



Corporate Governance Framework 2023

McDonald's Restaurants Limited



Contents

McDONALD'S	3
OUR APPROACH	3
HOW WE ARE ORGANISED	7
HOW WE ARE GOVERNED	11
HOW WE MANAGE AND MONITOR RISK	19
HOW WE ENGAGE WITH ALL "THREE LEGS OF THE STOOL"	24



McDonald's

McDonald's Corporation Inc. ("**McDonald's Corporation**"), first opened its doors in Des Plaines, Illinois in 1955. Although a global business today, McDonald's has humble roots and has evolved, based on its philosophy of being consistent in all that it does, providing great service and quality food.

Ray Kroc, the founder of McDonald's, believed in "business for yourself, but not by yourself". He was a strong advocate of working equally and fairly with local franchisees and suppliers. This deep-rooted commitment to relationships continues to underpin our business ethos.

By 1965, with 700 restaurants, McDonald's Corporation went public with the company's first offering on the New York Stock Exchange. The legendary "Golden Arches" brand reached the UK's shores in 1974, with McDonald's Restaurants Limited (the "**Company**") opening its first restaurant in Woolwich, South-East London. And in 1986, our first franchised restaurant opened in Hayes, Middlesex.

McDonald's Corporation together with its subsidiaries including the Company, are referred to herein as "**McDonald's**" and together with its franchisees and suppliers, are referred to herein as the "**McDonald's System**".

The Corporate Governance Framework for McDonald's Restaurants Limited ("**Governance Framework**") is underpinned by our global and local brand purpose, mission, and core values.

The Governance Framework summarises our approach to how we operate and make decisions, sets out our objectives and achievements and how we work together with our customers, employees, franchisees, suppliers, and the wider McDonald's stakeholders to fulfil our brand purpose and mission.

Our Governance Framework is evolving as we as a business respond to the ever changing economic and environmental landscape, and the complex challenges that demand us to produce innovative solutions and collective action whilst maintaining our focus on our growth and core values.

Our Approach

Behind our Golden Arches is a global community of crew, farmers, suppliers, franchisees, and countless others who make up who we are as a brand. It is the entire McFamily that makes McDonald's what it is today.

Across our business, we strive to lift up the communities we're in. We do it through our purpose, to feed and foster communities. We do it through our growth pillars, which focus on integral areas of our business. We do it through our leadership, with a team that will move our brand forward.

In 2020, McDonald's Corporation announced its growth strategy, Accelerating the Arches. This approach encompasses all aspects of the McDonald's business, a leading global omni-channel restaurant brand. Accelerating the Arches represents our ambition as a business and looks to continue to build on the momentum that has been a feature of our recent growth. Accelerating the Arches looks to deliver across 5 critical areas: purpose, mission, values, growth pillars and McDonald's foundation of running great restaurants.

Our Purpose: To feed and foster communities.

Our Mission: Making delicious feel-good moments easy for everyone.

Core values: Define who we are and how we run our business.



Accelerating the Arches

Strategic Plan

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

Our Growth Pillars

Maximize our Marketing
• Brand
• Affordability

Commit to the Core
• Burger
• Chicken
• Coffee

Double Down on the 4Ds
• Delivery
• Digital
• Drive Thru
• Development

Our Platforms

Consumer: One of the world's largest consumer platforms to fuel engagement

Restaurant: Easiest and most efficient restaurant operating platform

Company: Modern company platform that unlocks speed and innovation



Our Values

To achieve our mission of making delicious feel-good moments easy for everyone, our actions as individuals and as a McDonald's System must reflect our values and must be embedded into our day-to-day behaviours and ethical decision-making. Our values are:



Serve

We put our customers and employees first.

Our customers are the reason for our existence. We demonstrate our appreciation by providing them with quality food and superior service, in a clean, welcoming environment, at great value.



Inclusion

We open our doors to everyone. We provide opportunity, nurture talent, develop leaders and reward achievement. We believe that a team of well-trained individuals with diverse backgrounds and experiences, working together in an environment that fosters respect and drives high levels of engagement, is essential to our continued success.



Family

We get better together. The McDonald's business model, depicted by the "three-legged stool" of:

- owner/operators;
 - suppliers; and
 - Company employees
- is our foundation, and the balance of interests amongst these three groups is key.



Integrity

We do the right thing. Sound ethics is good business. At McDonald's we hold ourselves, and conduct our business, to high standards of fairness, honesty, and integrity.

We are individually accountable and collectively responsible.



Community

We are good neighbours. We take seriously the responsibilities that come with being a leader. We help our customers build better communities, support charitable organisations such as Ronald McDonald House Charities, and leverage our size, scope, and resources to help make the world and local communities a better place.



Growth Pillars

As the consumer landscape shifts, we are using our competitive advantages to further strengthen our brand. Under direction and guidance from McDonald's Corporation, the Company will:



M • Maximise Marketing

- Brand
- Affordability

As customers' expectations are constantly shifting, McDonald's can build equity in our brand and trust by clearly articulating what we stand to do in the world: feed and foster communities.

Through investment, actions, and communications we will deliver on our purpose and mission and ignite our brand as a growth driver by taking a global, unified approach to building trust; creating a stronger connection to our customers to drive advocacy and continuing to offer great value and everyday affordability available to everyone.

C • Commit to the Core

- Burger
- Chicken
- Coffee

Our customers love our iconic food, and our core customer favourites make up a significant proportion of our sales. With expected growth in lunch and dinner occasions, we will focus on our two largest categories: beef and chicken. We will leverage our familiar favourites and create new ones to make our menu even more craveable. At the same time, we will use coffee to boost morning visits and build a foundation for future growth.

D Double Down on the 4Ds

Consumers are increasingly choosing off-premises dining and we are adapting the McDonald's experience to meet their needs by doubling down on Digital, Delivery, Drive-Thru and Restaurant Development. Our vision is to position McDonald's as the leading omni-channel restaurant in all our markets. We will make our customers' experiences faster and easier through all the ways they order and receive our delicious food.

Digital: We are building on our digital foundation by enhancing our digital platform to provide more personal, more convenient, and better experiences for our customers. We have introduced MyMcDonald's and MyMcDonald's Rewards, a unified suite of compelling offerings that provides our customers multiple, complementary reasons to engage with us digitally, whether through mobile ordering, payments, delivery, rewards, or deals.

Delivery: We aim to be the global leader in food delivery. We come from a strong starting point and continue to garner momentum in delivery. We have prioritised key actions to continue growth, including integrating delivery into our Global Mobile App.

Drive Thru: We will continue define the future of drive thru, an area where we already have a significant advantage as nearly 65% of our global restaurants have a drive thru and the Company has drive-thru locations in 981 restaurants in the UK. We plan to extend this leadership further by continuing to make the customer experience even faster, testing new concepts and technology and having nearly all new UK restaurants fully drive-thru enabled.

Restaurant Development: We will accelerate the pace of our restaurant openings to fully capture the increased demand we have driven over the past few years. We see opportunity for further growth and to explore new formats that show up under brand McDonald's.

McDonald's approach is underpinned by a relentless focus on running great restaurants, including improving speed of service to address customer needs. McDonald's growth pillars build on our strong foundations and this approach will build on our inherent strengths by harnessing our competitive advantages and investing in innovations that will ensure we can meet the moment today and have long-term success.



How we are organised

McDonald's has a matrixed management structure, by which we mean that the McDonald's group is organised by its global businesses and global support functions as well as by a segment and country oversight model, with locally incorporated subsidiaries complemented by branches in certain territories. The structure is also influenced by the local regulatory requirements in which the entities are incorporated. Each subsidiary has a board and management structure appropriate for its activities and complexity with the tone and direction set by McDonald's Corporation, the Global Chief Executive Officer, the local entity boards, and local leadership. This structure helps to address international, systematic challenges in a consistent and effective way, but also ensures each market adapts to the local environment in which they operate. Please refer to the section below headed 'How we are governed' for more detail on our management structure.

Since 1 January 2019, McDonald's Corporation has operated under an organisational structure with the following global business segments which reflects how McDonald's Corporation management reviews and evaluates operating performance:

- U.S. – McDonald's Corporation's largest market. The segment is 95% franchised as of 31 December 2023.
- International Operated Markets – comprised of markets or countries in which McDonald's Corporation operates and franchises restaurants, including Australia, Canada, France, Germany, Italy, the Netherlands, Spain, and the UK. The segment is 89% franchised as of 31 December 2023.

- International Developmental Licensed Markets & Corporate – comprised primarily of developmental licensee and affiliate markets in the McDonald's System as well as McDonald's Corporation's corporate activities. The segment is 98% franchised as of 31 December 2023.
- McDonald's is the world's leading global foodservice retailer with over 40,000 locations in over 100 countries. Approximately 95% of McDonald's restaurants worldwide are owned and operated by independent local business owners. Of the 41,822 restaurants globally at year-end 2023, 39,680 were franchised, which is 95% of McDonald's restaurants.

McDonald's franchised restaurants are owned and operated under one of the following structures: conventional franchise; developmental license; or affiliate. The optimal ownership structure for an individual restaurant, trading area or market (country) is based on a variety of factors, including the availability of individuals with the entrepreneurial experience and financial resources, as well as the local legal and regulatory environment in critical areas such as property ownership and franchising.





The business relationship between McDonald's and its independent franchisees, is supported by adhering to standards and policies and is of fundamental importance to overall performance and to protecting the McDonald's brand.

Directly operating McDonald's restaurants contributes significantly to our ability to function as a credible franchisor. One of the strengths of the franchising model is that the expertise from operating McDonald's-owned restaurants allows us to improve the operations and success of all restaurants while innovations from franchisees can be assessed and, when viable, efficiently implemented across relevant restaurants. Having McDonald's-owned and operated restaurants provides our personnel with a venue for restaurant operations training experience. In addition, in our McDonald's-owned and operated restaurants, and in collaboration with franchisees, we can further develop and refine operating standards, marketing concepts and product strategies that will ultimately benefit McDonald's restaurants.

Our revenues consist of sales by McDonald's-operated restaurants and fees from restaurants operated by franchisees. Fees vary by type of site, amount of McDonald's investment, if any, and local business conditions. These fees, along with occupancy and operating rights, are stipulated in franchise/license agreements that generally have 20-year terms.





Franchisees are also responsible for reinvesting capital in their businesses over time. In addition, to accelerate implementation of certain initiatives, McDonald's may co-invest with franchisees to fund improvements to their restaurants or their operating systems. These investments, developed in collaboration with franchisees, are designed to cater to consumer preferences, improve local business performance, and increase the value of our brand through the development of modernised, more attractive, and higher revenue generating restaurants.

Across the McDonald's System, McDonald's requires franchisees to meet rigorous standards and generally does not work with passive investors. The business relationship with franchisees is designed to facilitate consistency and high quality at all McDonald's restaurants.

UK

The Company is a private limited company incorporated in England and Wales with an ultimate US parent of McDonald's Corporation.

McDonald's believes franchising is paramount to delivering great-tasting food, locally relevant customer experiences and driving profitability. Franchising enables an individual to be their own employer and maintain control over all employment related matters, marketing, and pricing decisions, while also benefiting from the strength of McDonald's global brand, operating system, and financial resources.



2023

89% of McDonald's restaurants in the UK are owned and operated by 165 businessmen and 28 businesswomen. They come from all walks of life, each with their own unique backgrounds. What they share in common, however, is the ambition, drive, and the love for people necessary to become a franchisee. The remaining restaurants are owned and run by the Company.

In the UK, a considerable number of arrangements are conventional franchise arrangements, whereby the Company generally owns or secures a long-term lease on the land and building for the restaurant location and the franchisee pays for equipment, signs, seating, and décor.

The Company believes that ownership of real estate, combined with the co-investment by franchisees, enables us to achieve restaurant performance levels that are among the highest in the industry.

Franchisees operating under a conventional arrangement contribute to the Company's revenue, primarily through the payment of rent and royalties based upon a percent of sales, with specified minimum rent payments, along with initial fees paid upon the opening of a new restaurant or grant of a new franchise. McDonald's heavily franchised business model is designed to generate stable and predictable revenue, which is largely a function of franchisee sales, and resulting cash flow streams.

Our customers are at the heart of everything we do, and the Company and its franchisees have a proud track record in investing in our employees, our restaurants and our supply chain to ensure that we make a positive impact in the communities we serve.



On average 4 million customers served every day



How We Are Governed

McDonald's is committed to high standards of corporate governance. We have a comprehensive range of policies and systems in place to ensure that our restaurants and business are well-managed, with effective oversight and control.

The Company has adopted the Wates Corporate Governance Principles for Large Private Companies in the UK ("Wates") in combination with [McDonald's Corporation's Corporate Governance](#) and this Governance Framework, which the Company continues to operate under. In addition, the Company is also subject to reporting to McDonald's Corporation as part of the wider McDonald's System's requirements.

The Board

The Company's board of directors (the "**Board**") believes that good corporate governance is guided by ethical, truthful and dependable leadership and is committed to continually improving its governance policies to ensure the integrity of the Company for all stakeholders.

The Board is entrusted with the oversight of the Company's business affairs and assets. The Board is comprised of all local Senior Vice Presidents ("**SVPs**") and the UK Chief Executive Officer ("**UK CEO**").



Alistair Macrow – CEO

Alistair was appointed UK CEO for the Company in November 2021. Most recently, Alistair held the role of Senior Vice President and Global Chief Marketing Officer for McDonald's Corporation where he took responsibility for the development and execution of bold marketing strategies to drive sustainable business growth for McDonald's across markets.

[More about Alistair Macrow](#)



Michelle Graham-Clare – SVP, Chief Marketing Officer

Michelle was promoted to Senior Vice President Chief Marketing Officer in September 2021. She is responsible for all food strategy and marketing campaigns across the UK and plays a leading role in the development and execution of the business-critical Trust agenda.

[More about Michelle Graham-Clare](#)



James Thorne – SVP, Chief People Officer

James was promoted to Senior Vice President, Chief People Officer in October 2023, and leads the People Team across the UK and Ireland. With over 15 years at McDonald's, James most recently served as Senior Director, HR Business Partner: International markets – Field & Corporate, where he has been instrumental in evolving our People Brand Standards for the Internationally Operated Markets segment.

[More about James Thorne](#)



Zoe Hamburger – SVP, Chief Restaurant Officer

Zoe was promoted to Senior Vice President, Chief Restaurant Officer in April 2024 and is responsible for restaurant and franchising operations. Prior to that, Zoe held roles in marketing and restaurant operations in the US since joining the business in 2014.

[More about Zoe Hamburger](#)



Mark Kiernan – SVP, Chief Financial Officer

Mark was promoted to Senior Vice President, Chief Financial Officer in June 2022 and is responsible for the finance, business strategy & insights and legal functions. Since joining McDonald's in 2005, Mark has held a number of roles throughout the business including Finance Director.

[More about Mark Kiernan](#)



The responsibility for good governance lies with the Board. The Board is collectively responsible for the long-term success of the UK business and achieves this through its oversight of the business and restaurants, generating value for McDonald's Corporation and its stakeholders as well as contributing to our wider communities.

In exercising its duty to promote the success of the Company, the Board is responsible for overseeing the management of McDonald's in the UK and, in so doing, may exercise its powers subject to any relevant laws, regulations and the Company's Articles of Association. The Board bears legal responsibility for the acts conducted on its behalf and enforces standards of accountability – all with a view to enable the Senior Leadership Team to execute their responsibilities fully and in the interests of McDonald's Corporation and its stakeholders.

Senior Leadership Team

The business of the Company is managed by the Senior Leadership Team (the SLT) led by the UK CEO and SVPs. The SLT is made up of all SVPs and selected senior leadership covering all core areas of responsibility for the UK business. The role of the SLT and SVPs are separate to the positions of the Board, with a division of responsibilities between the running of the Board and Executive responsibility for their core functions within the UK business.

2023

- The SLT met 10 times during 2023.

Operation of the Board

Matters not specifically reserved for the Board have been delegated to the SLT for the day-to-day management of the business. The SLT will also lead on the direction of the business (as determined by the Board from time to time), with the exception of the following reserved matters which require the approval of the Board:

- the establishment of effective procedures for monitoring and control of operations including internal procedures for audit, risk and compliance;
- reviewing the Company's accounting and financial reporting practices and reviewing the Company's financial and other controls;
- significant transactions or other material business decisions including any acquisition, disposal, investment, capital expenditure or realisation or creation of a new venture;
- execution of activities in line with the current global authorisation matrix set by McDonald's Corporation;
- Company-wide policies on strategy, corporate governance, and risk (both financial and non-financial management);
- matters that the Board is required by statute to do; and
- such other matters as the Board may from time to time determine.

In performing its oversight function, the Board is entitled to rely on the advice, reports and opinions of management, counsel, auditors, and outside experts.

The Board aims to meet formally twice a year. The Board receive a briefing of items on the agenda prior to the meeting, so that their comments and input can be taken into account at the meeting and in order to ensure that the Board focuses sufficient time on key areas whilst using the time together effectively.

2023

- The Board convened formally twice, in April and September 2023.
- The Board engaged regularly with its stakeholders along with the SLT across a range of channels on a variety of topics in 2023, including, but not limited to:
 - financial planning;
 - marketing planning including the Company's delivery channel – McDelivery®;
 - supply chain and distribution;
 - health and safety;
 - operation updates;
 - digital and IT updates;
 - employee updates including diversity, equity & inclusion;
 - franchising and joint venture updates;
 - property matters; and
 - regulatory and legal updates.

Director Appointments

All local SVPs are appointed to the Board. This ensures the Board are equipped with the appropriate balance of skills, experience, and knowledge of the Company to enable it to discharge its duties and responsibilities effectively. Input from McDonald's Corporation is also provided on the Board's appointments on an ad hoc basis.

A structured training programme exists based on the individual's needs, skills, and experience for those appointed to the Board who are new to the McDonald's System and senior leadership. The Board also receives guidance from the Company Secretary on the Governance Framework and Wates, as well as training on their duties as directors of the Company.

All employees' base and bonus remuneration, including those on the Board and the SLT, is benchmarked regularly against the market to ensure this is consistent with the industry and no directors participate in deciding their own remuneration. The Board are not compensated for their services as directors.

2023/2024

- James Thorne transitioned from Senior Director, HR Business Partner: International markets – Field & Corporate to SVP Chief People Officer and was appointed as a director of the Company in October 2023.
- Rebecca Dodd left the business and resigned as a director of the Company in October 2023.
- Gareth Pearson transitioned from Chief Restaurant Officer in the UK and Ireland to VP Chief Restaurants Officer for our International Operated Markets
- Zoe Hamburger transitioned from Field Vice President of the Bethesda Field Office in the US to SVP Chief Restaurant Officer and was appointed as a director of the Company in April 2024.

Joint Ventures

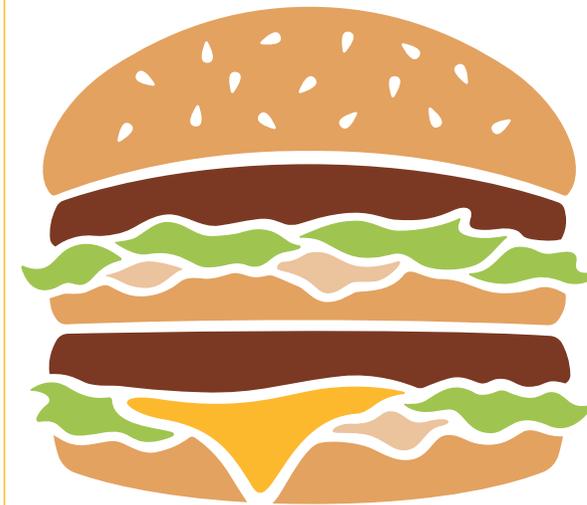
As at 31 December 2023, in addition to the conventional franchise arrangements, the Company operates one joint venture ("JV") with a franchisee. The JV operates separately to the franchised McDonald's restaurants in England.

The JV operates in much the same way as a conventional franchise arrangement; however, the JV board consists of up to 2 directors nominated by McDonald's and 2 directors nominated by the franchisee.

The McDonald's nominated directors are members of the Executive or Senior Leadership Team. McDonald's nominated directors are provided with conflicts of interest training as well as directors' duties training on an as required basis in order to mitigate any conflict. Training is also offered to those individuals who are appointed to the JV board, taking into account their needs, skill, and experience. Input from the Company is also provided on director appointments on an ad hoc basis.

2023

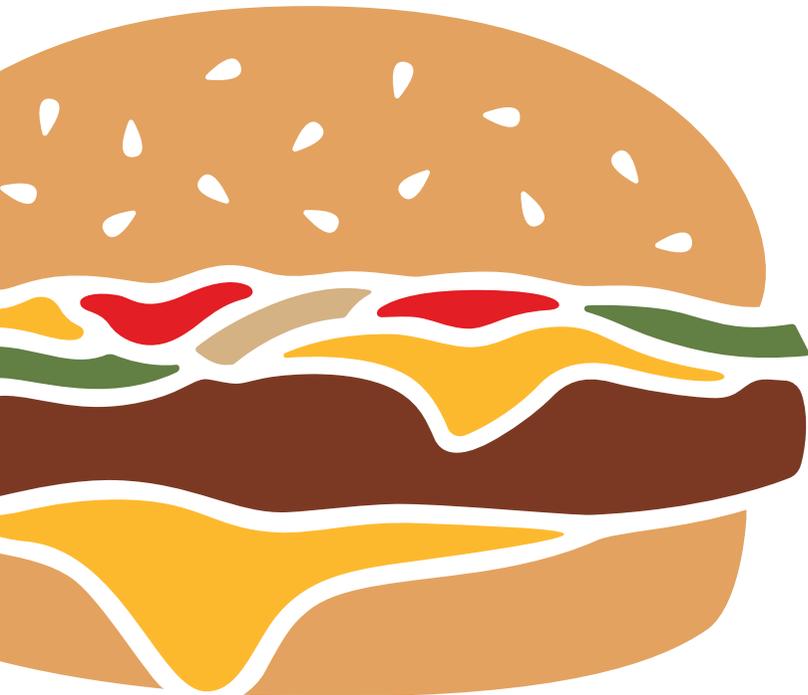
- The Company had 2 JVs in the UK. During 2023, South Coast Foods Limited transitioned from a joint venture to become a wholly owned subsidiary of the Company.





Key stakeholders

The success of the Company, for the benefit of all its stakeholders, is the driving factor behind all decisions made by the Board. Decision making processes are structured to enable directors to evaluate the merit of proposed business activities and the likely consequences of its decisions over the short, medium, and long-term. The Board carefully considers the impact of the business on the communities and environments in which the Company operates.



Stakeholders	Objectives	Engagement
McDonald's Corporation	To provide sustained profitable growth.	As an International Operated Market ("IOM"), the senior leadership including the Board, Executive and other functions of the Company actively and regularly engage with McDonald's Corporation.
JVs	To provide sustained profitable growth.	<p>The business relationship between McDonald's and its JV partner is important to the success of the Company and to protecting the McDonald's brand.</p> <p>The JV board include directors nominated by McDonald's and directors nominated by the franchisee. The JV board convene as required and, in any event, formally at least twice a year.</p> <p>See section Franchisee and JV Engagement for more details on engagement with our JV partner.</p>
Franchisees	To provide sustained profitable growth.	<p>The business relationship between McDonald's and its franchisees is paramount to the overall successful performance of the Company and to protecting the McDonald's brand. The Company engages with its franchisees on all decisions that affect restaurants, ensuring that decisions are appropriately discussed before being implemented and are made for the long-term benefit of the wider McDonald's System.</p> <p>See section Franchisee and JV Engagement for more details on engagement with our franchisees.</p>
Employees	To provide opportunity, nurture talent, develop leaders and reward achievement.	<p>The Company's employees include those in our corporate offices as well as Company-owned and operated restaurant employees. Our employees are key to the Company's success, enabling us to drive long-term value creation and further our purpose and mission. Employees are at the cornerstone of our business and an essential part of the McDonald's System – which also comprises of our owner-operators, our suppliers, and the Company.</p> <p>See section Employee Engagement for more details on engagement with our employees.</p>
Suppliers	To work with our suppliers so that we can deliver for the customers and communities we serve.	<p>As part of the wider McDonald's System, the Company and its franchisees purchase food, packaging, equipment, and other goods from numerous independent suppliers.</p> <p>See section Supplier Engagement for more details on engagement with our suppliers.</p>



Customers	To provide quality food and a superior service in a clean and welcoming environment at great value.	Our customers are at the heart of everything that we do. Our business strategy focuses on effective maintenance and strengthening customer appeal and capturing additional market share. See section Customer Engagement for more details on engagement with our customers.
Communities and environment	To help our customers build communities, support charitable organisations, and leverage our size, scope, and resources to help make local communities and the environment a better place.	As part of the wider McDonald's System, the Company prioritises progress across a range of environmental and community matters, and endeavours to improve our long-term sustainability and resiliency, which benefits McDonald's and the communities it serves. See section Sustainability and Community Engagement for more details on engagement with our communities and environment.



Principal decisions in 2023

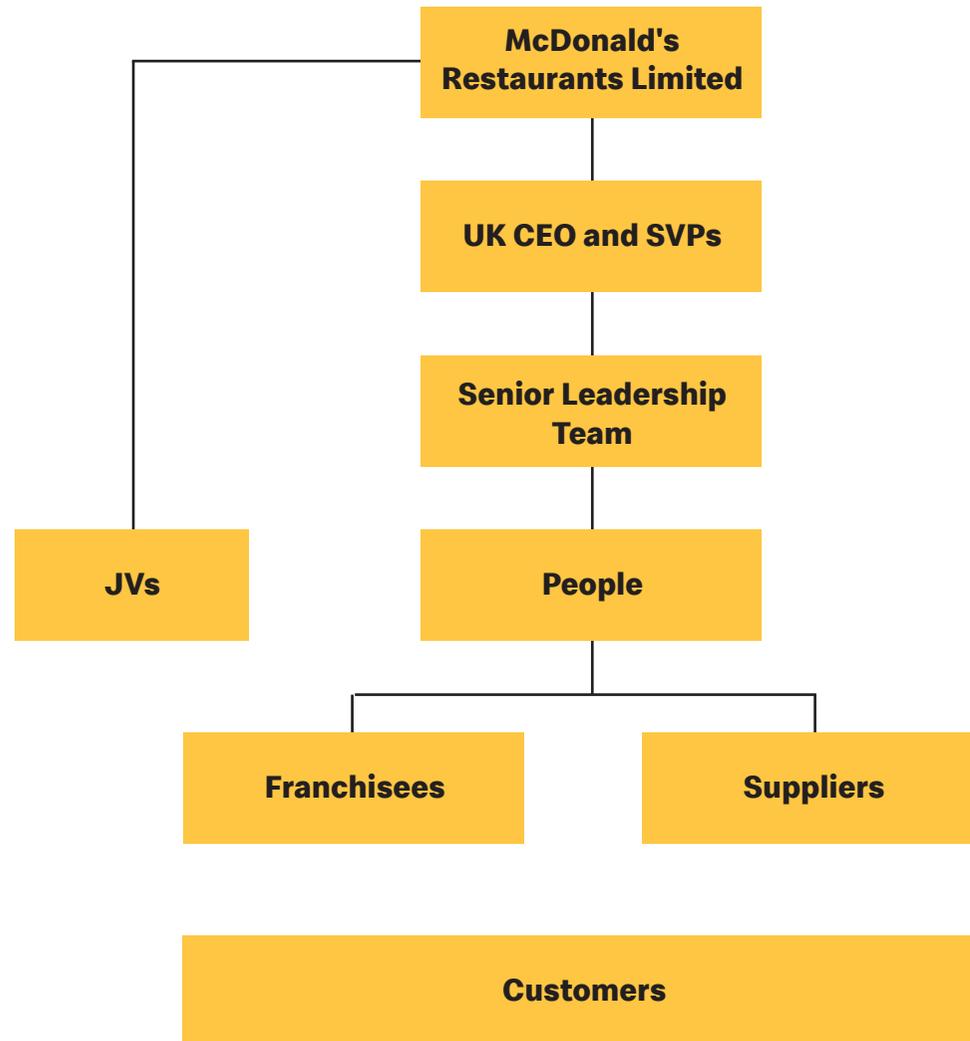
Below we outline a number of the principal decisions made by the Board in 2023. We define principal decisions as those decisions that are of a strategic nature and that are significant to any of our key stakeholder groups as indicated above.

Key stakeholders	Principal decisions	Impact on business	Considerations	Outcomes and Actions	McDonald's values
All groups	Development of a new distribution centre	Investment leading to revenue growth and profit for the business.	<ul style="list-style-type: none"> The principal decision is favourable for all groups as this will: generate additional profit for stakeholders; generate additional employment opportunities; lead to an increase in rewards and benefits for customers. 	Investment into the new distribution centre.	
All groups	Continued decisions relating to "Plan for Change" initiative	Implementing goals and actions under Plan for Change.	<p>The principal decision is favourable for all groups as this will:</p> <ul style="list-style-type: none"> provide clarity for stakeholders; strengthen the relationship with all stakeholders; help our customers build better communities; and leverage our size, scope, and resources to help make the world and local communities a better place. 	See Business Planning for more details on the "Plan for Change" initiative.	
All groups	Continued decisions relating to environmental initiatives.	Implementing its overall strategic environmental plan.	<p>The principal decisions is favourable for all groups as this will:</p> <ul style="list-style-type: none"> help our customers build better communities; support charitable organisations; leverage our size, scope, and resources to help make the world and local communities a better place; and strengthen the relationship with all stakeholders.. 	See the measures put in place under section Sustainability and Communities	

<p>Employees</p>	<p>Continued decisions relating to its people, diversity, equity, and inclusion (“DEI”).</p>	<p>Implementing its overall strategic DEI plan including the relaunching of its Gender Identity Policy.</p>	<p>The principal decision is favourable for employees as this will:</p> <ul style="list-style-type: none"> • promote equality; • generate conversations on topics of DEI in franchising; and • promote an inclusive working environment for all. 	<p>See the measures put in place under section Employees.</p> <p>The relaunch of the Gender Identity Policy to ensure staff understand the different terminology that may be used, along with a clear and supportive process for name and gender changes within Company systems.</p>	
<p>Employees</p>	<p>Continued decisions relating to its people and more specifically the prevention of sexual harassment in the workplace and ensuring the workplace is safe, respectful and inclusive (“SRI”).</p>	<p>Includes:</p> <ul style="list-style-type: none"> • working with the Equality and Human Rights Commission; • assessing and enhancing SRI initiatives and protocols; • implementing best practice training and reporting; and • assembling an advisory panel with a remit to provide restaurant employees perspectives on SRI initiatives. 	<p>The principal decision is favourable for employees as this will:</p> <ul style="list-style-type: none"> • promote equality; • prevent the risk of sexual harassment in the workplace; and • promote an inclusive working environment for all. 	<p>Working with the Equality and Human Rights Commission to deliver its commitments to strengthen approaches to prevent sexual harassment in the workplace.</p> <p>Assessing and enhancing SRI initiatives and protocols.</p> <p>Assembling an advisory panel with a remit to provide restaurant employees perspectives on SRI initiatives.</p>	



Matrix on how we are governed



How We Monitor Performance

In line with McDonald's Corporation's approach of analysing business trends, management will review results on a constant basis and consider a variety of non-GAAP performance and financial measures, including comparable sales and comparable guest count growth, sales growth, after-tax return on invested capital from continuing operations, free cash flow and free cash flow conversion rate, as described below.

McDonald's Corporation as the ultimate parent of the Company manages all key performance indicators ("KPIs") at a segment and geographical level. These KPIs are discussed within the financial statements of McDonald's Corporation, found [here](#).

2023

- In 2023, global comparable sales increased 9.0% primarily due to strong performance across all segments from the continued execution of the Accelerating the Arches strategy.
- Comparable sales in the IOM segment increased 9.2% reflecting comparable sales across all markets, primarily driven by France, Germany, and the UK.

McDonald's Restaurants Limited

In addition to the global comparable sales results, McDonald's Restaurants Limited had the following financial results in 2023:

- Company's turnover has increased by £238 million to £1,836 million;
- Company's gross profit has decreased by £35 million to £826 million;
- Company's operating profit amounted to £11 million
- Company's profit for the year after taxation amounted to £35 million; and
- The Company did not pay any dividends during the year



How We Manage And Monitor Risk

At McDonald's, we seek to maintain our high standards set by McDonald's Corporation whilst balancing the risks and are committed to conducting business ethically and in compliance with the letter and spirit of the law. By carefully aligning our risk appetite to the global strategy, we aim to deliver sustainable long-term shareholder returns for McDonald's Corporation, as well as franchisee profitability.

Further, we strive to foster safe, inclusive, and respectful workplaces wherever we do business whilst respecting the fundamental rights of McDonald's employees, which are: freedom from slavery and child labour; freedom to associate or not associate with any lawful group of their choice and to bargain collectively; equal opportunity for everyone; a safe and healthy workplace; and freedom from discrimination and harassment. In respect of those human rights of McDonald's employees, particularly vulnerable groups such as migrant labourers, indigenous peoples, women, or children, we are also guided by other international standards that elaborate on their rights.

Risk at segment and geographical level are managed and assessed by McDonald's Corporation, as the ultimate parent of the Company. Many risk factors span across all McDonald's markets including the UK and the key risk factors are discussed within the financial statements of McDonald's Corporation, found [here](#), and within the Company's annual report and financial statements for financial period ending 31 December 2023 [here](#).

Understanding and managing risk

All of McDonald's activities involve the measurement, evaluation, acceptance and management of risk or combinations of risks.

The board and the Senior Leadership Team, advised by McDonald's Corporation, promote, and support the maintenance of a strong risk management framework.

In the UK, all our employees are responsible for the management of risk, proportionate to the relevant role and level of experience, with the ultimate accountability residing with the Board. We have a strong risk culture, which is embedded through clear and consistent communication and appropriate training for all our employees, alongside corresponding risk, and compliance management tools. This risk framework underpins our strategic priorities, reinforced by the global brand values, helping us to identify current and future risks so that we may take decisions to prevent and limit risk while managing any material impact on our finances, reputation, or business model.

The Board and the Senior Leadership Team receive monthly reports from management on all areas of the business including business strategy and insights, operations, corporate relations, IT & digital, franchising and finance, which they take into account in their discussions and decision making. Additional non-financial disclosures detailing the policies pursued by McDonald's in relation to the workforce, the environment, social matters, human rights, anti-corruption and anti-bribery matters are also received by the Board and the SLT.

Our continual and thorough engagement across McDonald's, franchisees and suppliers gives us a unique insight into all aspects of our business as well as the wider market, from a restaurant level all the way to market trends. This ensures we can quickly identify risks as well as opportunities for the wider McDonald's System.

Supply Chain

McDonald's aspires to protect the brand and live our values. One way we live our value of continuous improvement is to ensure fair and ethical workplace standards in every corner of our supply chain. We care as much about the people who make our products as we do about our customers.

The Supplier Code of Conduct (the "Code") applies to McDonald's suppliers globally. It sets out our expectations for suppliers on critical topics including human rights, workplace environment, business integrity and environmental management. We expect supplier self-managed excellence in these 4 areas through the implementation of their own management systems.

McDonald's launched the first Supplier Code of Conduct in 1993 and has evolved and strengthened it over time to reflect updated international human rights standards, consultations with external experts, a human rights gap analysis, and dialogue with suppliers.

McDonald's expects all suppliers to meet the standards and ensure that their facilities meet the standards, and promote the principles outlined in the Code. Fundamental to the Code is the expectation of ethical employment practices by suppliers and their supply chain, including subcontractors and third-party labour agencies. The Code prohibits any form of slavery, forced, bonded, indentured or involuntary prison labour. Suppliers and third-party labour agencies are prohibited from retaining employees' government-issued identification, passports or work permits as a condition of employment.

The Code of Conduct is the cornerstone of the global Supplier Workplace Accountability ("SWA") programme, which is built on a model of continuous improvement and education and includes an online training platform



where suppliers can access optional tools and resources that provide guidance on human rights issues.

This aims to help suppliers understand McDonald's expectations and verify compliance with our expectations, both in respect of our suppliers themselves and their supply chains, and work toward continuous improvement.

The SWA programme also includes on-site announced and unannounced audits conducted by third-party auditing firms to assess compliance with the Code.

McDonald's works with third-party auditing firms that have expert knowledge, local insight and an understanding of local languages and cultures.

In addition to our Code, McDonald's Supplier Workplace Standards and Guidance Document ("**SWSGD**") is shared with suppliers and provides detailed guidance on each aspect of the Code and how suppliers and their supply chains can meet our expectations.

We want to ensure that our sustainable sourcing programmes drive lasting, meaningful outcomes on critical issues for people, animals, the environment and our business. McDonald's approaches sustainable sourcing through the lens of the three "**E**'s — ethical practices, environmental sustainability and long-term economic viability — and we've identified 7 priority impact areas to support them. Although our long-term goal is to source all of our food and packaging sustainability, we have focused on seven priority products (beef, chicken (soy in feed), coffee, fibre/packaging, fish and seafood, and palm oil) that were identified through independent analysis by the World Wildlife Fund as the products that carry the greatest sustainability impacts and where we have the most potential to create positive change. Part of our sustainable sourcing for these seven priority products requires our suppliers to purchase sustainably certified products where such certifications exist. As part of the certification process, several of the certification bodies audit for social compliance at the farm-level.

Respectful Workplace Environment

The Company understands the importance of providing a positive experience and making everyone feel valued, both in its offices and in McDonald's restaurants. The Company's commitment to human rights is set forth in its Human Rights Policy and is furthered by its Standards of Business Conduct, which apply to Company employees, and its Supplier Code of Conduct. Company employees are trained on and are required to annually certify their understanding of, and commitment to upholding, the Standards of Business Conduct.

McDonald's focus on fostering safe, inclusive, and respectful workplaces starts at the beginning of each restaurant member's recruitment journey. In 2022, McDonald's Corporation published its [Responsible and Ethical Recruitment Principles](#) outlining its commitment to working toward five global standards that apply to migrant labor recruiting practices including the Company and its franchisees. Additionally, in 2023, McDonald's Corporation became a member of the Leadership Group for Responsible Recruitment, which is a collaborative effort to drive positive change in how McDonald's Corporation recruits migrant workers, and joined the Human Rights Coalition of Consumer Goods Forum, which is a coalition of the largest consumer goods brands working to end forced labor.

Further, McDonald's Corporation's Global Brand Standards (which apply to the Company's restaurants and the franchisee restaurants) prioritize action in four areas: harassment, discrimination, and retaliation prevention; workplace violence prevention; restaurant employee feedback; and health and safety.

As part of its commitment to a respectful workplace environment, the Company recognizes how important it is to provide channels for its employees to report human rights and similar concerns that may violate Company policies and standards. Employees can do so in many ways, including through an anonymous global reporting

channel, the Business Integrity Line, which is staffed by a live operator from an independent company and is available 24 hours a day, 365 days a year.

The Company expects its employees, franchisees, and suppliers to uphold human rights and cultivate respectful workplaces, which builds trust, protects the integrity of the McDonald's brand and fuels McDonald's System-wide success.

Franchisees operate as separate legal entities from the Company. We provide our franchisees with guidance on recruitment practices and a People Review is conducted by either the Company or the franchisees as part of our Operations Performance And Customer Excellence ("**PACE**") process. The PACE process is a comprehensive assessment of our franchised restaurants to ensure guidance is being followed as intended.

Human rights

Modern slavery risks are addressed specifically as part of the SWA programme audits, including a review of ethical recruitment practices to verify that workers are employed under voluntary conditions and have freedom of movement. This includes verification that workers are not charged illegal fees as a condition of employment; worker contracts are in local language and signed by the worker; and that suppliers do not retain workers' government-issued identification, passports, or work permits.

Our human rights due diligence is incorporated into our SWA programme. In addition to the audits described above, McDonald's assesses the potential human rights risks of our supply chains, including modern slavery risks, using desk-based research, supply chain mapping, and stakeholder engagement. By identifying the most salient human rights issues within these supply chains, we aim to strengthen our risk management procedures, develop appropriate improvement plans, and increase awareness of these issues within our business.

In 2021, McDonald's Corporation announced Global Brand



Standards aimed at advancing a culture of safety for McDonald's restaurants across the globe, both Company-owned and franchised locations, and for McDonald's customers worldwide. All McDonald's restaurants have been assessed and held accountable in accordance with the applicable McDonald's market's business evaluation processes since 2022.

The Global Brand Standards prioritise actions in 4 areas:

- prevention of harassment, discrimination, and retaliation: procedures in place for reporting claims of harassment, as well as policy and training established to prevent harassment and discrimination;
- prevention of workplace violence: procedures in place for incident reporting, as well as policy and training established to mitigate the risk of violence in the workplace;
- restaurant employee feedback: at least one crew and manager survey completed each year in each restaurant, with an accompanying action plan; and
- health and safety: annual health and safety audits with action plans to reinforce a culture of safety.

These standards were devised with input from across the McDonald's System, a cross-functional global team and reviews of global market practices.

For further details on McDonald's approach to human rights please see [here](#) and for details related to responsible sourcing please see [here](#). For more information on how the Company takes responsibility to respect and promote human rights please see the Company's [Modern Slavery Statement for the 2022 Financial Year](#).

Business Planning

Plan to Win

The Plan to Win (“**PTW**”) process is how we collate, consolidate, and refine the Company's future business plans. There is a 3-year planning cycle and ideas are generated and developed through 4 Planning Teams (called “**P Teams**”).

These P Teams are cross-functional teams made up of subject matter experts from the Company's departments, as well as 6 franchisee representatives. Each P Team also has an SLT sponsor, and a representative from the Executive National Leadership Group, our franchisee leadership group, and holds a series of meetings throughout the year to continue the prioritisation of ideas and plan technological capabilities, food and product development and our environmental and sustainability commitments.

Where relevant, additional research is conducted, and business cases developed to support decisions taken. The P Teams regularly report progress back at PTW meetings, at which members of the SLT and our franchisee community are present, where insight is shared and ideas debated.

Across the 4 groups, a range of topics will be discussed on a regular basis including, among others, our culture and values and employer reputation.

Supplier Plan to Win

The Supplier Plan to Win framework, referenced in the section Supplier Engagement, is a unique tool which aligns the Company's and supplier strategies to deliver business benefit for the Company and its stakeholders. Food and paper suppliers submit a PTW document annually, setting out innovative projects that meet our business needs and supply chain priorities.

Phased Planning

The Company compiles its annual business plan using a phased approach. Phase 1 is a high-level 3-year strategic plan, and the Phase 2 plan is a strategy for the following year. Both plans are subject to approval by global leadership at McDonald's Corporation.



Plan for Change

In 2021, the Company launched its sustainability plan called “Plan for Change”. Our Plan for Change is a clear plan with ambitious goals and actions to help us lead positive change right across our business, from farms to front counter. It outlines the steps we are taking now and in the long-term. It includes clear time-bound commitments across every aspect of what we do.

McDonald's seeks the following outcomes through its Plan for Change:

1. We live out our global brand mission, purpose and values and make the greatest possible positive impact on communities and planet.
2. Customers find new reasons to trust and love us.
3. We drive resilience and value through sustainable innovation.
4. Key opinion formers understand we're sustainability leaders, tackling important societal changes, reducing risk and supporting brand trust.
5. Collaboration with McDonald's Corporation/other markets to tackle common challenges.
6. We create a blueprint for other markets to follow in developing their sustainability and impact plans to help raise up the whole McDonald's System.

We've set out goals in each of our focus areas - planet, people, restaurants and food - to help guide our actions. These are underpinned by our ongoing commitment to step up for our communities where we operate. We will measure and share our progress against our goals because we know how important it is for us to deliver and to be clear on how we are doing – as every change we make, adds up to a lot.

For further details on our Plan for Change, our commitments and our goals please see [here](#) and for more information on our global initiatives please visit [here](#).

Plan for Change was developed with support from external consultants. It followed a rigorous process including a materiality assessment, risk assessment, consumer insight and extensive internal and external engagement.

We are well underway with activation of Plan for Change and have set up a clear governance structure to guide activities towards achieving our goals. While ultimate accountability for Plan for Change sits with the Company's Senior Leadership Team, a Brand Trust Steering Committee has been established to oversee progress and monitor for risks and opportunities.



Plan for Change 2023 highlights

Great Food



- Our Nutrition Innovation Council hosted supplier workshops to **share innovation in food development**.
- **Number one** in the market for our **vegan products**.
- Started roll out of new approach to **menu signposting** to help customers **make more balanced choices**.
- **Supported UK&I farmers** through the School of Sustainable Food and Farming and The Royal Countryside Fund.
- Added **eight young people** to our **Young Talent** programme to help kick-start careers in food and farming.

Planet Positive



- **Decreased tonnes of CO₂e GHG emissions per tonne of product** to 2.64 in 2022.
- **Emissions from energy** in our UK restaurants and offices decreased by 16% since 2018.
- Established our **Net Zero Supplier Working Group** with seven suppliers within priority categories.
- Worked with other global brands on the Sustainable Markets Initiative's **Agribusiness Task Force**.
- **100% of the soy sourced for the feed of chicken** used in our products supported **deforestation-free supply chains**.

Great Restaurants



- Built our third new restaurant based on our **Net Zero emissions blueprint**.
- 90% of new or refurbished restaurants use interior design schemes with **furniture sourced from recycled or certified materials**.
- **93% of our customer packaging** is from renewable, recycled or certified sources.
- **90% of our customer packaging** is recyclable or compostable.
- Appointed a national partner to support our **Full Circle Waste** programme.

People Positive



- Supported **over 2,250 apprentices** since 2018 and recognised as a NAS Top 100 Apprenticeship Employer 2023.
- Over 180,000 people helped to **gain new skills** and open doors to jobs.
- Launched **Taste for Work** campaign - 550 schools registered and 130,000 young people reached.
- Launched our **Franchisee DE&I Mutual Commitment** through a new DE&I Playbook.
- 75% of participants on our **Restaurant to Corporate Bridge** programme were from underrepresented groups.
- 52% of people in our senior leadership roles were **female**.

Community Connection



- **Raised £4 million** through our BBC Children in Need partnership in the first three years.
- Funded the redistribution of over **1.2 million meals** and connected our supply chain to donate a further 380,000 meals.
- Fun Football delivered **1.7 million hours of free football coaching** to over 384,000 children in the UK.
- Worked with BBC Children in Need to identify areas of greatest need to provide better access to Fun Football.
- Provided **10 million books** through Happy Readers and gave away over 500,000 World Book Day books.



How We Engage With all "Three Legs Of The Stool"

Our communications approach, set by McDonald's Corporation, the UK CEO, the Board, and the SLT, is driven by our guiding principles embedded in the McDonald's Values and Growth Pillars:

- dependable and committed to doing the right thing;
- open to different ideas and cultures; and
- connected to customers, franchisees, JV partner, suppliers, communities, regulators, and each other.

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 comes from a commitment to relationships. A deep-rooted belief that we are at our very best when the brand, our franchisees and our suppliers work together to deliver for the customers and communities we serve.

We believe that the brand, franchisees, and suppliers all contribute to our success. We call this approach the 'three-legged stool'.

Diversity, Equity and Inclusion

McDonald's aspiration is that no matter where you are in the world, when you interact with McDonald's — whether through the app, in a restaurant, by watching an advert, working in an office setting or as a crew member — DEI is as evident and familiar as the Golden Arches themselves. This means the full expression of diversity: the representation and inclusion of different genders, races, cultures, identities, sexual orientations, ages, religions, abilities, languages, experiences, and expressions. The aim is to identify and eliminate barriers to fair treatment for underrepresented groups and create equity in the workplace i.e. fair treatment in access, opportunity, and advancement for all.

We pursue this aspiration by using McDonald's influence and harness our scale to accelerate meaningful and overdue societal change for our employees, franchisees, suppliers, customers, and communities. This means striving to:

- represent the diverse communities in which we operate;
- accelerate cultures of inclusion and belonging; and
- dismantle barriers to economic opportunity.

With the DEI strategy in mind, McDonald's seeks to ensure its aspiration spans across all three legs of the stool:

- **Corporate** - we seek to represent the diverse communities in which we operate by increasing the diversity of our leadership for McDonald's including setting aggressive targets to increase representation of women and historically underrepresented groups.
- **Employees** - we're blending technology and new recruiting techniques to achieve a more bias-aware and inclusive McDonald's, such as using artificial intelligence ("AI") tools to create gender-neutral, inclusive job descriptions; harnessing technology platforms to broaden the number of candidates we screen; strategically structuring interviews and interview guides to ensure equity and fairness throughout the selection, interview and offer process; and embedding and encouraging diverse candidate slates and interviewer panels.
- **Franchisees** - the diversity of our franchisees is a source of pride—and importance. Through our global DEI efforts, we continue to attract more diverse franchisees while also developing the next generation of franchisees. In 2021, McDonald's announced a franchisee recruitment initiative to help increase the number of franchisees from historically underrepresented groups with the aim of increasing ownership opportunities for new talent from all backgrounds, both in terms of the number of individual restaurants owned as well as the number of qualified franchisees overall. In addition, the aim is to seek to reduce upfront equity requirements for eligible franchisee candidates, and we will also leverage our network of banking partners to increase access to financing solutions that will reduce the barrier to entry for candidates.
- **Suppliers** - we recognise that through our scale and influence, McDonald's has the opportunity to help accelerate change – not just in our own business but also in those which we work with. Starting in the US initially with a view to expanding the initiative across all markets including for the Company, market-based suppliers of goods and services to McDonald's are invited to sign a Mutual Commitment to DEI. Suppliers are invited to sign onto this joint pledge, in which they commit to implementing an overall DEI strategy, building within their own organisations the talent pipelines, infrastructure and culture.

As we continue to emphasise action, accountability, and integrity as we make progress against our DEI strategy, we have prioritised our work around equal pay, a critical issue that sits at the nexus of all 5 of our values. Our equal pay analysis compares employees in similar roles, while considering the many factors that



legitimately drive differences in pay between employees, such as experience (general, McDonalds-specific, job-specific), job level/ grade, performance, and location.

In 2019 McDonald's introduced pay principles to ensure that good pay practices are understood, consistently implemented, and executed across the McDonald's markets which includes the following:

- Competitive - pay opportunities are aligned with the external value of a job to optimally attract, engage, and motivate talent;
- Non-discriminatory - employees are compensated at a level commensurate with their role, responsibility, impact, location, experience, knowledge, skills, and performance, irrespective of gender, race, ethnicity or any other similar protected personal characteristics;
- Performance-based - pay is focused on motivating high performance, recognising achievement, and reinforcing behaviours that align with our culture;
- Understandable - pay programmes are communicated regularly and transparently with compelling clarity; and
- Compliant - we comply with all applicable legal and regulatory requirements and standards.

It is acknowledged that working toward equal pay is not a one-time project; it requires ongoing focus and effort. Following our pay principles combined with annual pay gap assessments helps to close identified gaps and continues to advance our strategy.

Further details on the McDonald's strategy and approach to DEI can be found [here](#) and in relation to the Company's gender pay reporting can be found [here](#).

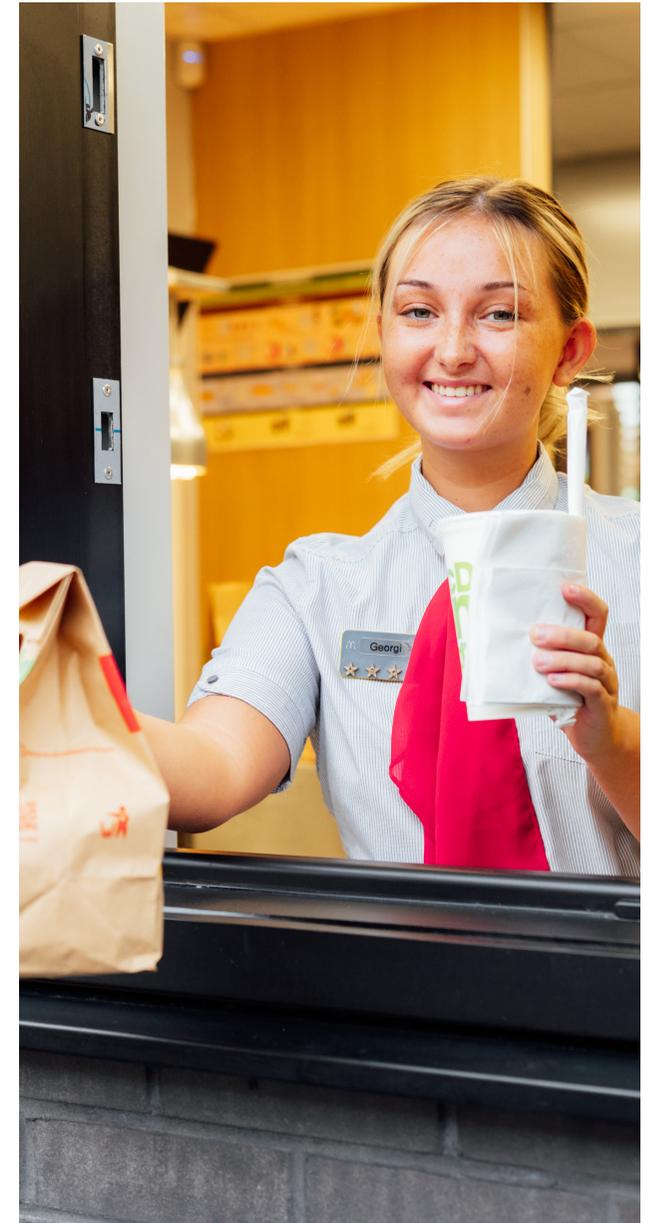
Employee Engagement

Our employees are absolutely key to our success. Whether they work in our Company-owned and operated restaurants or in head office, we wouldn't be able to run great restaurants without them. That is why we work hard to create jobs and opportunities for all our employees, regardless of gender, age or life stage and those who want career progression or simply a way to earn a wage and pay the bills.

We strive to create an environment where our values are not just words but are put into practice, promoting positive and productive behaviour every day. We invest time and resources communicating with our employees, designing programmes to educate and encourage the highest standards of conduct. This reflects our vision to run great restaurants, renowned for our food, employees and results.

Understanding how our employees feel about McDonald's is vital. It helps us ensure that we are giving them the right support to achieve their potential and to serve our customers well. We have open door policies all year round but this is also done through a number of specific forums with results filtered back to the Board. Our new internal communications platform 'Workplace' for McDonald's employees, Franchisees and their employees has also been introduced.

These procedures ensure that the Board and the SLT engage regularly with both our office staff and our restaurant crew on a host of areas, including programmes relating to pay and benefits and are updated regularly on how everyone feels about working at McDonald's.





Employee Surveys

We undertake employee engagement surveys on a regular basis to enable everyone in the business to feedback on their experiences whilst working at McDonald's. The feedback allows restaurants and organisations to constantly evolve actions to support employee satisfaction. We have embarked on a "Big Conversation" with all our restaurant crew and managers to drive the conversation about how our employees feel about their work.

Some of the specific surveys we conduct include:

Love to Listen

For restaurant teams our Love to Listen surveys are completed on a quarterly basis, with all restaurant-based employees invited to take part. Over the course of 2023, over 366,000 responses were received which is the highest number of responses since the survey was introduced in 2018.

The aim is to regularly establish sentiment, using core questions which align to McDonald's mission. During 2023, new questions were added focusing on our restaurant experience touchpoint, courier relationships and our safe, respectful and inclusive working environment.

Amongst our non-restaurant operations and office employees, feedback has been sought twice in 2023 through a UK specific market survey, as well as participation in the annual Global Pulse Survey.

Leavers Survey

McDonald's introduced the new Leavers Survey, which has enabled restaurant leadership teams to gain valuable insights from nearly 18,000 individuals who shared their feedback on their employment experience whilst working within their restaurants,

This ongoing feedback has become extremely valuable in enabling McDonald's to enhance its people proposition and create a positive working environment.

By analysing this feedback, we can address organisational shortcomings and implement strategic improvements that resonate with its workforce, ultimately fostering a better employee experience and driving overall business success.

The Love to Listen OurLounge Poll

This gives all employees the opportunity to give regular feedback on how they're feeling. A number of questions are aligned with McDonald's Corporation but the Company has the facility to use local questions also.

Questions are timed to correspond with events that are happening across the business and are bucketed into three main categories:

- Crew Experience
- People Promise
- Crew Engagement

Love to Listen Meet Ups

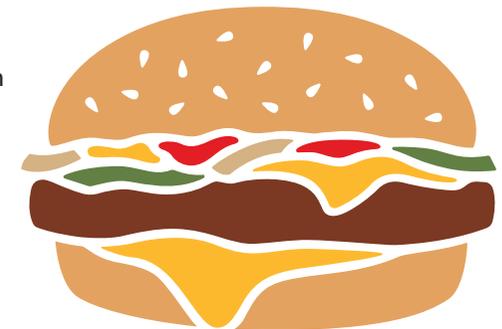
Love to Listen meet ups are a tool available to all our restaurant teams to utilise as a forum serving to act as a temperature check on how well our desired culture is being lived.

It is an additional layer of engagement to seek and understand sentiment within their working environments, whilst solving a business challenge along the way. It is interactive and inclusive and also used within our office environment to explore in the moment feedback.

Newsbites

We share a Newsbites issue every week, to Workplace by Meta, which highlights feel-good stories from the business. Newsbites was designed to keep our restaurant employees connected and engaged during the pandemic by sharing good news stories and recognising individuals who go above and beyond both at work and within their larger community. As we moved out of the pandemic, the channel has developed and continues to deliver recognition stories and key people-focused moments across the business including stories from raising money for RMHC, to helping customers in times of need and supporting fellow crew members.

In 2023 we shared 50 issues, recognising around 100 restaurants and approximately 250 individuals with a reach of 57,000 employees, this is up from 10,000 views on email - an overall increase of 470% on 2022.





Workplace by Meta

Workplace by Meta replaced Ourlounge as our primary employee engagement platform at the end of 2022. Its launch provided us with an exciting opportunity to transform the way we communicate with our people, introducing two-way engagement via a social feed that looks and feels familiar. This platform allows communication from McDonald's directly with our people to share news, exclusive content, prizes and giveaways; reward and recognise the fantastic work done by our teams; and capture employee sentiment through the use of live polls and surveys.

A Knowledge Library is also available, replacing information which was previously available and/or hosted through Ourlounge. Teams at Franchised restaurants and Company restaurants are able to manage their own groups, tailoring content to their individual needs and pulling content directly from central feeds to create a truly connected platform.

Workplace also provides users with direct access to MYSTUFF, FRED and the Rewards Gateway.

Launching Workplace has helped us communicate directly with restaurant employees. We've had great levels of engagement and we've maximized uptake, explored different content formats, played restaurant employee Monopoly and launched a brand-new channel: The Wrap.

Launching The Wrap

The Wrap is a monthly internal content series, available for all McDonald's employees to watch via Workplace. We designed The Wrap to connect and celebrate our people, our food, our restaurants and local communities. Episodes are launched monthly and highlight some of the biggest launches, initiatives, exclusive content and what's to come in the following weeks and months.

Restaurant employees are the stars of the show, The Wrap is hosted and presented by restaurant employees, for restaurant employees. We hosted a training day to equip the presenters with the necessary skills to bring each episode to life. BBC Radio One Presenter and Journalist Katie Thistleton ran the training.

The first episode launched in February 2023 and we attained 470,000 views + 23 second average watch time across 10 pieces of content.

2023

In 2023, there was 1.1 million comments added, 4.4 million reactions shared and 14.4 million messages sent via WorkChat. – showing the impact of connecting restaurant employees while allowing them to separate work and personal lives.

UK Intranet

The Company's intranet is also a useful point of reference for everyone in the business, providing weekly office and operations updates, and another opportunity for our employees to share their opinions and to recognise our crew and teams. This is also a reference point for our Employee Assistance Programme, to ensure that our employees get access to any additional support they may need.

2023

An average of 576,000 hits per month.





MYSTUFF 2.0 (Our HR System)

MYSTUFF2.0 is our employee system which gives employees a mobile friendly platform to manage their own data, manage holidays and time off as well as view their wage slips. Each user has a unique ID (single sign on) to access the vast range of McDonald's tools all in one place. These include learning and development, scheduling, as well as our staying connected platform, OurLounge.

Town Halls

Our town halls are a monthly business update, presented by the UK CEO and senior leadership team. Each town hall has a different theme and will give staff the opportunity to hear from other departments about their upcoming plans and initiatives. We also announce our monthly service awards and the holiday awards at these meetings.

2023

- We held 11 Town Halls across the year. These meetings happen in our East Finchley office and can be joined virtually by office employees based at our regional offices.
- We had three Global Town Halls in 2023. This was an opportunity for our entire global business to come together to hear more information on some of the key issues impacting our business across the globe.

Regular Email Communications

We keep our employees updated regularly via email, which are tailored to their role within our business. These include:

Operations Update

The Operations Update is a 'to do list' for the week, focusing on operations excellence in order of priority, providing timely information to help restaurants focus on quality service and cleanliness. The update provides a system where relevant information is packaged together in one email for all restaurant management staff, improving the effectiveness of communication. At a minimum, these updates are shared on a weekly basis every Monday although depending on the needs of the business Operations Update Extras are issued as and when required.

2023

- We issued 102 Operations Updates.

Heads Up

This is normally a monthly communication providing a 'Heads Up' on projects and business priorities for our operations teams - up to 3 months in advance.

Giving our operations and franchisee consultants plenty of notice to plan in time in their diaries to best support their restaurant teams. Heads Up is sent on the second Monday of every month.

2023

- We issued 12 Heads Up issues in 2023.

Updates from the UK CEO

2023

- Effective communication to the Company's employees, franchisees and JV partner on business updates and leadership engagement continues to be a priority for the Company. Regular emails from the UK CEO and other senior leadership team members were implemented, recapping significant updates as a source of engagement, and keeping all abreast of the business developments in accordance with strategy decisions.



Culture Days and Events

Throughout 2023, various cultural days and events were celebrated, each highlighting the importance of diversity and inclusion within the organisation

2023

- In March, our focus was on Neurodiversity and #EmbraceEquality. The former involved sharing stories and challenging stereotypes about neurological differences, fostering awareness and a celebration of the diversity and strength our Neurodiverse employees bring to our business, whilst International Women's Day saw the promotion of equality through short videos featuring perspectives from senior leadership roles including the UK CEO, emphasizing the need for equal opportunities for all.
- Moving into May, the spotlight shifted to Deaf Awareness and personal development. As a business we encouraged deaf and hard-of-hearing team members to share their stories and saw many restaurants engaging in learning the basics of sign language. Development sessions led by Janie Van Hool empowered individuals to build their personal brands and tackle imposter syndrome positively for our women's network so that our continued focus on gender balance within our leadership stays front of mind.
- June continued the celebration of diversity with #Sharingthepride, spreading LGBTQ+ inclusion throughout the restaurants. Pride inclusion kits were distributed, and the East Finchley restaurant led by example with vibrant pride decorations.
- September marked National Inclusion Week, focusing on the theme #ThePowerIsNow. Webinars highlighted everyday inclusion, allyship, mental health awareness, and the importance of authenticity and hearing from franchisees and leaders within the business helped to draw attention to this celebratory week. The Company also partnered with the British Franchise Association in 2023 as headline sponsor, which aims to further open up the franchising industry to those of all backgrounds and generate conversations on topics of diversity and inclusion in franchising.
- In October, we were proud to be celebrating Black History Month and launching our disability network group. Discussions and partnerships with inclusive employers aimed to celebrate black voices and raise awareness of disabilities within the organization, and our lets talk about session invited employees to join in and learn more about saluting our sisters in the 2023 theme.
- November continued with sponsorship from WiHTL ethnic future leaders' programmes, emphasizing career development and networking opportunities of those from underrepresented groups.
- Finally, December saw the launch of the Mutual Commitment to Diversity, Equity and Inclusion ("MCDEI") & digital playbook to the UK market to all franchisees and Company hierarchy which will be a key driver for change and cornerstone of our approach moving into 2024. MCDEI is a pledge that invites the Company's suppliers to commit to efforts toward DEI progress within their own organizations, draws on McDonald's size and scale, and highlights its opportunity to accelerate meaningful change for employees, franchisees, suppliers, customers, and communities We also celebrated International Day of Persons with Disabilities in December by spotlighting some of the people who work for us and showcasing how our learnings have meant we are better supporting our employees throughout their careers.
- The Culture Wellbeing and Inclusion calendar has also seen a revamp in late 2023 which now has an accompanying workbook to give restaurant teams more resources to learn about these dates and celebrate these within their restaurants. We also revamped the Company intranet section for inclusion and diversity giving the restaurant teams further tools and resources to aid learning and development in this space.
- Additionally, the R2CB cohort 3 was introduced, offering operational employees a year-long corporate experience for career advancement. These events and initiatives throughout the year underpinned the business' commitment to fostering a diverse and inclusive workplace culture and aligns with our plan for change goals.
- In 2022, we were thrilled to have launched our restaurant to corporate bridge programme, an initiative designed to provide opportunities for all our employees to experience a variety of corporate roles during a 12-month period. The programme aimed to promote diversity and inclusion by offering employees from our restaurants the chance to explore different career paths within our corporate office. Since its launch, the programme has continued to grow, with our most recent cohort in 2023 spanning across 11 different teams in both our UK and Ireland, and Global offices.



Franchisee and JV Engagement

While McDonald's is a global brand, our franchise model means we are also a collection of small businesses, focusing on what is important to each local community. Of our UK restaurants, 89% are run by franchisees, and we hope to see that number grow in the future. Our franchisees are the owners of their businesses, many of whom live and work in the areas where their restaurants are located. They are our eyes and ears in the localities in which they operate, and share with us insights provided by their employees, their customers, and the communities they serve.

We engage with our franchisees and JV partner on all decisions that affect restaurants, ensuring that decisions are appropriately debated before being implemented and are made for the long-term benefit of the wider system.

The Board has the responsibility, through core functions, to engage with local franchisees and JV partner in initiatives and programmes. This local community presence is foundational to our brand and is crucial to our ability to both identify and respond quickly to risks for the business as well as proactively look for opportunities that will continue to drive the business forward.

We engage with our franchisees and JV partner in the following ways:

Executive National Leadership Group Meetings ("Exec NLG")

The Exec NLG is our franchisee leadership group. The Executive and Exec NLG together host meetings throughout the year to discuss the strategic direction of the business.

2023

The Executive and the Exec NLG held 15 meetings in 2023. The overarching purpose of the full day meetings was to discuss the strategic direction of the business. Additional meetings were also called to discuss the impact the external events were having on our day-to-day business operations and financial outlook.

Franchisee Live Calls

2023 was a year of change and challenge both internally and externally. The Accelerating the Organisation ("AtO") programme was announced in January, and concerns relating to restaurant working environments were raised.

To ensure all franchisees and JV partner were fully engaged in the updates and changes, the SLT introduced regular Franchisee Live Calls. The calls also provided franchisees and JV partner the opportunity to ask questions and provide feedback.

2023

- 12 Franchisee Live Calls were held, covering:
 - Plan to Win meeting cascades;
 - Business implications of external impacts on our day-to-day business operations and costs outlook;
 - AtO impact; and
 - Updates to SRI policy.

Franchisee and JV Engagement Sessions

Franchisee and JV insight and input is gathered via our franchisee and JV engagement sessions. All franchisees and JV partner are invited to sessions held across the UK. These sessions are led by the Business Strategy & Insight function and are a critical step in the planning process enabling franchisees and JV partner to generate ideas and influence the creation of McDonald's business plans. Engagement sessions take place every year.

The outputs from Customer Quest and the franchisee engagement sessions are passed to our Planning Teams for further consideration and are then prioritised by the P Teams based on our strategic priorities and key business and consumer opportunities.

2023

- We held 5 engagement sessions across the UK.
- 92 of our franchisees and JV partner attended these sessions.



Roadshows

Historically the SLT travel across the country to host Roadshows. These Roadshows are an opportunity for the SLT to share key business updates and initiatives, to capture franchisee feedback and to answer questions.

2023

- There were 3 Franchisee roadshows in 2023.
- The events were well received, with lots of feedback and interesting discussion points and areas of focus raised on each occasion.
 - In March 2023, 156 franchisees attended.
 - In June 2023, 159 franchisees attended.
 - In December 2023, 176 franchisees and JV partner attended a virtual roadshow.

Plan to Win ("PTW")

The Exec NLG meetings are complemented by the PTW process (further details can be found in the section Business Planning).

Where relevant, additional research is conducted, and business cases developed to support decisions taken. The teams regularly report progress back at PTW meetings, at which members of the SLT and our franchisee community are present.

Through this process we continually generate, evaluate, and refine our business strategy and develop our plan for the upcoming year. The finance team evaluates this strategy to determine the overall affordability of the plan which is then presented to global leadership for approval.

2023

- There were 3 PTW meetings in 2023.

Consultants

Each of our franchisees and JV partner have access to the support of a consultant. Our consultants have on average twenty years of experience within the

McDonald's System, the majority of whom have worked in operations for much of their career.

Consultants have an astute understanding of all commercial and operational aspects of the business including driving profitable sales, developing employee strategies as well as having a rounded understanding of the wider business landscape. They are therefore well-equipped to support and consult our franchisees and JV partner on both the day-to-day challenges their restaurants and organisations face, as well as their longer-term strategic investment decisions.

2023

- In 2021 Operations Performance And Customer Excellence ("PACE") was introduced, a Global operations improvement and consulting platform, to greater support the Company's culture of operations and QSC excellence and to close the gap more quickly between top and bottom performing restaurants. PACE continues to be enhanced and embedded further.
- In 2023, following the announcement of AtO, consultants were challenged further as a result of the changes to geographical boundaries that consultants cover and for many consultants this meant supporting new franchisees in new areas.
- Additionally, the robust approach to addressing SRI challenges has further enhanced the responsibilities of consultants, including the addition of Putting People First Visits. A Putting People First Visit is an audit of a restaurant's People practices. These visits are handled by PwC, our independent auditor. The practices that are assessed include:
 - Ensuring employees who are under 18 are not working longer hours than they're legally allowed.
 - Checking schedules are being released to employees on time.
 - Checking shift leaders have completed the First Aid and Health and Safety course.
 - Confirming there a detailed development and succession plan in place.
 - Checking the Business Manager has completed a Leading Great Restaurants course.
 - Ensuring the restaurant has a completed People Strategy.
 - Finally with the roll-out of Best Burger in 2024 drew closer, consultants attended a number of training sessions to prepare themselves to support the deployment in restaurants.



Finance Committee

The primary objective of the Finance Committee is to seek balance, fairness, and flexibility to allow both franchisees as well as McDonald's to innovate, develop and grow their businesses.

The franchisees on the Finance Committee engage with the Company on a quarterly basis to represent the view of the Franchisee community and communicate and consult appropriately with the Company on any UK business plans.

2023

- The Finance Committee continued to hold a high number of meetings to address the challenges faced throughout a tremulous year and to discuss the best course of action for our business.

Regular Email Communications

Franchisee News is predominantly a weekly publication, whose content is focused on providing timely updates relevant to the franchisee community. It is issued to all franchisees, JV partner and our head office employees.

This publication was created to streamline the flow of information from the centre, ensuring important updates to our franchisees and JV partner are contained and shared through one communication channel. The information shared across this medium originates primarily from the centre. All departments feed in to share details that include upcoming events, new initiatives, meeting notes, guidance documents and project updates.

Third party organisations do from time to time communicate with franchisees and JV partner via this channel.

2023

- We issued 52 Franchisee News emails to our Franchising community.

Our Franchisee Website

The “always on” franchisee website is a portal that houses a suite of support documents and information that is specific to our franchisee community. It's designed to ensure our franchisees and JV partner always have to hand the information and tools to structure their business and analyse outcomes, to support continuous growth. The content on the site includes information on operator representation and committees, meeting dates and notes, finance modelling tools and marketing resources.

Updates from the UK CEO

Effective communication to the Company's employees, franchisees and JV partner on business updates and leadership engagement continues to be a priority for the Company.



Supplier Engagement

The strength of the strength of our long-standing partnerships with suppliers is crucial to the success of McDonald's. From the farmers producing the quality food that goes into our menu, to the businesses producing the materials used to build our restaurants, our collaborative approach to working with suppliers remains a source of strength for the McDonald's System.

We are proud supporters of British and Irish agriculture, working with over 23,000 British and Irish farmers who supply quality produce for our menu. This produce is supplied into our restaurants by a system of over 100 suppliers, with whom we work to create a sustainable, circular, and equitable supply chain that benefit people and our planet.

We have long-term partnerships with many of our suppliers, some extending over 40 years. These long-term relationships encourage collaboration and enable suppliers to make decisions for the long-term good of the McDonald's system. We work collaboratively to align on strategic goals, share information and resources, and deliver against key priorities.

The Company undertakes a variety of engagement approaches with its suppliers:

SAVES

SAVES is a supplier led council comprising of senior representatives from our leading suppliers and the McDonald's supply chain leadership team. The primary objective of SAVES is to ensure alignment between McDonald's and suppliers on delivery of a world class supply chain that drives sustainable, competitive advantage for the McDonald's System.

The SAVES group aims to leverage collective knowledge, scale, and talent within the supplier community to grow our businesses, with a focus on innovation, through partnership and project delivery.

2023

- SAVES met four times, to discuss long term strategic priorities, progress and outputs of projects, and the impact to supply from high levels of disruptions from external events.





Food Safety & Quality Forum ("FSQF")

FSQF is a forum where quality representatives from the main suppliers meet to share best practice and design policies to be incorporated into our quality systems manual. Areas for focus are determined each year where the suppliers will work to find new strategies and technology to improve these areas. Outputs are shared through supplier updates throughout the year.

2023

- The Food Safety & Quality forum did not meet in 2023, as the Company worked through significant quality team changes as part of Accelerating the Organisation. The forum will resume in 2024.

Supplier Plan To Win

Supplier Plan to Win is our process for joint business planning with suppliers. Its purpose is to align supplier strategies and priorities with the strategic direction of McDonald's. Suppliers submit a Supplier Plan to Win document annually, setting out customer led, scalable projects that meet our business needs and supply chain priorities.

2023

- Plan to Win in 2023 focused on the evolution and alignment of our supplier asks to the evolved Accelerating the Arches strategy.
- Evolved asks were shared with suppliers in Q4, with three tier one suppliers met in 2023 and the remainder scheduled for 2024.

Supply Chain Committee

The Supply Chain Committee is governed by a charter and exists to support delivery of a world leading supply chain that powers sustainable growth and competitive advantage for the McDonald's system. The franchisees on the Supply Chain Committee engage with the Company on a quarterly basis to represent the view of the franchisee community and communicate and consult appropriately with the Company on any UK business plans.

2023

- The Supply Chain Committee continued to meet with an increased frequency throughout 2023, with significant levels of macro-environmental instability and elevated inflation driving challenges, to discuss the best course of action for our businesses.

Supplier Live Calls

The supply chain continues to hold regular Supplier Live Calls with the McDonald's UK and Ireland supply base on a quarterly basis. The purpose of these calls is to provide regular updates to our suppliers on the strategic direction of the business and its priorities, relevant updates on trading and operational performance, as well as cover any topical areas of priority and/or impact.

2023

- A call was held four times last year and joined by an average of 50-100 suppliers.
- Topics discussed included long term strategic priorities, Supplier Plan to Win and promotional performance.



Supply Chain Conference

McDonald's hold an annual Supply Chain Conference for all food and paper suppliers. The purpose of the event is to share the strategic direction of the Company and supply chain priorities, as well as to recognise suppliers and individuals at a Supply Chain Awards Ceremony.

2023

- The Supply Chain Conference was held in-person in January 2023 and was attended by over 300 delegates from across all three legs of the stool

Supplier Net Zero Advisory Group

The Net Zero Advisory Group is a forum where sustainability representatives from the main suppliers meet to share best practice and drive progress against our net zero roadmap. Areas for focus are determined each year, with suppliers working to find new strategies and technology to improve these areas. Outputs are shared through supplier updates throughout the year.

2023

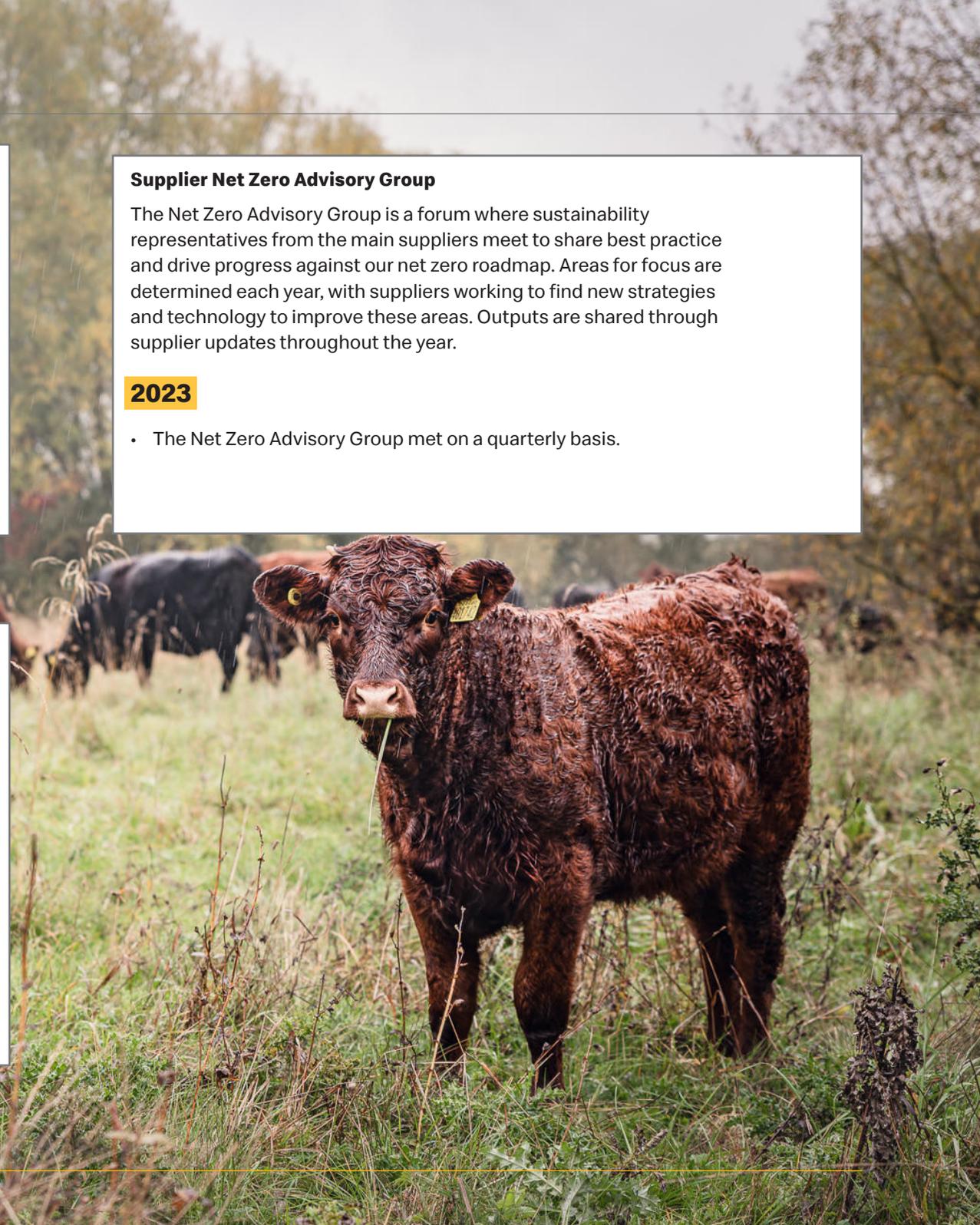
- The Net Zero Advisory Group met on a quarterly basis.

Supplier Roundtables

The supplier roundtable is an annual discussion between McDonald's and senior executives from strategic supplier partners within the supply chain. Led by members of the McDonald's Senior Leadership Team, open discussion and transparency is encouraged to understand challenges and opportunities facing our system now & in the future.

2023

- Our supplier roundtable continued in 2023, with three roundtables with our top supplier across Q3.
- The purpose of the roundtables is to deepen and strengthen our supplier relationship at a senior level by providing a forum for thought partnership as well as strategic discussions about priorities, opportunities and risk.





Customer Engagement

Our customers are at the heart of everything we do. We acknowledge the importance of keeping our customers engaged with our business and we do this in many ways:

McChat

We use this to assess new menu ideas which also help shape some of the decision making and engagements that we have with our franchisees.

Our website

To provide clear and concise information to our customers, we regularly keep our website updated with the latest news including offers, letters from our UK CEO and menu changes. Our website also contains sections that highlight the Company's work with local communities, our efforts to become more sustainable as well as an 'About' section on our food showing where our ingredients are sourced from.

2023

• We had over 29 million unique visitors to our website.

The My McDonald's App

Similar to our website, the McDonald's App provides our customers with the latest information on menu changes and offers, as well as the work that we do within the community. The McDonald's App also sends push notifications to customers who wish to receive these on their mobile phones letting them know of deals in their local area.

The McDonald's UK Newsroom

2023

• Over 6 million new app registrations in 2023.**The press and our newsroom**

The [McDonald's UK Newsroom](#) is updated regularly to ensure both the media and the general public are aware of the latest announcements made by the business. The press office is also the best way for media to get in touch for interview and comment requests, or to ask for more information about a story they are looking to write.

Social Media

We deliver targeted, relevant social content and positive interactions that reflect the role that we play in our customers' lives to drive positive sentiment, engagement and affinity. Our aim is to make sure that every interaction, from content to customer service, leaves people a little happier than they were before.

2023

On Facebook we had **2,397,989 likes**



On Twitter/X we had **259,624 followers**



On Instagram we had **324,016 followers**



On YouTube we had **71,710 subscribers**



Newsletters

We engage with our customers who have signed up to receive our newsletter through emails and mobile push notifications and we use these communications to help keep customers up to date with Company news, marketing campaigns, product launches and offers.

Customer Quest

Customer Quest is a customer closeness programme that feeds into our planning team leaders. These include the Executive National Leadership Group, 4 new franchisees and the SLT, each of whom have the opportunity to talk with, listen to and see research from customers and our employees to help shape considerations for our planning. Keeping abreast of how customers are feeling and how their lives are evolving is central to the Customer Quest objective.

2023

• There was one 2-day dedicated Customer Quest session in the year.



Thank you