



McDonald's Restaurants Limited
Gender Pay Report 2022



Foreword

from Alistair Macrow,
Chief Executive Officer, UK & Ireland

I am incredibly proud to lead a group of skilled and talented individuals who are passionate about making our business the best it can be. Our people truly are the heart of our business, and it is important to me that every one of our employees has the opportunity to thrive, to grow and to succeed – whatever their background.

McDonald's is one of the most recognisable brands in the UK and Ireland and one of the largest employers. We know that with this scale, we have a great responsibility to support our people and to represent the communities in which we operate.

Inclusion is one of McDonald's core values. We open our doors to everyone. I am committed to dismantling barriers and ensuring our team, from restaurants to boardroom is as inclusive and as diverse as the communities in which we operate. Gender pay parity is a vital part of this.

In April 2022, our mean gender pay gap was the lowest it has been since we started reporting our gender pay gap data to the Government in 2017. It was three per cent – a decrease of four per cent on the previous year, and we will continue to work hard to close this gap fully.

We have also maintained gender parity at board level for another year and made progress on several measures that are enabling us to further narrow the gender pay gap.

But we know that there is no time for complacency. More needs to be done, especially to improve representation at a senior level within our business. That is why we continue to invest heavily in our recruitment and reward model and development, so we can attract and retain the best female talent.

Over the past year, we have continued to strengthen and expand our efforts to attract a strong pipeline of female leaders. In 2020, we launched our Women's Leadership Network, which provides tools, resources and events to inspire and support women's personal and professional development. Last year, we expanded this network to include all women in the business, not just head office employees, and we also invited men to be involved through a network of Male Allies.

I have also been delighted to see how our Empowering the Female Leader programme has grown, with 55 candidates currently taking part and past participants enjoying promotions and further job progression.

Our people will always be our most important asset. Having a diverse workforce where everyone feels supported and empowered to realise their full potential, makes us stronger as a company. The data we share below on our gender pay gap demonstrates we are moving in the right direction, and we remain firm in our commitment to accelerating this progress across our business.



Alistair Macrow,
UK & Ireland CEO

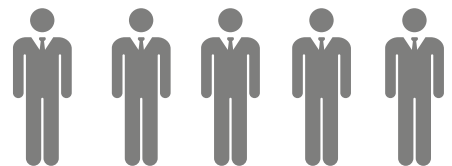


How we calculate
the median difference

LOWEST PAY PER HOUR **MEDIAN PAY PER HOUR** **HIGHEST PAY PER HOUR**



DIFFERENCE = MEDIAN HOURLY PAY GAP



LOWEST PAY PER HOUR **MEDIAN PAY PER HOUR** **HIGHEST PAY PER HOUR**

How we calculate
the mean difference



**NUMBER OF
MALE
EMPLOYEES**

= MEAN MALE AVERAGE PAY



**NUMBER OF
FEMALE
EMPLOYEES**

= MEAN FEMALE AVERAGE PAY

DIFFERENCE = MEAN HOURLY PAY GAP

McDonald's Restaurants Ltd. (UK only)

McDonald's has been part of the UK for nearly 50 years. We have 1,491 restaurants across the country that are owned and operated by either us or our franchisees – creating jobs and opportunities for people, no matter their gender, age or life stage. Our UK & Ireland (UK&ROI) business is comprised of three parts – our regional head offices, 166 company owned restaurants and our franchised restaurant estate. Across the UK&ROI, 89 per cent of our restaurants are owned and operated by franchisees – local businessmen and women who invest a significant amount in their restaurants, people and local communities. As independent employers, franchisees will also each publish individual gender pay figures as required by the Government.

This report provides figures for McDonald's Restaurants Ltd. in the UK only, which covers the first two components: McDonald's company-owned restaurants and UK head offices. Together, these represent a workforce of 19,422 employees, of which 885 people* are employed in head office roles. We offer a wide range of jobs – from our restaurant crew and managers, through to roles in our corporate functions. Across our franchisee base, 12 per cent are female. While this is above the industry average of 11 per cent, we are committed to supporting more women considering a career as a franchisee.

89%

**OF OUR RESTAURANTS ARE
OWNED AND OPERATED BY
FRANCHISEES**



**TODAY, WE HAVE
1,491
restaurants
ACROSS THE COUNTRY**
**A PART OF THE
UK FOR OVER
50 years**



**There are three
component parts:**



OUR UK HEAD OFFICES



**OUR 166 COMPANY-
OWNED RESTAURANTS**



**OUR FRANCHISED
RESTAURANT ESTATE**

**MCDONALD'S RESTAURANTS LTD. (UK
ONLY)**

**MCDONALD'S COMPANY-OWNED
RESTAURANTS AND UK HEAD OFFICES**

REPRESENT A WORKFORCE OF

19,422

WHICH INCLUDES

885 people

EMPLOYED IN HEAD OFFICE ROLES



Our data

Pay gap at McDonald's Restaurants Ltd.

0%	3%
median	mean

Median pay gap of:

0%	0%	0%
2022	2021	2020

Pay gap in our restaurants

0%	0%
median	mean

UK national average pay gap

14.9%*

Since 2017/18, public and private sector employers with 250 or more employees have been required to report data on the gender pay gap within their organisations, by 4th April every year.

As part of the reporting, we are required to identify a 'snapshot date' – a fixed point in time at which our data will be captured each year. As such, all of the data we will share in this report is representative of our gender pay on 5th April 2022. This is our fifth year reporting this data and, in addition to fulfilling the legal requirement to report on the Government website, we have summarised this data below for transparency.

At McDonald's Restaurants Ltd. we have a median pay gap of zero per cent. This has remained the same since we started reporting in 2017/18. We have a mean pay gap of three per cent; last year it was seven per cent.


Both our median and mean pay gap figures are significantly below the latest national averages – a national median pay gap of 14.9 per cent and a mean pay gap of 13.9 per cent.*


The median is the middle number in a set of figures. To illustrate, if you were to line up all of our female employees in order of how much they are paid, from lowest to the highest, and do the same with our male employees, the man and woman in the middle of each line would be paid exactly the same. The mean is the average of a set of figures. If you were to calculate the average hourly pay for men across our business, it would be three per cent higher than the average hourly pay for women.

Bonus pay gap at McDonald's Restaurants Ltd.

9%	64%
median	mean

Bonus received

43%	
of Men	

	45%
	of Women

While we should not be satisfied with any gap, we are pleased to have maintained a zero per cent median gap, and to see our mean gap narrow significantly compared with last year and continue to fall far below the latest average gap in the UK. Our mean gap is also the lowest it has been since we started reporting our data in 2017/18. And in our restaurants, we have consistently maintained both a mean and median hourly pay gap of zero per cent.

As well as looking at hourly pay, companies are asked to share data on the number of men and women who receive a bonus, and the median and mean bonus pay gap. There are several bonus schemes at McDonald's Restaurants Ltd., including two for our restaurant staff.

As of April 2022, when the data contained in this report was drawn down, each month we measured our company-owned restaurants based on customer feedback, of which the top 10 per cent awarded their employees with 25p an hour for all hours worked in a winning month.

In our head offices, we award bonuses to our people based on a combination of individual and company performance. Our senior leadership (Senior Managers and above) are also eligible to receive stock options and restricted stock units from McDonald's Corporation as part of the Long-term Incentive scheme. All bonuses are dependent on business performance. They are approved by the Global Compensation Committee annually in February. This year, 43 per cent of men and 45 per cent of women received a bonus payment. It is also worth noting that the long-term incentive bonus which we offer as a business impacts the overall bonus calculation, and that all roles have grades and bonus targets that are consistent and aligned to those grades.



Office for National Statistics (ONS), released 26 October 2022, ONS website, statistical bulletin, Gender pay gap in the UK: 2022



We have a median bonus gap of nine per cent. Historically, our leadership roles have been held predominantly by men which we have worked hard to address in recent years. We were proud to achieve gender parity in the UK across all levels in late 2021. However, our senior leaders are eligible to receive stock options and restricted stock units as part of our Long-Term Incentive Scheme. These can be vested over a long period of time which we know will continue to impact our reported gender bonus gap year-to-year.

Our mean bonus gap is 64% and has fallen from 78% last year. This drop indicates that changes we have made (for example promoting and hiring senior women so that we maintain gender parity on our Executive Team) are starting to have an impact.

We continue to have a good balance of women across all levels of our restaurant crew and we recognise the value of supporting our female employees to progress throughout the business to the most senior levels at McDonald's.

We will always champion the exceptional female talent we have at McDonald's – whether that's our crew delivering brilliant service for our valued customers each day, our ambitious franchisees, or our head office executives shaping the direction of our strategy. We will continue to support the acceleration of their career growth to help to retain their talent within our business. Our work to foster female talent is crucial to this.





Closing the gap in 2023 and beyond

We are a people business – our people separate us from the rest. Some of our people will build careers with us, others are here for the short term, but they all have one thing in common – opportunity. We have an unwavering commitment to look after our people, ensuring we invest in rewarding and upskilling every single person, whilst supporting them to be the best version of themselves at work.

Diversity, equity and inclusion (DE&I) are at the heart of our business and culture. We welcome the opportunity to share some of our progress on furthering the diversity and inclusivity of McDonald's in this report and want to update on some of the key initiatives we have delivered to support gender equity in the past year.

Continuing to ensure our recruitment process supports diversity

We are committed to employing recruitment practices that enable us to attract, retain and promote a diverse talent pipeline. We provide guidance for everyone involved in the hiring process at McDonald's to help ensure every candidate has a consistent, bias-free journey throughout the recruitment process. Our job descriptions are gender-neutral and inclusive and we include our DE&I statement in all our job adverts. We continue to partner with relevant organisations on recruitment such as Working Mums and Women in Hospitality, Tourism and Leisure (WiHTL) to help us reach a diverse talent pool. And we are working with specialist DE&I recruitment agencies, to help us further increase the diversity of our senior leadership team.

Embedding our Restaurant to Corporate Bridge programme

Launched in 2021, this programme gives members of our restaurant crew the opportunity to experience life in one of our corporate teams for 12 months and we are now welcoming our sixth cohort of participants. The majority of participants last year were female, supporting the target we set that aims to recruit 40% of the programme from under-represented groups including women.

Opening up our Women's Leadership Network

Our Women's Leadership Network has been expanded in recent years so that all females – across operations and offices – are encouraged to participate. Members have access to tools, resources and events designed to inspire and support employee personal and progression development. Highlights from 2022 included:

- Hosting a webinar on the topic of the menopause, in partnership with Women of a Certain Stage, to help normalise menopause in the workplace and challenge

misconceptions that exist.

- Releasing a series of podcasts, hosted by actress and presenter, Janie Van Hool. The series featured a cross-section of employees from across the business who shared their own unique career experiences, demonstrating that there are many paths to success at McDonalds.
- Building a supporting network of Male Allies, so that men in the business can actively champion our work towards gender parity.

Strengthening our partnership with WiHTL.

We have continued to work closely with our industry association, Women in Hospitality, Tourism and Leisure (WiHTL), over the past year to support their mission of creating diverse and inclusive environments that positively impact five million employees globally by 2025. In 2022, we collaborated with them on a programme to help support female senior leaders in their Non-Executive Director roles within our sector.

Rolling out more training

As part of our drive to build a more diverse and inclusive workplace culture, we have been continuing to roll out regular workshops and training sessions. This has included training over 140 coaches to deliver our 'Next Big Conversation' interactive sessions to crew and managers, which have focused specifically on DE&I in our business. We also delivered a series of 'Hacking Masculinity' workshops, which encouraged discussion around how female progression could be better supported by both men and women in the business.

Marking important inclusion and diversity events across the year

We have provided ongoing support to events such as Women in Business Expo, National Inclusion Week and PRIDE. For the latter, we provided restaurants with resources to help celebrate these events including Inclusion Kits and DE&I branding. We are proud to partner with these important events and initiatives, helping them to increase their outreach and allowing us to share learnings to further our collective DE&I objectives.





McDonald's Empowering the Female Leader Programme

Gender balance has improved significantly at McDonald's and today, more than half of our Executive Team are female.

But we know that our focus on accelerating women's career development must continue. A strong pipeline of female talent is vital to our success.

We launched the Empowering the Female Leader (EFL) Programme to support the female leaders we have in our restaurants. It aims to build a network of female talent by providing opportunities for women to share their experiences, develop awareness of some of the challenges they may need to overcome to succeed and to engage with each other through coaching opportunities.

The programme's development has been rooted in feedback from female employees around the perceived barriers to progression that women face in their careers. We identified a series of areas that women found especially challenging and designed bespoke training and development around these. Topics included confidence and ambition, limiting beliefs i.e., 'mum guilt', imposter syndrome, building resilience and managing stress.

Bite-sized learning sessions on these themes are delivered by trainers and speakers from both inside and outside the business and are designed to fit around busy work/life schedules. Participants on the programme also benefit from networking opportunities and the chance to share common experiences and resources.

Now in its second year, the programme is going from strength to strength. Our first cohort of 32 women completed the programme in May 2021 and many of them have enjoyed promotions or further job progression since taking part. Feedback has been overwhelmingly positive and colleagues who have been involved have said that as well as fostering strong personal networks, that they have felt more inspired, confident, and ambitious.

Our second 55-strong cohort, 22 of whom are franchisees, is currently underway and we look forward to sharing the successes of the participants soon. Plans are afoot to expand the programme more widely still, and we have a waiting list of women wanting to join! We are also proud that the EPL has attracted recognition amongst our colleagues around the world and has been highlighted as best practice across McDonald's globally.



"The Empowering the Female Leader Programme has been designed to help women navigate personal and perceived barriers that stand in the way of achieving their full potential and taking on senior leadership positions. The development and exposure to senior leadership acts as a springboard to elevate our female leaders' careers by feeling inspired, empowered and motivated to succeed, helping us achieve our goal of gender parity"

Amy Cridland (Director of Operations UK&I)

"When starting the EFL, I was happy in my role, but limiting myself for not thinking I could push myself and achieve bigger and better as I was a mother.

From that first ever call, I realised that there were so many other fantastic women in the company who were in higher positions than me, still succeeding even though they had other commitments, such as families. It made me realise that the only person that was limiting myself was me – McDonald's as a company would be there to support me in whatever I wanted to do with my career.

Everything we have learnt has not only helped me become a better leader but has also helped me personally – this is something I will carry with me forever. It was fantastic to watch the development of each and every one of us. Every session gave us a safe space to grow, learn and develop. These are people I will stay in contact with for the rest of my career at McDonalds.

By doing the programme I gained so much confidence and I am now proud to say that I am the first Part Time Business Manager in McOpCo South. I would never have believed in myself if it wasn't for my time spent on the EFL. "

Beth Norman, Business Manager





Our commitment to improve

Across the entirety of our business, we are committed to reflecting the diverse communities we are part of, and we will stand up for individuality and equality. We continue to work hard to ensure that everyone is treated equally, regardless of their background, and providing opportunities for women to be represented and rewarded is integral to this.

In 2021, we launched our Plan for Change – a set of goals and actions that are intended to help us lead positive change across our business and beyond. We made specific commitments to support us in becoming a people positive business and we are already making progress on these targets. For example, by 2025 we aim to have 40% of participants in our corporate placement programme from underrepresented groups: in 2022, over 60% were female. We have also pledged that by 2030, we will maintain gender balance within our senior leadership roles, a target we continue to meet today.

The initiatives we have outlined in this report will support our work to meet these commitments. In the coming year, we will be further expanding and embedding these initiatives to enable us to reach our goals. Part of the work of our Women's Leadership Network for example, will be bolstering our collaboration with suppliers and franchisees around DE&I.

We will regularly evaluate the success of our programmes to ensure that we are focused on actions that make a real difference. We will also keep sharing our data on gender pay and representation so that we understand where the challenges and opportunities lie.

There is still more we can do to achieve complete gender parity across our business, but we are confident that we are on the right track. In 2023, we will remain committed to promoting an inspiring, equitable and inclusive work culture and further increasing the diversity of our workforce.



"We are encouraged that our gender pay gap is narrowing and our work to further close this gap will continue in earnest in the year ahead and beyond. Our commitment to actively fostering an inclusive environment, where diversity is embraced as an advantage remains stronger than ever."

Rebecca Dodd, Senior Vice President, Chief People Officer, McDonald's UK & Ireland





Statutory Disclosures - McDonald's Restaurants Ltd.

Median gender pay gap	0%
Mean gender pay gap	3%
Median bonus pay gap	9%
Mean bonus pay gap	64%
% males/females receiving a bonus payment	43%/45%
Upper quartile (male/female %)	48%/52%
Upper middle quartile (male/female %)	53%/47%
Lower middle quartile (male/female %)	43%/57%
Lower quartile (male/female %)	50%/50%

Declaration

We confirm the information and data reported is accurate as of the snapshot date 5th April 2022

McDonald's Restaurants Ltd. UK workforce % male/
female employees = 47/53



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