, without additional sugar, aromas, colorings or preservatives).

Books in Happy Meals

As of April 2016, our young guests can choose a book as an alternative to the alternating toy accompanying our Happy Meals. This is now a permanent option. McDonald's Germany donates 10 cents for every book chosen. In 2016, we distributed a total of 1.6 million books under this donation scheme). From April 2016 through February 2017, these donations went to the Rainforest Alliance. This environmental organization is committed to preserving biodiversity, protecting sensitive ecosystems and improving conditions for people who live in the tropics and subtropics.

We donated a total of EUR 187,869.50. As of February 3, 2017, we are donating the 10 cents for each book to the Ronald McDonald House Charities. In 2016, we also organized two Happy Meal book campaigns. From mid-March through mid-April and mid-September through mid-October, we distributed 6.1 million books and Ravensburger games in total with our Happy Meals.

GRI indicators:
G4-EN1

ENVIRONMENTAL MANAGEMENT IN AND AROUND OUR RESTAURANTS

CO$_2$ FOOTPRINT

Looking at the McDonald's Germany value chain as a whole, the majority of CO$_2$ emissions resulting from our business activities stems from our supply chain. Food production (i.e. agriculture and subsequent raw materials processing) accounts for 87 percent of our CO$_2$ footprint. A further five percent result from the production of packaging and toys for Happy Meals. Three percent of CO$_2$ emissions stems from the transport of goods between our suppliers and our restaurants.

The CO$_2$ emissions directly generated by McDonald's Germany and our franchisees make up five percent of our carbon footprint overall. These emissions result from the operation of restaurants and from our administration activities.

In 2016, our business activities generated a total of 1.3 million tons of CO$_2$. This corresponds to 2.7 kilograms of CO$_2$ per restaurant visit.

In 2016, we changed the way we calculate our CO$_2$ footprint. As a result, the current figures are not comparable with figures published in the past. Further details on the new calculation method are available on page 24 of the explanatory notes.

GRI indicators:
G4-EN15, G4-EN16, G4-EN17, G4-EN18

T7: **CO$_2$ footprint for McDonald's Germany** (2016)

Source of emissions	CO$_2$ e (in tons)	Share
Restaurants and administration	70,048	5 %
Agriculture and processing	1,126,206	87 %
Packaging and toys	65,813	5 %
Transport	39,452	3 %
Total CO$_2$ footprint	1,301,519	100 %
CO$_2$ emissions per restaurant visit	2,7 Kilogram / guest count	

Since 2014, we have transitioned almost all restaurants in Germany to green energy. As a result, we generate around 98 percent less CO$_2$ than we would do if our consumption was based on Germany's typical energy mix.

T8: **CO$_2$ emissions from energy consumed by restaurants according to Scope 2 of the Greenhouse Gas Protocol (GHGP) in 2016** ASSURED ☑

Calculation method	CO$_2$e (in tons)
Location-based method	260,891
Market-based method	4,569

ENERGY CONSUMPTION AT RESTAURANTS

In 2016, the 1,480 McDonald's restaurants in Germany and Luxembourg consumed a total of 536,733 megawatt hours of electricity. This corresponds to an average annual consumption of 362 megawatt hours of electricity for a comparable restaurant . The level was thus consistent with the previous year.

1,196 of our restaurants use natural gas, with 245,171 megawatt hours consumed in 2016. On average, this equates to annual natural gas consumption of 206 megawatt hours for a comparable restaurant. The 5-percent increase relative to the previous year is due in part to the comparatively warm winter of 2015, which meant less heating was required in 2015 than in 2016.

GRI indicators:
G4-EN3

T9: **Total energy consumption of restaurants** (in MWh)
ASSURED ☑

	2012	2013	2014	2015	2016
Electricity[6]	576,224	558,157	546,540	534,986	536,733
Natural gas[7]	249,240	248,252	200,673	232,167	245,171
Total	825,464	806,409	747,213	767,153	781,904

T10: **Average energy consumption of a comparable restaurant** (in MWh)
ASSURED ☑

	2012	2013	2014	2015	2016
Electricity[6]	406	386	372	362	362
Natural gas[7]	233	228	184	196	206
Total	639	614	556	558	568

Energy management

Our energy management activities are based on control systems and regular restaurant inspections.

Electricity meters are installed in almost all McDonald's restaurants in Germany. These record energy consumption values every 15 minutes, which we then evaluate and use to identify optimization potential, taking into consideration a variety of parameters such as the age of the building in question. McDonald's Germany works with energy service provider EEP Energieconsulting. The company's technology team visits restaurants to assess the actual situation on the ground and ensure that modifications and renovation work is carried out seamlessly and in good time.

We converted around 50 restaurants to LED lighting in 2016. This reduces energy consumption by over 60 percent compared with conventional lighting technology. Air conditioning systems account for around one third of energy consumption in our restaurants. We replaced 61 old systems in 2016. This can reduce total energy consumption by up to 15 percent.

In 2016, all company-owned restaurants and our administration offices were certified in line with the energy management system ISO 50001. This standard enables us to enhance our energy management system and raise awareness around energy-saving opportunities within the company. In 2017, we aim to save 160,000 kilowatt hours of electricity.

[5] A comparable restaurant refers to a restaurant open all year round during the period under review with valid consumption data available.
[6] Electricity consumption of all restaurants open in Germany and Luxembourg. Projection based on all restaurants open all year round with valid electricity consumption data available (2016: 1,431 restaurants).
[7] Natural gas consumption of all restaurants open in Germany and Luxembourg using natural gas. Projection based on all restaurants open all year round with valid natural gas consumption data available (2016: 1,024 restaurants).

Green energy

We obtain the power for nearly all of our restaurants in Germany from renewable sources and have done so since 2014. In 2016, 1,454 restaurants were powered with green energy. Only 26 restaurants are not included in this figure (around 1.8 percent of all restaurants in Germany and Luxembourg) as these are located for example in shopping malls where the power supply is organized by the respective facility manager. The green energy we sourced in 2016 came entirely from Scandinavian hydroelectric power.

Fleet

At the close of 2016, the fleet for restaurants operated directly by McDonald's Germany and our administration offices comprised 354 vehicles. In 2016, the vehicles were driven 15.5 million kilometers, consuming around 835,000 liters of diesel. Within the framework of our internal car policy, we aim to reduce the average CO_2 emissions from our fleet to below 100 grams per kilometer by 2020.

T11: **CO_2 emissions for the fleet** (company-owned restaurants and administration)

ASSURED ☑

	2012	2013	2014	2015	2016
Number of vehicles	443	467	468	400	354
Kilometers driven	13,019,533	15,158,047	16,655,036	14,839,922	15,518,583
Fuel consumption (in liters of diesel)	919,999	990,636	1,001,412	922,899	834,678
Total company fleet: Average CO_2 emissions (in grams/kilometer)	136	130	125	121	119
New vehicles purchased during period under review: Average CO_2 emissions (in grams/kilometer)	130	117	119	117	117

LOGISTICS

GRI indicators:
G4-EN4, G4-EN17, G4-EN30

T12: **HAVI Logistics energy consumption and CO_2 emissions on behalf of McDonald's Germany**

	2012	2013	2014	2015	2016
Total energy consumption (in megawatt hours)	131,477	123,011	112,637	113,119	110,880
Energy consumption per ton of goods delivered (in kilowatt hours)	260	264	254	262	254
Total CO_2 emissions (in tons)	40,380	37,273	38,012	41,270	39,452
CO_2 emissions per ton of goods (in kilograms)	80	80	86	96	90

The rise in emissions in 2015 was mainly due to increased losses of cooling agents. The values reported have been retrospectively adjusted. This was done to reflect an update to emissions factors and to ensure that figures can be compared within the given timeframe.

PACKAGING

In 2016, we used 45,889 tons of packaging in total. Paper, cardboard and carton account-
ed for 70 percent of this. 100 percent of our fresh fiber paper is sourced from FSC- or PEFC-
certified forestries.

GRI indicators:
G4-EN1, G4-FP2

T13: **Volume of packaging by material** (in tons)

ASSURED ☑

	2012	2013	2014	2015	2016
Paper, cardboard, carton	37,575	35,060	33,511	32,218	32,093
Compound material	9,129	7,950	7,553	7,670	7,170
Plastics	6,380	6,540	6,047	5,597	6,198
Foil	105	403	462	444	373
Tinplate				1	2
Aluminum	41	38	63	60	54
Total	53,230	49,991	47,636	45,990	45,890

Bring your own cup

As of November 2016, McDonald's Germany allows guests to bring their own reusable
clean cups and use them for hot drinks at all McCafés in Germany. The company gives
guests who bring their own cups a 10 cent discount on hot drinks. Guests can bring their
own reusable cups or purchase one in a McCafé.

WASTE AND RECYCLING

In 2016, the total waste generated by all of our restaurants amounted to 76,653 tons. This
corresponds to around 52 tons annually per restaurant – approximately six percent less
than in 2015. At around 42 percent, paper, cardboard and carton represented the largest
category of waste.

GRI indicators:
G4-EN23

Our employees separate all waste produced by restaurants. This is then fed back into the
materials cycle.

According to Germany's Avoidance and Recovery of Packaging Waste legislation (Ver-
packV), we are responsible for the collection and proper disposal of all the packaging we
bring into circulation. In 2016, 10,730 tons of paper, cardboard and carton (33 percent of
total) and 5,342 tons of lightweight packaging (39 percent of total) left our restaurants
with to-go products. McDonald's Germany pays license fees to a dual system for these
to-go packaging items.

T14: **Volume of waste by material category** (in tons)

ASSURED ☑

	2012	2013	2014	2015	2016
Paper, cardboard, carton incl. to-go packaging	37,575	35,060	33,511	32,218	32,093
Used oil	16,428	16,747	16,850	16,861	12,300
Organic waste	14,784	15,072	15,164	15,174	15,195
Lightweight packaging incl. to-go packaging	15,655	14,931	14,125	13,772	13,796
Other waste (waste destined for recovery and waste destined for disposal)	2,558	2,608	2,624	3,264	3,268
Total	87,000	84,418	82,274	81,289	76,652

T15: **Recycling rates by material category** (2016)

Paper, cardboard, carton	Rate of material recycling: 77%
Lightweight packaging	Rate of material recycling of plastics: 70%; composite materials: 63%; aluminum 73% and tinplate 77%
Organic waste	Largely used for electricity and heat generation in biogas plants
Used cooking oil	Largely converted to biodiesel
Waste destined for recovery	Largely used to generate energy
Waste destined for disposal	Largely used to generate heat

THE PEOPLE AT McDONALD'S

EMPLOYEES

McDonald's is the largest employer in the German restaurant business. Together with our franchisees, we employed a total of 58,247 people in Germany in 2016. 49,860 of these people worked in the 1,313 restaurants run by our franchisees and 7,874 in the 157 restaurants run directly by McDonald's Germany (company-owned restaurants). McDonald's Germany employed a further 513 administrative staff in 2016.

GRI indicators:
G4-9, G4-10

T16: **Number of employees***
*exclusive Luxembourg   ASSURED ☑

	2012	2013	2014	2015	2016
Crew	53,488	50,896	47,790	48,493	48,666
Restaurant management	7,695	7,575	7,484	7,528	7,604
Apprentices	2,147	1,892	1,601	1,456	1,464
Administration	556	583	563	534	513
Total employees	63,886	60,946	57,438	58,011	58,247

Employment status and period of employment
At the close of 2016, 32 percent of people employed in company-owned restaurants were full-time staff, 42 percent were part-time staff, 14 percent were on short-term contracts and 12 percent had "mini-jobs". 88 percent of the 513 administrative employees were working in full-time positions and 12 percent in part-time positions. The distribution was thus consistent with the previous year.

T17: **Employees by employment status 2016*** (in percent)
*Company-owned restaurants only   ASSURED ☑

	Full time	Part time	Short-term	Low earners
Crew	23 %	48 %	16 %	13 %
Restaurant management and apprentices	91 %	7 %	1 %	1 %
Total	32 %	42 %	14 %	12 %

At December 31, 2016, the average period of employment for crew members and restaurant managers at our company-owned restaurants was five and ten years respectively. The average for administrative staff was 14 years.

DIVERSITY AND EQUAL OPPORTUNITY

Together with our franchisees, we employed over 800 refugees in 2016 alone. We offer migrants work opportunities and also provide assistance during the onboarding process. We offer support completing formalities with the local authorities and help our employees learn German. Our online language training tool "McDeutsch" is available to employees across the country, complementing local initiatives run by our franchisees.

Our commitment to integrating refugees was recognized by the US government in December 2016 when we were presented the prestigious "Award for Corporate Excellence".

At the close of 2016, people from 124 different countries were working at the restaurants run directly by McDonald's Germany.

GRI indicators:
G4-LA10, G4-LA12, G4-SO1

T18: **Employees by gender, age and nationality 2016*** (in percent) — ASSURED ☑
*Excluding franchisee restaurants

	Crew	Restaurant management & apprentices	Administration
Men	48%	55%	49%
Women	52%	45%	51%
Under 30	48%	37%	10%
30-50	41%	53%	66%
Over 50	11%	10%	24%
German national	43%	74%	93%
EU national	22%	10%	6%
Outside EU	35%	16%	1%

The distribution of employees by nationality and gender remained consistent with the previous year. In terms of age structure, the average age of employees in restaurant management and administration increased slightly.

T19: **Women in management positions 2016*** (in percent) — ASSURED ☑
*Excluding franchisee restaurants

		Percentage of women
Company–owned restaurants	Restaurant managers	39%
	Assistants and shift leaders	46%
Administration	Department and team leaders	33%
	Executive Board & senior managers	20%

The percentage of women in managerial positions is largely consistent with 2015, with the exception of women in top management positions (Executive Board and senior managers), where the number of women increased by seven percent.

T20: **Employees with disabilities*** — ASSURED ☑
*Excluding Luxembourg

2012	2013	2014	2015	2016
828	863	838	833	878

VOCATIONAL TRAINING AND UNIVERSITY EDUCATION

In 2016, a total of 1,464 trainees and students took part in our three training programs: Specialist in the hospitality services industry (Fachkraft im Gastgewerbe, FKGS), expert in the foodservice sector (Fachmann/Fachfrau für Systemgastronomie, FASY) and our combined work/study program. As such, McDonald's Germany offers suitable training for all school-leavers. All training paths can also be completed on a part-time basis. In 2016, we offered jobs to 79 percent of our trainees and students in the combined work/study program. After completing their training and/or studies, most trainees and students go straight to a career in restaurant management.

GRI indicators:
G4-LA9, G4-LA10

T21: **Apprentices and students***
*Excluding administration and Luxembourg

	2012	2013	2014	2015	2016
FKGS apprentices	513	449	360	338	358
FASY apprentices	1480	1296	1095	995	992
Students	154	147	146	123	114
Apprentices & students (total)	2,147	1,892	1,601	1,456	1,464
Qualifications	641	635	581	457	396
Take-up rate	76 %	78 %	75 %	74 %	79 %

TRAINING AND SKILLS BUILDING

We train management-level restaurant staff at our regional training centers in Berlin, Hamburg, Offenbach and Munich. McDonald's also has a Hamburger University in Munich, which is one of seven McDonald's Corporation training centers worldwide. Restaurant managers, administration employees and franchisees are trained at the university.

GRI-Indikatoren:
G4-LA9, G4-LA10

T22: **Employee courses**

	2012	2013	2014	2015	2016
Hamburger University	100	81	136	165	174
Courses at regional training centers	1,299	1.266	1.201	1.857	1.200
Total courses	1,399	1,347	1,337	2,022	1,374
Participants at Hamburger University	1,844	1,564	1,796	1,894	1,946
Participants at regional training centers	8,928	8,353	9,236	13,268	9,592
Total participants	10,772	9,917	11,032	15,162	11,538

OCCUPATIONAL HEALTH AND SAFETY

In 2016, there were 23.2 work-related injuries per 1,000 full-time employees[8] that required reporting in company-owned restaurants. This figure is lower than in the previous year (2015: 24.2). It is also significantly lower than the BGN average, which stands at 34.9 work-related injuries per 1,000 full-time employees.[9]

GRI indicators:
G4-LA6, G4-LA7

T23: **Work-related accidents that require reporting 2016***
(per 1,000 full-time employees) *Excluding franchisee restaurants

Total	23,2

Distribution by gender	
Men	47 %
Woman	53 %

Distribution by age group	
Under 30	41 %
30-50	46 %
Over 50	13 %

REMUNERATION

Men and women are, of course, eligible for the same pay scale within the framework of our collective wage agreement. The agreed entry-level wage at June 1, 2016, was EUR 8.60 per hour in line with the collective wage agreement. We are also rapidly aligning wages in eastern and western Germany and increasing pay for apprentices. The wage agreements are available on the BdS website at www.bundesverband-systemgastrono-mie.de/tarifvertraege.html

GRI-Indikatoren:
G4-11, G4-16, G4-EC5, G4-LA2

[8] We express accident figures in terms of work-related accidents that require reporting per 1,000 full-time employees. The BGN defines a full-time employee as an employee who works 1,600 hours a year.

[9] BGN: "Starker Partner der Betriebe – Jahrbuch Prävention 2016 / 2017" (BGN: Strong partner to businesses – Prevention report 2016/2017). The average BGN value refers to 2015. This was the most up-to-date figure available at the deadline for submissions for this report.

EXPLANATORY NOTES

SECTION 3: OUR FOOD AND WHERE IT COMES FROM

Origin and volume of raw materials used

To calculate the annual volume of raw materials used for the production of our food products, we carried out a survey of all food suppliers to McDonald's Germany that supplied us with at least EUR 100,000 worth of products during the period under review (corresponds to around 85 percent of our suppliers). The survey gathers information on key raw materials. Key raw materials are defined as the ingredients that make up at least 80 percent of total contents in a food product.

The overview in this report covers the largest raw material groups by volume as well as raw materials that are particularly relevant to sustainability (e.g. raw materials certified in line with specific labels).

Butter, milk, eggs, sugar, salt and oil are used in many of our food products. However, they are often not regarded as key raw materials as per the definition above. As a result, only some of the data on these raw materials is included in our analysis. Furthermore, in some cases, we do not have any data – or only inaccurate data – on certain raw materials that would otherwise be deemed relevant according to the above criteria. As a result, these raw materials may have been omitted entirely or only included to a limited extent.

GRI indicators:
G4-EN1

The following raw materials are not included or only partially included in the analysis:

- Apples: Volumes for the fizzy apple juice drink manufactured by Lift are not given as no data is available.

- Butter: Not included in the analysis as a representative amount of data is not collected (not a key ingredient).

- Eggs: The figures only refer to eggs in our breakfast menu products.

- Coffee: Volumes for decaffeinated coffee are very low and therefore not included.

- Cocoa: Not included in the analysis as no representative data is available.

- Milk: The volumes used in baked goods (e.g. for McCafé products) are not recorded (not a key ingredient).

- Salt: Not included in the analysis as a representative amount of data is not collected (not a key ingredient).

- Oil: The figures refer to sunflower oil and rapeseed oil used for frying in all restaurants and for making sauces and buns. Certified palm oil used to make a number of dessert and McCafé products is also included.

- Wheat flour: The figures refer exclusively to flour used in the production of burger buns, breakfast products and apple pies.

- Sugar: The figures refer exclusively to sugar used to make sauces and burger buns and also to portioned packets in restaurants.

Other comments on individual raw materials:

- Cucumbers: In addition to reporting volumes for cucumbers in salads and gherkins, since 2015 we report figures for cucumbers used in our burger sauces as well as the cucumbers used in the pickling agent for gherkins.

- Cheese: We regard cheese as a raw material. As such, the information on origin refers to the country in which the cheese was made. We do not report on the milk used to make the cheese.

- Tomatoes: The volume of tomatoes includes tomatoes used in burgers and salads. As of 2015, we also report on tomatoes used in our sauces (e.g. in the form of tomato puree).

SECTION 4: RESTAURANT-RELATED ENVIRONMENTAL MANAGEMENT

CARBON FOOTPRINT (SCOPE 1, 2 AND 3)

Due to their complexity, there is always a certain level of uncertainty involved in reporting climate-related figures. We continually strive to refine and improve our methods for determining our carbon footprint. In 2016, we changed our method of calculation, which means that figures for the reporting period cannot be compared with the figures from previous years. Our carbon footprint is calculated using CO_2 equivalents.

GRI indicators:
G4-EN15, G4-EN16, G4-EN17, G4-EN18

Restaurant operation and administration

- Electricity consumption: Reported according to the GHGP scope 2 guidance. For location-based reporting, the emissions factor of the IEA (International Energy Agency) is used, and the supplier-specific emissions factor is used for market-based reporting.

- Heating: The majority of our restaurants (81 percent) are heated by natural gas. The other restaurants use district heating, liquefied natural gas, heating oil and heat pumps. Consumption data is only collected centrally for natural gas, which is why we only include natural gas consumption in the emissions figures. The emissions factor of DEFRA is used.

- Refrigerants: Consumption data is extrapolated. The IPCC is the source of the GWP factors (where available, 5th Assessment Report, otherwise 4th Assessment Report).

- Waste: The emissions factors are sourced from DEFRA.

- Water consumption: Not included because fresh water consumption figures are available for just eight percent of all restaurants and it is impossible to estimate at present how much of the fresh water is discharged again as waste water.

- Business travel: This includes all flights, all long-distance train journeys with Deutsche Bahn and use of the vehicle fleet of McDonald's Germany. No other data on employee mobility is currently available.

Agriculture and processing

- The emissions factors used were sourced from the ProBas database (process-oriented basic data for environmental management tools), www.probas.umwelt-bundesamt.de/php/index.php). "2010 factors" were generally used. Wherever a raw material was mostly sourced from Germany, the corresponding DE factor from ProBas was used. If a raw material was largely sourced from the EU or the rest of the world, the corresponding EU factor was used.

- If no suitable factors were available in ProBas, we used ADEME – Version 6.1 – in individual cases.

- The overall aim is to record all relevant upstream chains in the agricultural production of our raw materials and the subsequent processing of the finished product. Once the finished products are transported to the distribution center, the emissions are covered in the calculations for logistics. In the first step, reporting was confined to the information available in the above-cited sources. There are plans to phase in the collection of additional data in a joint project with our main suppliers. This should close any remaining gaps and improve the factors used.

- Transport: Generally speaking, transport was not included in the upstream stages examined.

- Cooling: The information on cooling available in ProBas was not included in our report.

- One reason for this was that its share was immaterial according to the ProBas data, and secondly, it was not clear exactly which cooling processes are covered.

- Beef, chicken, pork: Generally speaking, the livestock breeding and slaughter stages are included. The downstream processing of cuts of meat into the finished product (beef patty, Chicken McNugget, etc.) is not included as of yet. It is assumed that for the named sources of protein, most emissions arise at the animal rearing and slaughter stages.

- Dairy products, cheese: Generally speaking, the livestock breeding and dairy stages have been included up to now.

- Tomatoes: So far, the reporting has only included cultivation carried out in glasshouses that are heated during the winter depending on region and outside temperature. It is assumed that the downstream processing into tomato puree/ketchup accounts for a large share of the corresponding emissions figure.

- Lettuce, cucumbers, onions: Cultivation has been the only stage included to date. McDonald's Germany only uses lettuce and onions that are grown outside in fields. Cucumbers are grown in glasshouses that are heated during the winter depending on the region and outside temperature.

- Oil: Cultivation and production are included. Since ProBas only has a factor for rapeseed oil, this was also used for sunflower oil.

Packaging and toys

- The emissions factors are sourced from DEFRA.

Transport

- CO_2 emissions generated by HAVI Logistics on behalf of McDonald's Germany

- We only report refrigerants for distribution centers. Refrigerants used by fleet vehicles (to cool trucks) are not reported. This is because they are not part of the Environmental Key Figures report that was agreed on at European level by HAVI Logistics and McDonald's, and that forms the basis of the data reported here.

- The reported time frame is calculated using the current emissions factor for diesel, which is based on the EU Directive and the EPA, and also serves as the standard emissions factor for McDonald's distributors in Europe and Asia.

- The reported values were retrospectively adjusted due to the updating of the emissions factors to ensure that figures within the time frame can be compared.

ENERGY CONSUMPTION

Restaurants

The ten restaurants in Luxembourg, which are also managed by McDonald's Germany, are included in energy consumption figures for our restaurants. When comparing restaurant groups, we include and evaluate all restaurant types equally (McDrive, in-store, satellites). The consumption patterns of the individual types vary (satellites generally consume less than in-store restaurants and McDrives).

GRI indicators:
G4-EN3

Administration

We only have partial information on electricity and heating consumption for our administration buildings for the year under review. We are working to improve data availability in this area.

Percentage of energy from renewable sources

1,454 (of 1,480) restaurants were powered by green energy in 2016. In total, we purchased approximately 525,646 megawatt hours of renewable energy in 2016. This corresponds to 98 percent of our total electricity consumption (536,733 MWh). A mere 26 restaurants are not included in this figure (around 1.8 percent of all restaurants in Germany and Luxembourg) as these are located for example in shopping malls where the power supply is organized by the respective mall facility manager. Based on the number of stores over which we have direct influence, we have achieved a quota of 100 percent green energy.

PACKAGING USED

The ten restaurants in Luxembourg, which are also managed by McDonald's Germany, are included in the packaging volume figures for our restaurants.

GRI indicators:
G4-EN1

The volumes of packaging material reported here are based on an internal database provided by our logistics service provider HAVI Logistics GmbH. The database contains the packaging specifications (in particular weight and material) for all articles delivered to our restaurants. When collecting information on the amount of packaging used to serve our products, McDonald's Germany uses a cashier-based system to differentiate exactly between packaging for products consumed on site and 'to-go' packaging.

VOLUME OF WASTE

The ten restaurants in Luxembourg, which are also managed by McDonald's Germany, are included in the waste volume figures.

- Paper, cardboard, carton and lightweight packaging: The volumes of waste reported here correspond to the amounts of paper, cardboard, carton and lightweight packaging reported under EN1.

- Organic waste: The volumes of waste reported here are based on a survey carried out at our restaurants in 2012. The survey revealed that around 75 percent of all restaurants have concrete data on waste disposal, in particular relating to the number and size of the containers and the frequency with which they are emptied. This data is used to extrapolate volumes of waste.

- Used cooking oil: The volumes of waste reported here correspond to the amounts of used frying oil (sunflower oil and rapeseed oil) reported under EN1.

- Other waste: Up until 2014, the volumes of waste destined for recovery and volumes of waste destined for disposal were based on values estimated using the average amounts of waste by category disposed of by our restaurants. Due to ongoing improvements in our internal data collection techniques, we have now adapted this database. As of 2015, the volumes of waste reported here are extrapolated using data from our internal control system. The approximately 25-percent rise in volumes of waste destined for recovery and waste destined for disposal from 2014 to 2015 is a result of this change.

- The waste reported does not include special waste generated outside of day-to-day operations at our restaurants, for example used electrical equipment removed during restaurant refurbishments or construction waste. The company does not collect data for this in a central database.

GRI indicators:
G4-EN23

SECTION 5: PEOPLE AT McDONALD'S

General information on employment numbers

It should be noted that figures relating to workers employed by our franchisees are based on the data supplied by our franchisees. This information is provided on a voluntary basis. As such, some data in this report only refers to restaurants run by McDonald's Germany (company-owned restaurants) and to the administration offices of McDonald's Germany.

This is clearly stated in each case. The employee figures do not include the ten franchise restaurants in Luxembourg, which are also managed by McDonald's Germany. The standard definitions used internally throughout McDonald's Germany were used as a general basis for employment numbers reported by McDonald's Germany.

- To ensure that figures can be compared globally across the Group, only data for active employees was reported. As such, the figures do not include those employees who were on non-paid sick leave on the reporting date, those on maternity leave or parental leave, taking unpaid leave or in any other kind of dormant employment relationship.

- The number of administration employees reported here does not include apprentices, student trainees or interns working in administration on the reporting date.

- Due to the internal sale of restaurants from franchisees to McDonald's Germany or vice versa, the number of employees of company-owned/franchisee restaurants as reported in relation to the number of company-owned/franchisee restaurants may not be entirely accurate (with a variance of less than one percent).

- All employee figures relate to head counts.

Employees by employment contract (temporary/permanent)

The system used to collect information on employee figures generally document contractual terms based on the position and not the person. It is therefore not possible to provide any meaningful figures in this context.

Supervised workers

McDonald's Germany does not employ any supervised workers who are obliged to comply with instructions in the restaurants that it runs directly. Less than one percent of employees working in administration are obliged to comply with instructions.

Employees by region

As McDonald's Germany only operates in Germany, there is no need to break down figures by region.

GRI indicators:
G4-10, G4-LA12

Self-employed workers or individuals who are not employees or supervised workers

238 franchisees (198 men and 40 women) operated a total of 1,313 McDonald's restaurants in Germany in 2016. The franchisees operate locally under the common McDonald's brand umbrella as legally recognized independent contractors. Our franchisees employed a total of 49,860 people. Figures relating to workers employed by franchisees are based on the data supplied voluntarily by our franchisees. This includes information on the total number of restaurant employees (broken down into restaurant management and crew) as well as data on trainees and employees with disabilities.

In the restaurants operated directly by McDonald's Germany and in the administration offices of McDonald's Germany, no substantial share of the work is carried out by workers who fall under the above definition.

Significant variations in employment numbers

There are no significant variations in the number of employees who work in the restaurants operated directly by McDonald's Germany or in the administration offices of McDonald's Germany.

RETROSPECTIVE ADJUSTMENTS

We continually develop our internal corporate responsibility control system. This also entails constantly improving our internal data collection processes and key performance indicator (KPI) definitions.

If we identify a way of improving data quality or availability of certain key indicators, or if we change our calculation methods, we also adjust the respective KPIs retrospectively for past years.

We adjust indicators retrospectively if the new method or input causes an indicator's value to differ by at least three percent from the previous figure.
We have explicitly referenced any retrospective changes to indicators in the footnotes.

GRI CONTENT INDEX

PDF Corporate Responsibility Report 2015

◎ Corporate Responsibility Report 2016 – At a Glance; Facts & Figures

Content Index McDonald's Deutschland — Jul 2017 Service

This report was prepared in accordance with the core option of the G4 guidelines of the Global Reporting Initiative (GRI).

General standard disclosures

General standard disclosures	Page	External assurance*	Description
Strategy and analysis			
G4-1	**PDF** 2015: p. 3	-	Introduction from the Managing Director
Organizational profile			
G4-3	◎ p. 4	-	Name of the organization
G4-4	◎ p. 4	-	Primary brands, products, and services
G4-5	◎ p. 4	-	Location of organization's headquarters
G4-6	◎ p. 4	-	Countries where the organization operates
G4-7	◎ p. 4	-	Nature of ownership and legal form
G4-8	◎ p. 4	-	Markets served
G4-9	◎ p. 4, 19	-	Scale of the organization
G4-10	◎ p. 4, 19, 28	ASSURED ☑	Total number of employees
G4-11	◎ p. 22	-	Employees covered by collective bargaining agreements
G4-12	◎ p. 7	-	Organization's supply chain
G4-13	◎ p. 4	-	Changes regarding size, structure, ownership, or supply chain
G4-14	**PDF** p. 11	-	Precautionary approach or principle
G4-15	**PDF** p. 12	-	Externally developed economic, environmental and social charters, principles, or other initiatives
G4-16	◎ p. 22	-	Memberships of associations and national or international advocacy organizations
Identified material aspects and boundaries			
G4-17	◎ p. 4	-	Entities included in consolidated financial statement
G4-18	**PDF** p. 6	-	Process for defining the report content and the Aspect Boundaries
G4-19	**PDF** p. 6	-	List of material aspects
G4-20	**PDF** p. 6	-	Material aspects within the organization
G4-21	**PDF** p. 6	-	Material aspects outside the organization
G4-22	**PDF** p. 5	-	Effects of restatements of information
G4-23	◎ p. 4	-	Significant changes from previous reporting periods
Stakeholder engagement			
G4-24	**PDF** p. 8; ◎ p. 9, 11	-	Stakeholder groups engaged
G4-25	◎ p. 9, 11	-	Basis for identification and selection of stakeholders
G4-26	◎ p. 9, 11	-	Organization's approach to stakeholder engagement
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Report profile			
G4-28	◎ p. 3	-	Reporting period
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G4-31	◎ p. 37	-	Contact point
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G4-33	◎ p. 3	-	External assurance
Governance			
G4-34	◎ p. 5	-	Governance structure of the organization
Ethics and integrity			
G4-56	**PDF** p. 11, 12	-	Organization's values, principles, standards and norms of behavior

*Indicators marked with " - " have not been audited

Specific standard disclosures

Disclosure on Management Approach (DMA) and indicators	Page	External assurance*	Description
Category: Economic			
Material aspect: Economic performance			
G4-DMA	**PDF** p. 9	-	
G4-EC1	◉ p. 4	-	Direct economic value generated and distributed
Material aspect: Market presence			
G4-DMA	**PDF** p. 46	-	
G4-EC5	◉ p. 22	-	Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation
Material aspect: Procurement practices			
G4-DMA	**PDF** p. 16	-	
G4-EC9	◉ p. 7	-	Proportion of spending on local suppliers
G4-FP2	◉ p. 9, 10, 17	-	Purchased volume in accordance with internationally recognized production standards
Category: Environmental			
Material aspect: Materials			
G4-DMA	**PDF** p. 16, 36, 41	-	
G4-EN1	◉ p. 7, 9, 10, 13, 17, 23, 26	ASSURED ☑	Materials used by weight or volume
Material aspect: Energy			
G4-DMA	**PDF** p. 36	-	
G4-EN3	◉ p. 15, 26	ASSURED ☑	Energy consumption within the organization
G4-EN4	◉ p. 16	-	Energy consumption outside of the organization
Material aspect: Emissions			
G4-DMA	**PDF** p. 36	-	
G4-EN15	◉ p. 14, 24	ASSURED ☑	Direct greenhouse gas (GHG) emissions (scope 1)
G4-EN16	◉ p. 14, 24	ASSURED ☑	Energy indirect greenhouse gas (GHG) emissions (scope 2)
G4-EN17	◉ p. 9, 14, 16, 24	ASSURED ☑	Other indirect greenhouse gas (GHG) emissions (scope 3)
G4-EN18	◉ p. 14, 24	ASSURED ☑	Intensity of greenhouse gas (GHG) emissions
Material aspect: Effluents and waste			
G4-DMA	**PDF** p. 36	-	
G4-EN23	◉ p. 17, 27	ASSURED ☑	Total weight of waste by type and disposal method
Material aspect: Transport			
G4-DMA	**PDF** p. 40	-	
G4-EN30	◉ p. 16	-	Environmental impact of transporting products and other goods and materials

*Indicators marked with " - " have not been audited

Category: Social

Category: Social – Subcategory: Labor practices and decent work

Material aspect: Employment

G4-DMA	**PDF** p. 46	-	
G4-LA2	◎ p. 22	-	Benefits provided to full-time employees that are not provided to temporary or part-time employees

Material aspect: Labor/management relations

G4-DMA	**PDF** p. 46	-	
G4-LA4	The minimum notice period for operational changes is four weeks (regulated by law, not set down in the existing collective wage agreement).	-	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

Material aspect: Occupational health and safety

G4-DMA	**PDF** p. 53	-	
G4-LA6	◎ p. 22	-	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
G4-LA7	◎ p. 22	-	Workers with high incidence or high risk of diseases related to their occupation

Material aspect: Training and education

G4-DMA	**PDF** p. 46	-	
G4-LA9	◎ p. 21	-	Average hours of training per year per employee by gender, and by employee category
G4-LA10	◎ p. 20, 21	-	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Material aspect: Diversity and equal opportunity

G4-DMA	**PDF** p. 46	-	
G4-LA12	◎ p. 5, 20, 28	ASSURED ☑	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

Category: Social – Subcategory: Society

Material aspect: Local communities

G4-DMA	**PDF** p. 44, 55	-	
G4-SO1	◎ p. 6, 20	-	Percentage of operations with implemented local community engagement, impact assessments, and development programs

Material aspect: Anti-corruption

G4-DMA	**PDF** p. 12	-	
G4-SO4	**PDF** p. 12	-	Communication and training on anti-corruption policies and procedures

Category: Social – Subcategory: Product responsibility

Material aspect: Customer health and safety

G4-DMA	**PDF** p. 27	-	
G4-PR1	◎ p. 11	-	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
G4-FP5	◎ p. 9, 11	-	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards
G4-FP6	**PDF** p. 30	-	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars

*Indicators marked with " - " have not been audited

Material aspect: Product and service labelling

G4-DMA	**PDF** p. 27	-	
G4-PR3	**PDF** p. 32	-	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements
G4-PR5	◉ p. 11	-	Results of surveys measuring customer satisfaction

Material aspect: Marketing communications

G4-DMA	**PDF** p.34	-	
G4-PR6	**PDF** p. 32	-	Sale of banned or disputed products
G4-PR7	**PDF** p. 34	-	Non-compliance with regulations and voluntary codes concerning marketing communications

Material aspect (sector disclosures): Animal welfare

G4-DMA	**PDF** p. 16, 21, 23	-	
G4-FP9	◉ p. 7, 9	-	Animals raised and/or processed
G4-FP10	**PDF** p. 21, 23	-	Physical alterations and use of anesthetic
G4-FP11	**PDF** p. 21, 23	-	Animals raised and/or processed by species and breed type
G4-FP12	**PDF** p. 21, 23	-	Antibiotic, anti-inflammatory, hormone and/or growth promotion treatments
G4-FP13	**PDF** p. 21, 23	-	Non-compliance related to transportation, handling and slaughter practices

*Indicators marked with " - " have not been audited

REPORT BY INDEPENDENT AUDITOR ON THE AUDIT TO OBTAIN LIMITED ASSURANCE ON SUSTAINABILITY PERFORMANCE INFORMATION

To the Board of McDonald's Germany, Munich

We performed a limited assurance engagement on the following sustainability performance indicators marked with the symbol ☑ ASSURED

- "Volume of raw materials used (2016)" and "Origin of raw materials used (2016)"

- Volume of packaging by material" and "Volume of packaging per restaurant visit"

- "Total energy consumption of our restaurants", "Average energy consumption of a comparable restaurant" and "Energy from renewable sources"

- "Volume of waste by material"

- "Carbon footprint of McDonald's Germany", "CO_2 emissions from our restaurant operations according to GHGP scope 2 (2016)" "CO_2 emissions from our restaurant operations (scope 1 and 2) per restaurant visit" and "CO_2 emissions from vehicle fleet"

- "Number of employees", "Employees by employment status 2016", "Employees by gender, age and nationality 2016", "Women in management positions", "Number of employees with disabilities" and "Composition of governance bodies 2016"

and on the explanatory notes provided by McDonald's Germany, Munich (hereafter: McDonald's), for the 2016 business year, published in the Corporate Responsibility Report 2016 (hereafter: the Report).

Our engagement was strictly limited to the indicators marked with the symbol ☑ᴬˢˢᵁᴿᴱᴰ and the explanatory notes.

Management's responsibility for the report

The legal representatives of McDonald's are responsible for the preparation of the Report in accordance with the principles and standard disclosures of the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative, the Corporate Accounting and Reporting Standard (scope 1 and 2) and the Corporate Value Chain Standard (scope 3) of the Greenhouse Gas Protocol Initiative of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), supported by internal guidelines as described in the section "About this Report" as well as in the explanatory notes (hereafter: "Reporting Criteria"), and for selecting the information to be audited.

This responsibility of the legal representatives of the company includes the selection and application of appropriate methods to prepare the Report, and the establishment of assumptions and estimates for individual sustainability disclosures which are reasonable under the circumstances. Furthermore, the legal representatives are responsible for the internal controls they have deemed necessary for the preparation of a report that is free of – intended or unintended – material misstatements.

Statement on the auditor's independence and quality assurance

We are independent from the company in compliance with the commercial and professional regulations in force in Germany and we have fulfilled all our other professional duties in due compliance with these requirements. Our audit firm applies the national statutory requirements and professional standards, especially the Professional Code for Public Accountants and Sworn Auditors issued by the WPK (Chamber of Public Accountants) and the quality assurance standards issued by the IDW (German Institute of Auditors): Requirements for Quality Assurance in the Auditing Practice (IDW QS 1), which are in accordance with the International Standard on Quality Control published by the International Auditing and Assurance Standards Board (IAASB).

Responsibility of auditor

Our responsibility is to express a limited assurance opinion on the indicators marked with ☑ᴬˢˢᵁᴿᴱᴰ in the Report.

We conducted our assessment in accordance with the International Standard for Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", published by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance that no matters have come to our attention that cause us to believe that the indicators marked with ☑ᴬˢˢᵁᴿᴱᴰ in the company's Report for the period from January 1 to December 31, 2016 were not prepared, in all material respects, in accordance with the relevant Reporting Criteria. This does not mean that we issue a separate opinion for each marked disclosure. In a limited assurance engagement, the evidence gathering procedures are more limited than in a reasonable assurance engagement, and therefore considerably less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following proce-dures and activities:

- A risk analysis (including media analysis) with regard to relevant information on the selected indicators on sustainability performance disclosed by McDonald's during the reporting period

- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the indicators on sustainability performance covered in the scope of the review, including the consolidation of data

- Interviews with staff responsible for determining and consolidating data as well as carrying out the relevant internal control procedures

- Evaluating internal and external documentation to determine whether the indica-tors on sustainability performance are supported by sufficient evidence

- An analytical review of the data and trends

- Letters of confirmation requested from selected raw materials suppliers in relation to the reliability of the data reported to McDonald's

- An evaluation of the overall presentation of the indicators on sustainability perfor-mance covered by the review

Conclusion

Based on the audit procedures performed and the evidence received, nothing has come to our attention that causes us to believe that the indicators marked with ☑ in the Mc-Donald's Corporate Responsibility Report 2016 for the 2016 business year have not been prepared, in all material respects, in accordance with the Reporting Criteria.

Recommendation

Without qualifying our conclusion above, we recommend that McDonald's use more specific emissions factors to calculate the carbon footprint of the raw materials it uses.

Intended use of the report

This report is issued based on the assurance engagement agreed upon with McDonald's. The limited assurance engagement was performed for the purposes of McDonald's and the report is solely intended to inform McDonald's about the results of the assurance engagement.

Limitation of liability

The report is not intended to be used as a basis for (financial) decision-making by third parties. We have responsibility only towards McDonald's. We do not assume any respon-sibility vis-à-vis third parties.

Frankfurt am Main, July 26, 2017
KPMG AG
Wirtschaftsprüfungsgesellschaft

Fischer   ppa. Auer
Certified Public Accountant
(Wirtschaftsprüferin)

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