

Fortress Operations Limited

Strategic Report for the Year Ended 31 March 2022

Section 172(1) statement

The success of the Company is the driving factor behind all decisions made by the Director. Decision making processes are structured to enable the Director to evaluate the merit of proposed business activities and the likely consequences of decisions taken over the short, medium and long term. The director remains mindful that any strategic decisions taken can have long term implications for the business and its stakeholders, and these implications are carefully assessed. An example of this is in decisions taken relating to capital investment in terms of possible new store acquisitions and equipment upgrades.

Our people are key to our success. That is why we endeavour to create jobs and opportunities for all our people, regardless of gender, age, or life stage that enhance their work experience. Understanding how our people feel about McDonald's is vital. The director takes active steps to ensure that the suggestions, views and interests of the workforce are incorporated and considered as part of any decision-making process, helping to ensure that our employees are given the right support to help achieve their potential. We have developed various employee communication channels such as OurLounge, MyStuff and the McDonald's UK Intranet, which provide weekly operations updates, employee assistance programs and a means for employees to share ideas and feedback. We also conduct regular surveys into our employee's job satisfaction and how they feel about their role in the company. We encourage and provide access to online learning and development, as well as providing our people with a mobile friendly platform to manage their own data, holidays, time off and access to view their wage slips.

Our customers are the reason for our existence and we therefore strive to provide high quality food with superior service in a clean and welcoming environment, all at an exceptional value. Long-term commitment to supply McDonald's UK, has enabled our suppliers to grow with us and drive positive change within their own businesses.

The director carefully considers the impact of the business on communities and the environments in which the company operates. We arrange regular litter collections in the local area around our restaurants. Recycling units are installed around our restaurants and our paper cups are sent to specialist recycling centres in the UK. We endeavour to help our customers build communities, support charitable organisations, and use our size, scope and resources to help make local communities and the environment a better place.

In all our activities the director requires that employees and suppliers conduct business with the highest ethical and professional standards by adhering to our Standards of Business Conduct set by McDonald's Corporation.

Engagement with employees

Our workforce is our most valuable asset and is one of the main reasons for the success of the company and brand. The company invests strongly in training, coaching, and skills acquisition. The personal development and improvement of our employees is a key aim of the Company's strategy. We strive to be a responsible employer in our approach to the pay and benefits of employees and the health, safety and wellbeing of our employees is one of the primary considerations in the way we do business.

Engagement with suppliers, customers and other relationships

As a company we endeavour to build long-term commitments with our suppliers which has enabled them to grow with us and drive positive change within their own businesses. The company recognises that relationships with suppliers are important to its long-term success and is briefed on supplier feedback and issues on a regular basis.

We also endeavour to forge positive relationships with our customers by providing high quality food and an excellent service in a clean and welcoming environment at a competitive price.

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Corporate governance

The company is committed to high standards of corporate governance as demonstrated in the company's corporate governance framework and has a comprehensive range of policies and systems in place to ensure that our restaurants are well managed, with effective oversight and control. The framework summarises our approach to how we operate, explains the reasons behind what we do and how we work together with our customers and stakeholders.

For the year ended 31 December 2021, under The Companies (Miscellaneous Reporting) Regulations 2018, the company has continued to adopt the Wates Corporate Governance Principles for Large Companies ("Wates Principles").

We set out below how the Principles have been applied throughout the year and our plans for continuing to strengthen our approach to corporate governance going forward.

Wates Principles

Principle 1 - Purpose and leadership:

As a McDonald's franchisee we operate based on McDonald's philosophy of being consistent in all we do in providing great service and high quality food to our customers.

We put our customers and employees first. Our customers are the reason for our existence, and we endeavour to provide them with high quality food and superior service in a clean and welcoming environment at great value. Regarding our employees, we provide opportunity, nurture talent and reward achievement as we believe that is essential to our continued success.

Principle 2 - Board composition :

For the 2021 financial year the company's board comprised Richard and Sarah Louise Forte, both of whom have many years of experience in running and operating McDonald's restaurants and who are focused on securing the long term development of the company.

Principle 3 - Director responsibilities:

The board is responsible for the long term success of the company and achieves this through its oversight of the business and individual restaurants. The board is responsible for the management of the company and bears responsibility for the acts carried out on its behalf.

Principle 4 - Opportunity and risk:

The board seek to deliver the high standards set by McDonald's and are committed to conducting business ethically. The directors strive to foster safe, inclusive and respectful workplaces which respect the fundamental rights of employees.

All of the company's activities involve the measurement, evaluation, acceptance and management of risk, or combinations of risks. The company operates a strong risk culture which is embedded through clear and consistent communication and appropriate training for all employees. This risk framework helps us identify current and future risks so that decisions can be taken to prevent and limit those risks.

The board receives regular reports from management and convenes regular meetings with managers to discuss future business plans and activities.

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Principle 5 - Remuneration:

All employees' remuneration is benchmarked regularly against the market to ensure consistency with the industry. The methods of recruitment used are chosen to ensure that employees are selected, promoted and treated according to their ability and that everyone has an equal opportunity to receive training and development.

Principle 6 - Stakeholder relationships:

We aim to communicate with all parties in a way that meets their needs. We focus on open communication and fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided.

Our success derives from a commitment to relationships, and we endeavour to work together with our suppliers to deliver for both the customer and the communities we serve.

The company undertakes regular meetings with workforce representatives and encourage the workforce to discuss their views relating to the decision making process. We operate various surveys such as "Love to Listen" which feature feedback from employees and "Love to Listen Our Lounge" which enables employees to report their thoughts on their employment with the company.

Approved and authorised by the Board on and signed on its behalf by:

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R P Forte
Director