



Serving the UK

McDonald's at 45

Celebrating our national and local
contribution to the UK since 1974

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1. Foreword

In 1974, the first set of golden arches appeared on a UK high street. The restaurant in Woolwich was the first McDonald's in the UK and offered customers "The United Tastes of America".

Today, the McDonald's offer to our customers is rather different. The last 45 years have been a story of change as we've evolved time and time again to meet the shifting needs of our customers and society. The one constant has been that we put quality, good value produce into the hands of our customers every day.

But today's restaurants would be unrecognisable to a customer from 45 years ago. When McDonald's first opened in the UK, customers could only order one way: at the counter. Today we have drive-thrus, table service, our My McDonald's app and McDelivery, our home delivery offer. We are a changed business.

Anniversaries like this give us an opportunity to pause and reflect. We've come a long way since day one in Woolwich to today, with 1,280 restaurants across the UK serving nearly 4 million customers every day.

But our impact doesn't begin and end with the number of Big Mac sandwiches, Veggie Wraps or coffees we sell. It goes so much further than that. It is in the 2.1 million jobs that McDonald's, and our franchisees, have created in the past 45 years, the £35.6 billion we have spent with UK businesses and the £54.4 billion we have contributed to the UK economy.

While a meal from McDonald's is enjoyed in the moment, our real and lasting impact is in the communities we serve and the national economy as a whole. We are a central part of many of the communities we work in and we use our position to try to make a difference.

That is why we have commissioned this report to understand the value that we provide to the UK today and to inform our own decision making as we look ahead to our 50th anniversary. It builds on the economic report we published in 2014 to mark our 40th anniversary in the UK.

The UK that McDonald's first came to in 1974 is very different to the country that we are working in today. As a society we are more open and diverse, more technologically advanced, and more environmentally friendly. As individuals, we are more conscious of the impact that the choices we make have on ourselves and the world around us.

We are committed to using our scale for good. As one of the UK and the world's largest restaurant businesses, we



recognise that we have a responsibility and an opportunity to act on some of the most pressing social and environmental challenges in the world today.

With our unparalleled reach across the UK, in hundreds of communities, we are acutely aware that we have a real opportunity to create change.

Over the past 45 years, we have not stood still, and we have no intention of doing that in the future. We have changed, and we will continue to change for the better.

Today, we are introducing 'nudge' techniques at our new digital self-order screens to encourage people to make better informed choices, and addressing climate change by setting science-based targets to significantly reduce greenhouse gases.

The challenges we face in the future will demand big answers. The world of work is changing. Climate change remains this generation's greatest challenge, and we expect more information and variety in the food we choose without compromising on quality or value.

These are just some of the changes we will face in the coming years. And as we look forward to 2024 and our 50th anniversary in the UK, we want to turn our minds to the question of how we can continue having a positive impact given this changing context. This report is the start of that process and is the first stage in preparing McDonald's in the UK for the next 50 years.



Paul Pomroy

Chief Executive, McDonald's UK & Ireland

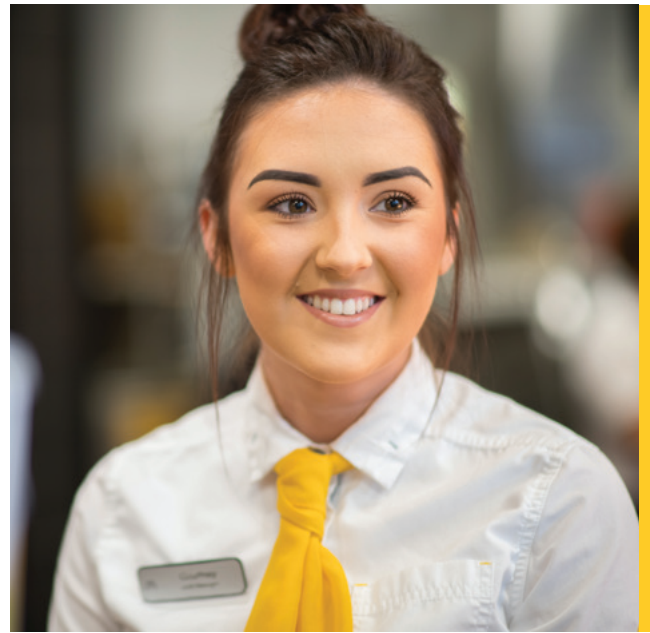
2. Executive Summary

45 years serving the UK

1. McDonald's has been operating in the UK for 45 years. Together with its franchisees, McDonald's is a part of communities across the UK, employing thousands of people and serving millions of customers each day.
2. Since our first restaurant opened in Woolwich in 1974, our contribution to the UK economy has totalled £54.5 billion.
3. Over the past 45 years, we have developed long-term partnerships with our suppliers and franchisees. Our model – which puts our business, suppliers and franchisees on an equal footing – is called the 'three-legged stool' and means that all of those who contribute benefit from our success.
4. Our success over the past five years has meant that our suppliers have spent £550 million upgrading technology, building capacity and training their staff. This is a significant investment that will benefit these businesses, even when they are not working for McDonald's.

Putting communities at the heart of what we do

5. Our presence across the UK means that we are well placed to make a significant, positive contribution to our local communities. Our model means that many of our franchisees have a personal stake in the communities they are based because they live and work there.
6. For the last 17 years, we have been the official Grassroots Community Partner for all four UK football associations in England, Wales, Scotland and Northern Ireland. We have recently renewed this partnership and are aiming to deliver 5 million hours of football to children across the UK by 2022.
7. This year we celebrate the 30th anniversary of our relationship with Ronald McDonald House Charities. These houses provide support to families with a child in hospital, allowing them to stay close by while caring for a sick child. Through our restaurants, franchisees and customers, we have given direct financial support to the charity and, as a business, we provide office space at our headquarters in London.
8. Our scale means that we are in a position to make a difference when it comes to the big challenges facing



our planet. We were the first restaurant company to set science-based greenhouse gas emission targets, and we are aiming to cut our emissions by 36% between 2015 and 2030. We are proud that our restaurants use 100% renewable electricity and we are working hard towards our goal of sending zero waste to landfill.

Our economic impact

9. In 2017 alone, it is estimated that McDonald's contributed £3.36 billion to the UK economy, bringing our total over the past 45 years to £54.5 billion. This is spread across the UK, with the majority being generated outside of London and the South East.
10. There are 125,000* people employed across our restaurants and in our offices. A further 13,445 are employed in businesses in our UK supply chain, the greatest proportion of which are in the food and manufacturing sectors.
11. Our supply chain expenditure touches on nearly all business sectors in the UK economy. Our direct spend with UK suppliers in 2017 was £1.44 billion. The majority of our spend is in food and drink products, plus other manufactured items such as packaging.



12. We aim to be a responsible partner and to do business with organisations of all sizes. Since 1974, we have worked with small and medium-sized enterprises (SMEs) and remain committed to supporting small suppliers in future. Our relationship with small and medium-sized businesses means we also understand the pressures they can face. That is why we pride ourselves on paying our suppliers on time, with 98% of invoices paid within 30 days.
13. For suppliers, having long term relationships with businesses like McDonald's can help them to make decisions for the future. Being able to make long term investment decisions, such as investing in new machinery, can mean that our suppliers increase productivity and go on to make an even greater contribution to the UK economy.

Providing great taste, value and convenience

14. Our customers are becoming ever more conscious about what they eat and where they eat it. They tell us that they continue to come to McDonald's because we offer great taste, value and convenience. That is why almost 4 million people each day are served in our restaurants.
15. To continue providing the same quality experience, we make sure that we respond to changing customer needs. That's why today 89% of items on our core food and drink menu are below 500 calories and we continue to make it easier for customers to make informed choices.

16. The annual stimulus to the UK food industry directly attributable to McDonald's amounts to £983 million each year. For the past twenty years, we have only cooked breakfasts with free range RSPCA Assured eggs and we were the first restaurant in the UK to use only RSPCA Assured pork.

Championing our people

17. Today around 125,000 people* are employed in McDonald's restaurants and offices across the UK - and they are central to the success of our business. We are proud of the people employed at McDonald's and of the opportunities we provide. A job in McDonald's is often the first step in someone's working life and it's a sign of success that nine in ten of McDonald's Business Managers, who run day-to-day operations in our restaurants, started at McDonald's as crew members.
18. Our success as an employer has been consistently recognised. For the eleventh consecutive year, we were named as one of the 'Best Workplaces' in the Great Places to Work List and we are Britain's most popular employer with school leavers. Our people value the flexibility we offer, which means that people with different working requirements can find a place at McDonald's. In 2017, we were awarded the Top Employer for Innovation in Flexible Working award by Workingmums.co.uk.



19. In 2017, we and our franchisees offered employees the opportunity to move to Guaranteed Minimum Hours Contracts. The vast majority (89%) of our employees opted to retain the flexibility offered by their existing contracts, but for those employees in need of more certainty – for example those who wanted access to financial products such as mobile phone contracts or car loans – the Guaranteed Minimum Hours Contract provides them with that.
20. Each year we invest £43 million in training and development. This has allowed us to provide extensive development opportunities to McDonald's employees. Many of our employees come to us without formal qualifications, but our structured training programme means that they can attain qualifications equivalent to GCSEs while working at McDonald's.

A truly national impact

21. Our business is not confined to one corner of the United Kingdom; we have restaurants the length and breadth of the country. Our franchise model means that McDonald's restaurants are often operated by people who live and work in the communities that they serve.
22. 73% of our total economic output occurs outside of London and the South East. On a local authority level, we have a presence in 366 local authority areas across the UK and, within each, McDonald's generates an average of £5.15 million per annum and supports 337 local jobs. In an additional 69 local authority areas, we have at least one first-tier supplier located in the area generating £11.62 million each year and supporting 193 jobs.

Looking ahead to the future

23. As we look forward to the 50th anniversary of McDonald's in the UK, we are proud of the contribution we have made in the past and excited about the role we have to play in the future. Because of our reach across the country, we are determined to continue to use our scale for good.
24. That means continuing to grapple with the major challenges of our time – such as climate change and the changing nature of work – and establishing how we are best placed to contribute. In making changes to our business and improving the service we offer, we will be guided by our customers in the communities we serve.

How We Work – The 'Three-Legged Stool'

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.

While McDonald's is a global brand, our franchise model means we are also a collection of small businesses. Of our UK restaurants, 86% are run by franchisees, and that number is growing. Our franchisees are the owners of their businesses; they live and work in the areas where their restaurants are located. They are the reason why we have much closer connections to our people, our customers and the communities we serve.

As well as our franchisees, McDonald's relies on our suppliers for our success. From the farmers who provide quality produce for our menu, to the businesses who are helping us create more sustainable packaging and the technology providers helping transform the customer experience, we have an extensive supply chain across the UK.

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

| Area | 2014 Economic impact (2013 prices) | 2019 Economic impact (2017 prices) |
|---|---|---|
| Cumulative impact on UK economy over 40/45 years | £40.3 billion | £54.5 billion |
| Cumulative value of expenditure on UK-based suppliers over 40/45 years | £26 billion | £35.6 billion |
| Cumulative number of jobs over 40/45 years | 1.5 million | 2.1 million |
| Cumulative value of investment in restaurants over 40/45 years | £3.3 billion | £4.3 billion |
| GVA contribution (direct, indirect and induced) per last year financial data is available | £2.505 billion | £3.36 billion |
| Total number of jobs attributable to McDonald's per last year financial data is available | 130,600 | 165,000 |
| Direct expenditure on UK-based suppliers per last year financial data is available | £1,057m | £1,439m |

03.

National Contribution



Introduction

Over the past 45 years, McDonald's contribution to the UK economy has totalled around £54.5 billion. For most people, our restaurants are the only part of the McDonald's operation that they will ever see. But behind them is a complex supply chain employing thousands of people across the country.

Our success in the UK is built on the success of our suppliers, many of which we have been working with since the very beginning. When Smith Anderson Group first took the call to start supplying paper bags to a new restaurant in 1974, it's unlikely that they thought the relationship would go on for the next 45 years. But that's precisely what happened when we asked them to supply our first restaurant in Woolwich.

Today, they supply to many other famous high street brands and have invested in a state-of-the-art facility in Kirkcaldy, Scotland, with over 240 employees. This year, they will expand further with three new bag machines, each worth around £1 million.

We are proud of our long relationships with suppliers. Long relationships help provide suppliers with the confidence to invest and over the last five years our suppliers have spent over £550 million in upgrading technology, building capacity and training staff.

Alongside the 125,000 people* employed in McDonald's restaurants across the UK, 13,445 people are employed as part of McDonald's supply chain, producing everything from the packaging for our food and the modular buildings that make up our new restaurants, through to the meat for our burgers and the milk that you'll find in our tea and coffee.

As we look ahead to our 50th anniversary, we will continue to make a major contribution to the UK economy. We have ambitious plans for growth. We want to measure the value we create not just by the number of items we sell, but by the impact we are having on the communities we are based in and the country as a whole. Our size gives us a special responsibility and a real opportunity to make a difference. We will rise to that challenge.



* Current (2019) estimated employment figures



Contribution over 45 years

Over the last 45 years we have grown from one restaurant in Woolwich in South East London to 1,280 restaurants, which collectively employ around 125,000 people* and serve millions of customers each year.

Since 1974, together with our suppliers, we have had a cumulative impact on the UK economy of about £54.5 billion in 2017 prices.

We have a unique relationship with our suppliers. Much of our food and drink is sourced from hundreds of UK businesses and long-term relationships such as ours has helped give many of them the confidence to innovate and grow. Over the last 45 years, our total expenditure with UK-based suppliers was around £35.6 billion and over the last five years our Food and Paper suppliers have invested over £550 million in upgrading their facilities.

Our employment footprint across the UK is also significant. 2.1 million people have either worked for us, our franchisees or been employed by our suppliers as a direct result of their business with McDonald's. This is a major share of UK employment and one which has continued to grow in recent years.

To continue to grow and thrive, we have continued our investment in new restaurants and revolutionising the McDonald's experience for customers. The investment to-date is equivalent to approximately £4.3 billion in today's prices and in recent years has resulted in the launch of our My McDonald's app (which offers click-and-collect), the expansion of drive-thrus, 24 hour opening, digital self-ordering screens and McDelivery in many of our restaurants.

Contributing to UK economic output

In order to understand our contribution to the UK economy, McDonald's commissioned Development Economics to analyse our impact. The results of their independent analysis show the significant positive impact that McDonald's has – and continues to have – on the UK's economy.

In 2017, it is estimated that McDonald's contributed £3.36 billion to the UK economy. Of this, 56% of the value was added directly – through our activities and jobs supported in our restaurants and offices across the country – totalling £1.88 billion.

A further 24%, or £810 million of value added, is estimated to have been created indirectly in other businesses that comprise the portion of our supply chain that is located within the UK. This includes the businesses that supply the food and ingredients served in our restaurants as well as the other businesses in the UK that enable McDonald's to

operate: from Martin Brower which runs our distribution network to Smith Anderson, the makers of our paper bags.

The final £671 million, or 20%, of GVA is estimated to have been created as a result of induced effects of the spending in the economy by employees of McDonald's and our franchisees as well as the employees of businesses in our supply chain whose jobs are dependent on purchasing made by McDonald's.

Methodology

Companies make an important contribution to the economy through the jobs they support and their economic output, defined here as Gross Value Added (GVA).

GVA is the value of output generated by an industry or individual business minus the costs of production. For a restaurant business such as ours, it is calculated by taking the total value of sales and subtracting the cost of production, including expenditure on food ingredients, costs of operating restaurant sites and spending on advertising and professional services.

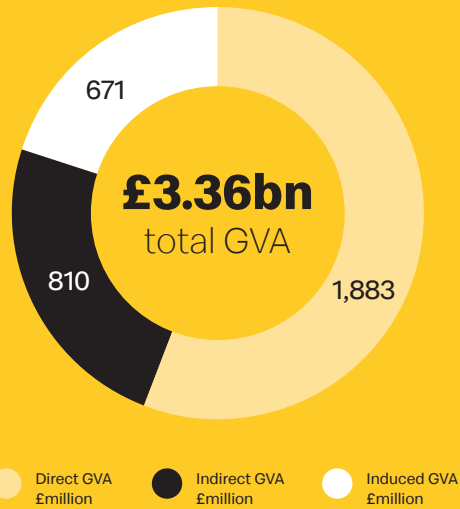
For the estimates of employment and economic output outlined in this report, we consider our contribution on three levels:

- Firstly, the **direct** contribution of our business to the economy through the provision of jobs and value added in our offices and in our restaurants. This includes restaurants managed by McDonald's as well as those operated by franchisees. As of March 2019, 86% of our UK restaurants are run by franchisees with the remaining restaurants being company owned.
- The second level is the jobs and value created by our supply chain through the procurement of food products and the other goods and services that we need to operate and serve meals to our customers. In this report we describe this as our **indirect** impact. Indirect jobs cover those jobs in companies that supply goods and services to us that would not exist if the contracts to supply McDonald's were not in place: that is, they are jobs that are dependent on the company's relationship with McDonald's.
- Finally, there are the jobs and value created in the economy as a result of employees (both directly employed and in the supply chain) spending their wages in the UK: these additional jobs created through the workings of the multiplier effect are described here as **induced** impacts.

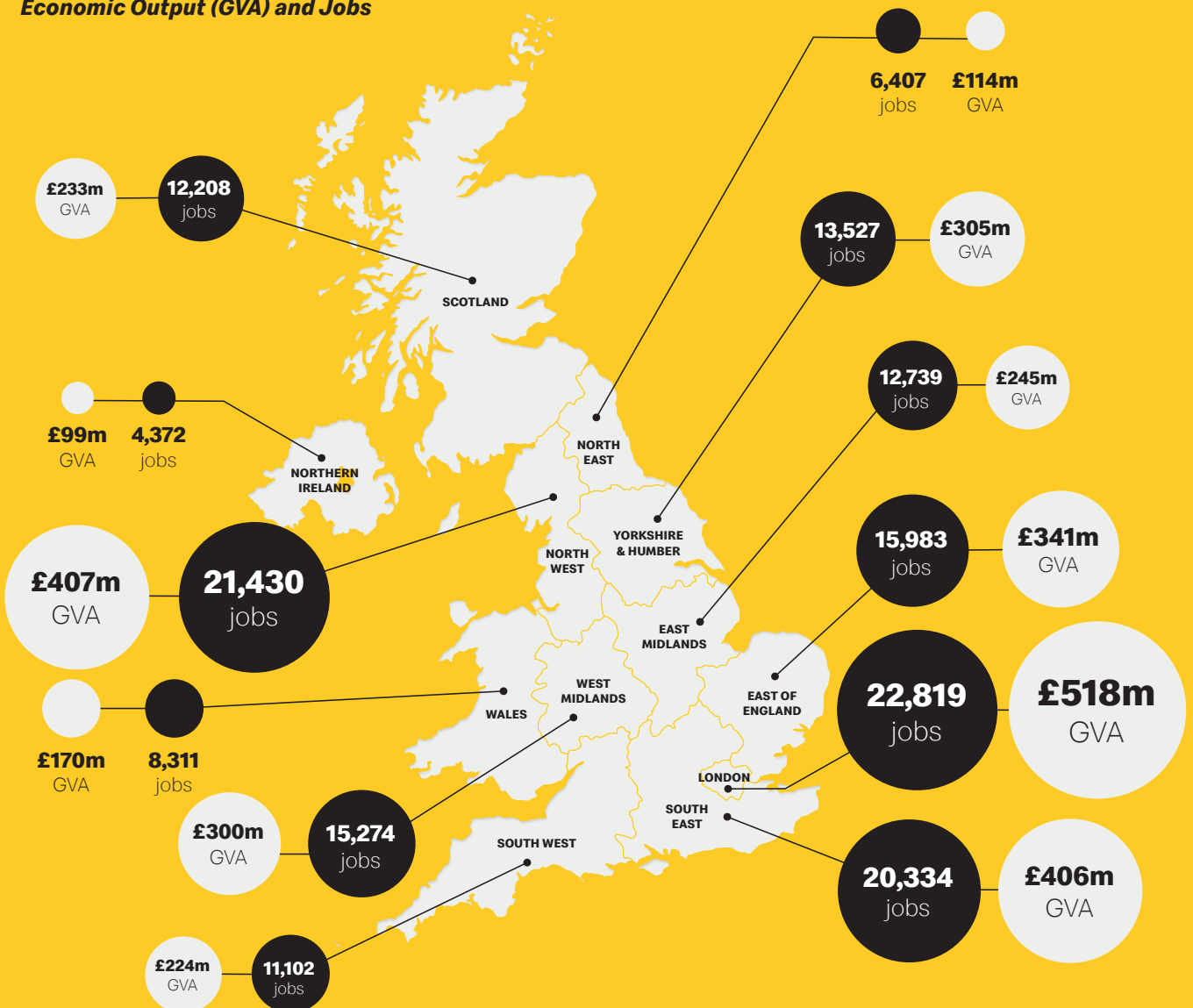
Taken together these three effects – direct, indirect and induced – combine to generate our overall impact on the UK economy.

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McDonald's contributed a total of £3.36 billion to the UK economy in 2017 and supported 165,028 jobs



Summary of National Impacts 2017 - Economic Output (GVA) and Jobs





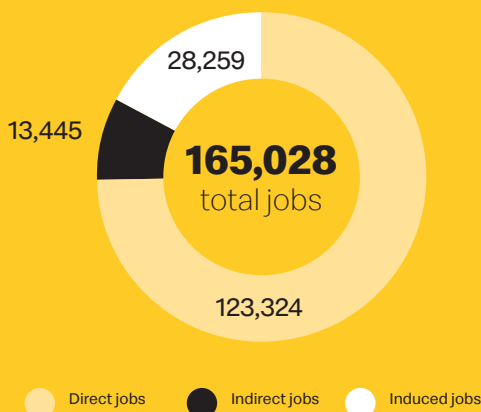
Supporting jobs across the country

Our people are central to everything we do as a business. We are committed to creating jobs and helping the communities in which we are based to thrive. Offering employment is one of the ways that we can use our scale for good and to provide people with quality work that meets their employment needs.

In 2017, McDonald's supported 164,900 jobs in the UK economy:

- Of the **123,324 people employed by McDonald's and our franchisees**, 122,874 work in restaurants and 451 jobs are based in our offices across the country.
- Of the jobs located in restaurants, approximately **56,783 are full-time jobs**, with a further **66,090 jobs being filled part-time**. This split varies by region and the nature of the local job market; in restaurants where many employees are students, the proportion working part-time can be higher.
- Another **13,445 jobs are supported in businesses in the UK supply chain** providing goods and services to McDonald's. The greatest proportion of jobs supported is in the **food and manufacturing** sectors where we support approximately 7,350 jobs. However, thousands of jobs in many other sectors are supported too, from **business and professional services, property and construction, transport and distribution to energy and utilities**.
- The **spending of wages** earned by McDonald's employees, those of its franchisees and those employed in supply chain businesses whose jobs are dependent on purchasing decisions made by McDonald's is estimated to **support a further 28,259 jobs** across the UK economy.

Summary of National Impacts 2017 - Jobs



Spending across business sectors

We source goods and services from a wide range of businesses and sectors in the UK. Our total direct expenditure with UK businesses through our supply chain was £1.44 billion in 2017.

It is estimated that hundreds of millions more is spent 'downstream' by our suppliers with other businesses across the UK.

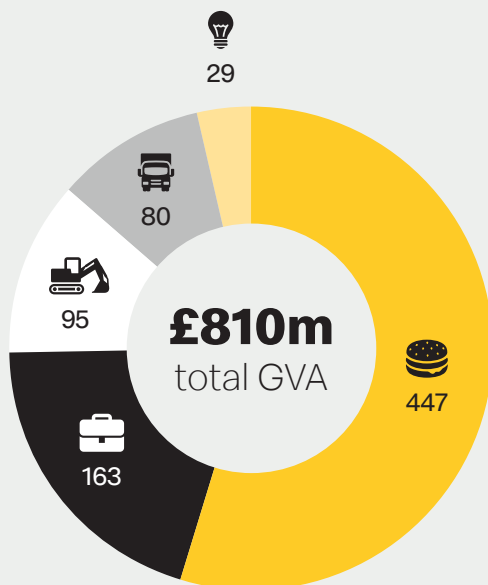
- The largest category of spend is on food and drink products plus other manufactured items such as packaging. This category accounts for 63% of our direct and downstream spending and supports 7,350 jobs.
- Business and professional services, which includes IT support, legal, audit, accounting and recruitment services as well as media and advertising activity is another significant category. This accounts for around 13% of our direct and downstream spending and supports 1,990 jobs.
- We have extensive property interests across the UK and, as such, the management and development of our property estate, which includes spending on refurbishing existing restaurants and investing in new equipment, is significant. This category accounts for 11% of our direct and downstream spending and supports 2,300 jobs.
- Around 8% of expenditure goes towards transport and distribution, delivering products to our restaurants and removing waste for disposal, recycling and conversion to energy. McDonald's supports approximately 1,700 jobs in this sector.
- Spending on energy and utilities such as gas, electricity and water accounts for 5% of expenditure and supports 150 jobs.



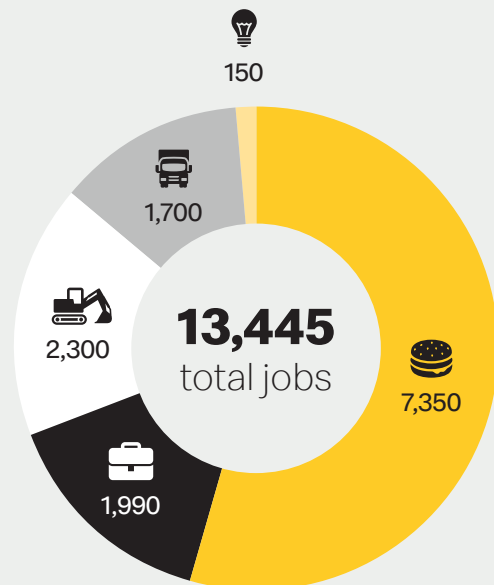
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**McDonald's spent
£1.44 billion
directly with UK
suppliers
in 2017**

**Absolute GVA contribution to
other sectors 2017 (£millions)**



Absolute jobs across different sectors 2017



Food & other
manufacturing

Business &
professional
services

Property &
construction

Transport &
distribution

Energy &
utilities

Spending with businesses of all sizes

McDonald's has supported a wide range of small and medium-sized businesses in the UK since we opened our first restaurant here in 1974. As a business, we remain committed to ensuring that we provide further opportunities in the future. Our experience working with small and medium-sized businesses also means we know some of the challenges that they can face. That's why we pride ourselves on paying our suppliers on time, with **98% of invoices being paid within 30 days.**

Given the scale of our operation, the majority of the businesses that supply us directly with goods and services can be categorised as large companies. However, representation of SMEs in our supply chain is greater amongst business and professional services firms. This includes areas such as HR, IT, marketing, communications and legal services. Our reimagining programme, which has affected nearly all restaurants across the UK, has seen significant levels of participation by local, medium sized businesses.

Although our beef patties and McDonald's fries come from large food manufacturing businesses such as OSI Food Solutions and McCain Foods, these companies source their ingredients from British and Irish producers, often working with family-run farms. Those such as the Elveden Estate, which has been run by the Guinness family since the 1890s, supplies over 8250 tonnes of potatoes each year to McCain.

Supporting business investment and UK productivity

McDonald's 'three-legged stool' model means that we have a unique relationship with our suppliers.

Our suppliers know and understand this approach and have worked with us to make McDonald's the success it is today in the UK. We have long-term relationships with many of our suppliers, some going back to the very beginning of our business in the UK. Long term supplier relationships such as these can help suppliers to make decisions for the long term and give them the confidence to invest in their businesses.

Because achieving higher levels of productivity involves significant capital investment in equipment and facilities, the stability of our relationship with suppliers has enabled them to drive these changes in their own businesses. Over the past year our suppliers have invested over £200 million in improving their production facilities, and over the last five years this investment has totalled over £550 million.

The Lakes Free Range Egg Company

McDonald's has worked with The Lakes Free Range Egg Company, a medium sized business, for 17 years. Based in Penrith, Cumbria it is one of the biggest employers in the area with around 100 local staff, 20% of whom live close enough to walk to work. The company is run by David Brass and his wife Helen and, in addition to producing millions of free range eggs which are used by McDonald's every year, their business creates and sets industry standards for the sustainable and ethical production of eggs.

In 2018, and in recognition of many years of innovation and leadership, The Lakes Free Range Egg Company was awarded the prestigious Queen's Award for Enterprise, Sustainable Development. In 2019, the company completed a significant expansion of their packing centre, doubling capacity to enable future growth.





04.

Good Food

Introduction

Our customers tell us that the main reasons they come to our restaurants is for great taste, value and convenience. Today, putting high quality, fresh British and Irish produce into the hands of our customers is central to our success.

We now spend almost £1 billion each year on our food and manufacturing supply chain in the UK. We only cook free range RSPCA Assured eggs at breakfast and all the beef burgers we sell in the UK contain 100% British and Irish beef. The fish we use for our fish fingers and Filet-O-Fish is sustainably sourced, our coffee is Rainforest Alliance certified and all our organic milk is from UK dairies – regardless of whether you find it in your tea, coffee or in a Happy Meal milk bottle.

Our customers have rewarded us for this approach by coming back to our restaurants time and time again, and we now serve nearly 4 million people every day.

As the number of McDonald's customers continues to grow,

however, so does their desire to make informed decisions about what goes into their meal and what impact it has on the environment.

That's why today 89% of items on our core food and drink menu contains under 500 calories and we offer people a range of options to make informed choices. For example, we have trialled the use of 'nudge' techniques on our digital self-order screens. Changing the position of water and low and no sugar drink options on our menu has helped promote a significant increase in their sales.

We are also investing in research to raise animal welfare standards and to help farmers reduce their carbon footprint. Both are areas where our customers are demanding action and we are responding.

As we look forward to our 50th anniversary, we will continue to ensure our customers can make informed choices. Just as we have done over the past 45 years, we will do this by continuing to evolve what we offer and giving people the ability to make choices that suit their needs.



Quality food from UK and Irish suppliers

At McDonald's we are transparent about the ingredients we use. All of our beef burgers are made from whole cuts of British and Irish beef, all our coffee is responsibly sourced and we only use organic milk for our teas, coffees and Happy Meal milk bottles.

Today, we source all our beef from Britain and Ireland and all our pork, organic milk and the free range eggs we cook from the UK, along with lettuce when in season. This equates to a £983 million direct spend with suppliers, supporting 7,350 jobs in the food and manufacturing sector and generating £447 million in economic output (GVA).

Looking at the food and agriculture sector in more detail, poultry, beef and pork products are our greatest area of expenditure and most of this direct spending is with beef,

pork and chicken suppliers based in the UK and Ireland. We also spend £196 million on fruit and vegetables from the UK every year.

In addition to supporting the financial health of the country's agricultural sector, we are committed to using our scale for good. We were the first UK restaurant to commit to using British RSPCA Assured pork across our menu and all the eggs we use are free range.

We know that, to continue sourcing British and Irish ingredients, we need to continue to support the farming sector. For this reason, we set up our Farm Forward programme, where we work with farmers to raise animal welfare standards, promote environmental improvements and improve skills and knowledge across the industry.

Over the past 45 years, we are proud to have supported so many British and Irish farmers. Through initiatives such as Farm Forward and a continued commitment to sourcing quality ingredients, we hope that this supply will continue for many decades to come.



**Expenditure by sub-sector in the McDonald's
UK food products supply chain 2017
(£millions)**



£532m
meat products



£196m
Fruit and
vegetables



£148m
Dairy

£76m
Bakery
products

£71m
Beverages



£223m
Other
agricultural
products

£40m
Edible
oils



McCain Foods GB Ltd

Potato experts McCain have been supplying us with our world-famous McDonald's fries since 1978.

For our fries, McCain only uses British potatoes and use four varieties: Russet Burbank, Shepody, Pentland Dell and Innovator. Simple, good quality ingredients are then prepared with care. Potatoes are washed, peeled, cut and then lightly fried in a McDonald's blend of vegetable oil and frozen.

In 2019, McCain marks the 50th anniversary of its manufacturing site in Scarborough. The company is currently investing over £100 million in the facility's upgrade, securing its presence and jobs in this area of Yorkshire for future generations.



Animal Welfare

At McDonald's we are committed to animal welfare across our supply chain and we work with our suppliers and producers to continuously improve standards.

- We were the first UK restaurant to use only 100% British RSPCA Assured pork. This means that bright, airy environments are provided for pigs, with bedded pens and plenty of space for them to move around.
- Since 1998, only free range eggs have been used across our entire menu and the eggs we cook on our breakfast menu are sourced from British and Irish farms, many of which are family owned.
- Only organic semi-skimmed milk from UK dairy farms is used in tea, coffee and Happy Meal milk bottles.

Farm Forward

We created Farm Forward after consulting with over 1,500 farmers in the UK. It's an agriculture programme with three big aims; developing skills and knowledge, raising animal welfare standards and making environmental improvements.

The Progressive Young Farmers Programme is part of Farm Forward and helps develop skills and knowledge within the industry. Every year, six undergraduates with a passion for farming are given the chance to spend 12 months tracing every step of the McDonald's supply chain – first on a farm, then in processing and finally in one of the restaurants.

Successful applicants are mentored by a farmer and some of the UK's leading food-supply companies. There is also an opportunity to receive training in the skills needed to succeed in today's farming sector, such as business skills and technological know-how.



Supporting public health and nutrition

When it comes to food, we believe we have to make it easier for customers to balance health, taste and value. Because of our scale, we also know that we have a particular responsibility to help individuals and families make more informed choices about the food that they eat.

We have built our strategy on three core principles: choice, information and improving the nutritional profile of existing products. That means:

- Providing people with a range of options that allow them to make a choice appropriate for any occasion, whether that is a treat or an everyday meal.
- Providing Information to help customers understand what they are eating.
- Reformulating certain products to reduce saturated fat, sugar and salt, while not compromising on flavour.

We are proud of the impact we have already had in helping customers better understand their choices. We have been providing customers with nutritional guidance for over 30 years and have included calorie information on our menus since 2011, at the time becoming the largest company in our sector to ensure customers have access to visible calorie information. Calorie information is clearly displayed under each item on the digital screens within McDonald's restaurants and on our website and click and collect app. Providing this information allows customers to select an order that fits with their own dietary plans and nutritional requirements. The information also allows customers to personalise the items in their order, such as replacing a hash brown with a fruit bag at breakfast or fries with a salad at lunch.

Reformulating existing items on the menu has been another area of investment. 54% of our menu is classified as non-HFSS (not high in fat, salt or sugar) and 89% of items on our core food and drink menu contain under 500 calories. Over the last 5 years we have removed 655 tonnes of fat, 266 tonnes of saturated fat, 157 tonnes of salt and 2,257 tonnes of sugar from our menu.

The Happy Meal has also evolved. Today, 72% of items on the Happy Meals menu are non-HFSS, and in 2014, McDonald's trialled "Free Fruit Fridays" resulting in 3.7 million portions of fruit being handed out. As a result of that trial, discounted fruit is now available with every Happy Meal and in the last 12 months over 4 million Happy Meals were sold with a Fruit Bag or Carrot Sticks.

Recent years have also seen the introduction of new menu items. Porridge, salads and grilled chicken wraps now sit alongside menu items McDonald's has traditionally been famous for, such as Chicken McNuggets, the Big Mac and the Fillet-O-Fish.

As customers have sought more choice, such as vegetarian options, we have increased our marketing of these products. We understand the power of promotion to influence behaviour and the responsibility that we have in this area.

Products classified as high in fat, salt or sugar - according to the UK Nutrient Profiling Model - are never marketed to children across any media channel, at any time of day. Since 2007, adverts featuring a Happy Meal have included food and drink such as carrot sticks, fruit bags, milk or water, and we restrict out-of-home advertising to avoid being within 200 metres of a school - double the industry standard.

But we also believe that advertising and marketing can play an important part in driving behaviour change. It can increase information and transparency, nudge customers towards certain food choices, and support further reformulation by driving sales.

A recent initiative has highlighted this potential. In December 2017, we launched our 'Meals Under' 400 calories and 600 calories offer, and in the past 12 months we have seen a 102% rise in the number of side salads being purchased with a meal instead of fries. In total, there are over 400 'Meals Under' bundle options for customers to choose from.

Our investment in digital self-order screens has also supported our customers in making informed choices. Since their introduction, and our review of how we present our menu, we have seen 1.3 million bottles of water purchased instead of a sugary drink and 1.4 million more Fruit Bags bought with a Happy Meal.

We have also changed our menu to reflect a growing desire from customers to see a greater number of vegetarian options. In 2019, we launched the Vegetarian Happy Meal Wrap and Spicy Veggie Wrap at 209 calories and 364 calories, respectively. Both items are not high in fat, sugar and salt and are Vegetarian Society Accredited. Their introduction means we are now better equipped to meet the requirements of this growing consumer trend.

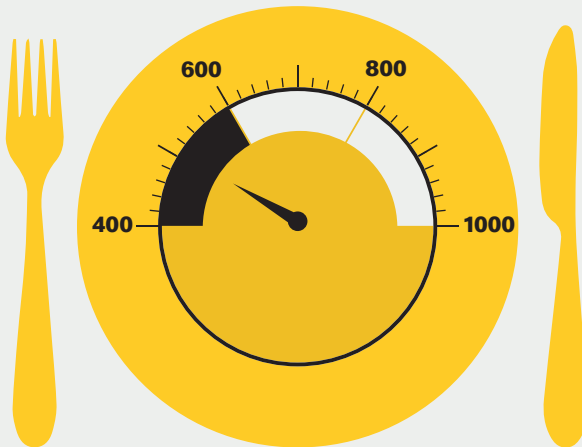
Demand for a wider range of options such as meat-free meals is growing, as is the customer expectation that Government and businesses will help them make informed food choices. We will continue to lead the way by evolving our menu, ultimately working towards making quality, affordable food even more available in future.



Today
89%
of items on
our core food
and drink menu
are below 500
calories



72%
of our Happy
Meals are
non-HFSS



'Meals Under'

bundles bring together a main menu item, a drink and a side for breakfast, lunch or dinner to produce a meal for either **400kcal** or **600kcal**



More vegetarian options

A third of our customers think it is important to include more meat-free meals in their diets.

Introduced in January 2019, the Vegetarian Happy Meal Wrap and Spicy Veggie Wrap are both Vegetarian Society Accredited, and expand the number of meat-free options on our menu.



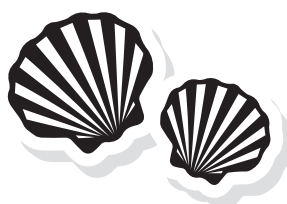
Working with Public Health England on 'Meals Under'

Introduced to menus in December 2017, 'Meals Under' bundles bring together a main menu item, a drink and a side for breakfast, lunch or dinner to produce a meal for either 400kcal or 600kcal. All the bundles achieve an amber or green on the Food Standards Agency traffic light system for fat, saturated fat, salt and sugar.

Nutritional Information and Allergens

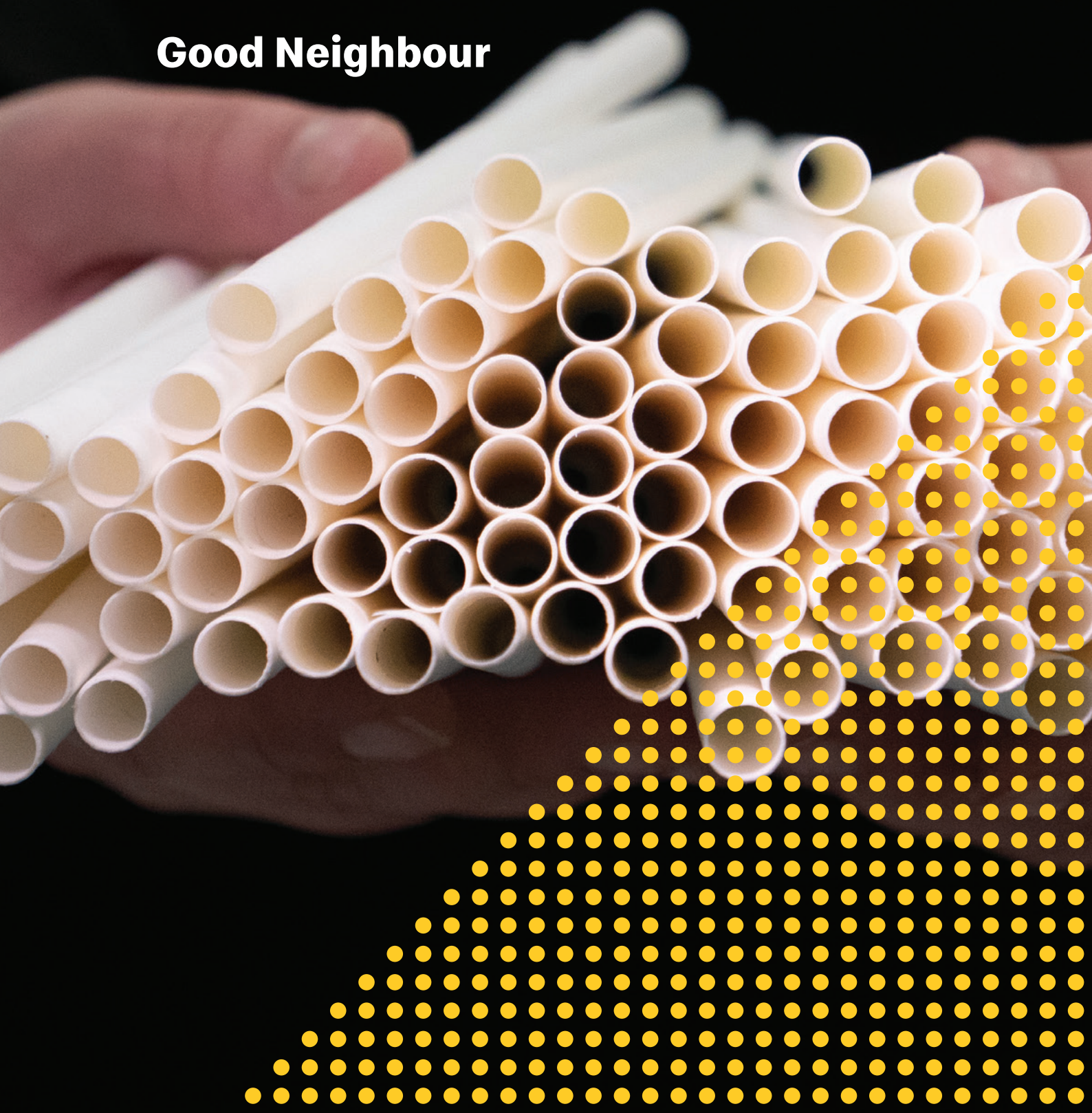
To minimise food allergen and intolerance reactions from our products, we give our customers full visibility of food allergen information so that they can make informed choices about the food they purchase.

This information is available online, on the McDonald's Global Mobile App and in the Allergen booklets which are located by our restaurant tills. These booklets contain information about all core and promotional menu items and are reissued with every new promotion. The booklets help customers choose menu items within our restaurants when they – or someone they care for – has a food allergy or food intolerance.



05.

Good Neighbour



Introduction

We want to use our scale for good. We have an opportunity to make a difference in individual communities across the UK and to the country, and we embrace this opportunity. Our community-focused approach is a key part of our success and we value the role we play in the communities where McDonald's restaurants are located.

We have been investing in our local communities for many years. For the last 17 years we have been the official Grassroots Community Partner for all four UK Football Associations for England, Wales, Scotland and Northern Ireland, providing thousands of young people with the chance to get active and play football. We've just renewed this partnership for another four years and are aiming to deliver 5 million hours of football to children across the UK by 2022.

This year, we helped celebrate the 30th anniversary of Ronald McDonald House Charities. At a national level, through the independent Ronald McDonald House Charities, donations from our customers and our own fundraising has meant that there are now 15 Ronald McDonald Houses across the UK. These provide support to families with sick

children by building dedicated houses for them next to hospitals where they can stay for as long as they need while caring for a sick child. In the same way as our relationships with our suppliers are long lasting, our relationship with Ronald McDonald House Charities – which began in 1989 – is as strong as ever.

Our scale also means that we can have an impact on some of the big challenges facing our planet. None is more urgent than the threat of climate change. We were the first restaurant company to set global science-based greenhouse gas emission targets, and we are aiming to cut our emissions by 36% by 2030. We are proud that our UK restaurants use 100% renewable electricity and continue to work towards our goal of sending zero waste to landfill.

Some of the challenges we face, as we approach our 50th anniversary, can seem daunting. And we know that we cannot tackle them alone. But we cannot afford to do nothing. That is why we will continue to make our own contribution to meeting these challenges by exploring new technologies and working closely with our suppliers to find solutions. Our customers and our neighbours have high expectations of us and we are determined to meet them.



Reducing our environmental impact

Our scale means we have an opportunity to have a positive impact on some of the biggest challenges facing the world today. The threat of climate change is one such challenge and we are proud of the investment we have made to reduce our carbon footprint in the UK.

In March 2018, at a global level, we became the first restaurant chain to set science-based greenhouse gas reduction targets. Working with our franchisees, we aim to reduce greenhouse gas emissions related to our restaurants and offices by 36% by 2030. Additionally, we commit to a 31% reduction in emissions intensity (per metric tonne of food and packaging) across our supply chain by 2030.

To meet these targets, we buy 100% renewable electricity and have invested in long term partnership agreements to develop the renewable energy infrastructure in the UK. In the UK, we have set up Power Purchase Agreements on Wind and Solar generation which has enabled new Electricity infrastructure to be built for the exclusive supply to McDonald's covering approximately 40% of our electricity requirements and we are looking to extend this to 70% from 2020.

LED lighting is also used, resulting in a 50% reduction in energy use compared to fluorescent lights.

New restaurants are built with energy efficiency in mind. Smart technology is used to control lighting, heating and air conditioning and energy efficient kitchen technology is used to further reduce our environmental impact.

In our supply chain, our vision is one where all food and packaging is sourced sustainably. We have undertaken a number of measures in recent years to try to promote better environmental standards through our whole supply chain.

As part of our Global Scale for Good targets, we are taking a range of measures. These include:

- Working with farmers as part of our Farm Forward programme to help them reduce their carbon footprint.
- Since 2008, we have worked side by side with a core group of progressive beef farmers and environmental specialists coordinating one of the largest independent carbon studies ever carried out directly on beef farms. As part of this, we developed a free online carbon tool to help farmers improve efficiencies and run free Sustainable Beef Clubs for farmers to share best practice. On average, the farms monitored by the project saw a 23% reduction in carbon emissions between 2008 and 2014.
- The Environmental Scorecard is a tool for suppliers to measure the environmental impact of manufacturing McDonald's products, with an emphasis on reducing carbon emissions, water stewardship and increasing recycling. Our largest suppliers are asked to submit their completed Scorecards each year, outlining their performance against environmental goals, and to share best practice with each other. This encourages suppliers to manage their own environmental performance, and proactively find ways to continuously improve and influence their own supply chains too.
- We have also been working hard to reduce emissions from logistics. Since 2007, McDonald's lorries have been partially powered by recycled biodiesel from cooking oil, a move that saves nearly seven thousand tonnes of CO₂ emissions a year compared to traditional fleets.





Converting our cooking oil

40% of the biodiesel used by vehicles in the McDonald's fleet comes from our own cooking oil. We have worked closely with Martin Brower, our long-term distribution supplier, to achieve this.

Our cooking oil is converted to biodiesel at a UK plant run in part on the energy generated by our kitchen food waste.

The use of biodiesel in our lorries creates 7,500 tonnes fewer carbon dioxide emissions compared to ultra-low sulphur diesel.

Waste reduction and recycling

We are committed to reducing the environmental impact of our packaging. We have been redesigning items and choosing recycled materials, or those produced from renewable sources, for several decades.

In March 2018, we stepped up our commitment to recycling further, setting global goals that:

- **By 2025, 100% of McDonald's guest packaging will come from renewable, recycled or certified sources.**
- **By 2025, 100% of guest packaging will be recycled** in McDonald's restaurants, and McDonald's will help influence the wider change needed in local infrastructure to make this possible.

Every piece of card or paper packaging that we use is verified by the Forest Stewardship Council (FSC) or the Programme for Endorsement of Forest Certification (PEFC). This means the paper is sourced from well-managed, sustainable forests. Approximately 80% of the food packaging we use is also recyclable.

We have recently rolled out the replacement of all plastic straws with paper straws in our UK and Ireland restaurants. We expect this to be concluded by the end of 2019. This builds on action we took to move plastic straws and napkins behind restaurant counters. This made them less readily available and resulted in a reduction in 13.5 million plastic straws being used and nearly 30 million napkins being used in 2018.

We are making good progress against targets to recycle guest packaging in restaurants and, ultimately, towards our goal of sending zero waste to landfill. Reusable water bottles and coffee cups are also now accepted, and we are a member of the On-Pack Recycling Label scheme, which clearly identifies items that are recyclable, making it easier for customers to dispose of them responsibly.



Supporting sustainable suppliers

We are currently rolling out the replacement of all plastic straws in our UK and Ireland restaurants with paper straws during 2019.

We are working with two UK suppliers, Transcend Packaging in Wales and Huhtamaki in Northern Ireland, to ensure paper straws of the quality and quantity needed are supplied. Our scale has made it possible for start-up sustainable packaging business Transcend Packaging to invest and grow, and the business, based in Ebbw Vale, Blaenau Gwent, recently announced plans to increase its workforce from 20 to 30 people.

Action against litter

With McDonald's restaurants often in central locations within local communities, local staff work hard to ensure the areas around the restaurants are as free from litter as possible.



Daily litter patrols are conducted by staff at McDonald's restaurants, covering a minimum of a 150-meter radius, at least three times a day. During these patrols, all litter is collected – not just McDonald's packaging – and in some restaurants full-time litter picking staff are employed.

It is estimated that our people across the UK walk almost 3,000 miles a week completing litter patrols, a total of 150,000 miles a year.

McDonald's was a founding partner of Keep Britain Tidy's Love Where You Live campaign, designed to encourage people to take pride in their local areas and keep them litter-free. McDonald's is also an active supporter of other national tidy groups, such as Keep Scotland Beautiful, Keep Wales Tidy and Keep Northern Ireland Beautiful, working closely with them on anti-litter campaigns. Since 2011, McDonald's staff have organised over 2,600 litter events, engaging 78,000 colleagues and community members in litter prevention.

Furthermore, since 2015, 1,100 new recycling bins have been installed at our restaurants, making it possible for customers to separate their plastics and cups for recycling in 85% of the country's restaurants. We also support community recycling campaigns, such as #Leedsbyexample, to encourage people to extend the life of packaging by enabling it to be recycled into new products.

Together with other coffee retailers, we have also invested in infrastructure to support paper cup recycling in the UK and have helped develop over 4,000 recycling points, significantly increasing the number of paper cups being recycled from 1 in 400 to 1 in 25 in just two years.

Cleaning up Wales

Staff from Ron Mounsey's franchise have been busy participating in clean up operations across Wales. Working with Keep Wales Tidy, local councils and groups such as the Girl Guides, staff have been helping to pick up litter in areas of natural beauty such as the Pembrokeshire coast, Swansea Bay beach, at a nature reserve close to a McDonald's restaurant in Cardiff and in Newport.



Supporting Grassroots and Community Football

Over the past 17 years, McDonald's has been the Official Community Partner of the four UK Football Associations, providing financial support to improve the standards and growth of grassroots football across England, Scotland, Wales and Northern Ireland.

This has included:

- Training over 30,000 new qualified grassroots coaches
- Supporting over 10,000 grassroots clubs via the UKFA's club and league accreditation programmes
- Providing over 250,000 new football kits to kids teams across the UK
- Recognising over 5,000 local football volunteers, clubs, and projects to date via our nationwide Grassroots Football Awards programme

Local employees and restaurants have also been involved. McDonald's Club Twinning was launched in 2008 and there are now over 900 restaurants twinned with local clubs, providing coaching and business support as well as providing thousands of players with donated kit and equipment.

This partnership is set to continue. In March 2019, we announced that we would be renewing our role as Official Community Partner of all four UK Football Associations for another four years.

This new programme has a target to provide 5 million hours of fun football for children across the UK by 2022 and to give over 500,000 children the chance to try football for the first time through our Fun Football 'turn up and play' sessions, Festivals and Activity Books, the majority of which are free to the public.

Aimed at introducing 5-11 year olds to football for the first time, the programme will include introductory drills perfect for children with no footballing experience. We have also launched an app with the Football Association, SuperKicks, with over 150 skills and drills to help children and their parents get stuck in to football anywhere, and an Activity Book to help children aged 5-8 chart their progress.

The ongoing partnership will help ensure that we can continue having a role in encouraging young people to have a lifelong love of sport and an active lifestyle.





McDonald's Director of Football Sir Geoff Hurst MBE

"I have been involved in the McDonald's Football Programme for a long time now and I've seen it grow while continuing to have a huge influence on children playing football. The support and opportunities that McDonald's provide are nothing short of extraordinary and have helped shine a light on the outstanding work that goes on all over the UK to keep football going.

Thanks to their new deal with the four UK Football Associations, McDonald's are now placing a greater focus on making football even more inclusive and accessible to all which should result in more people playing the beautiful game."

Ronald McDonald House Charities

Ronald McDonald's House Charities (RMHC) is an independent charity that provides free and welcoming 'home away from home' accommodation near UK hospitals, so that whole families can stay together and close to their hospitalised child.

Over the past 30 years the charity has supported and given a place to stay to more than 60,000 families and now provides accommodation in 15 locations in England, Scotland and Wales.

In the past five years, the number of families supported by the charity has increased by 70%, from 3,152 families in 2012 to 5,456 families in 2017. This achievement has been made possible by the generosity and dedication of the charity's supporters and staff.

McDonald's and its franchisees are the single largest corporate giver to the charity. In 2017, our customers donated more than £3 million in collection boxes at the tills and we donated another £1.5 million from our sales in Wales and Scotland. Our franchisees also decided to donate the money raised through the statutory levy on carrier bags to the charity.

Our business and suppliers also support the charity in other ways, such as providing free office space, business resources and advertising.

These efforts have helped make the toughest times faced by families a little bit easier and means that the charity has gone a long way towards achieving its mission to ensure every specialist children's hospital in the UK has free, homely and supportive accommodation for families.

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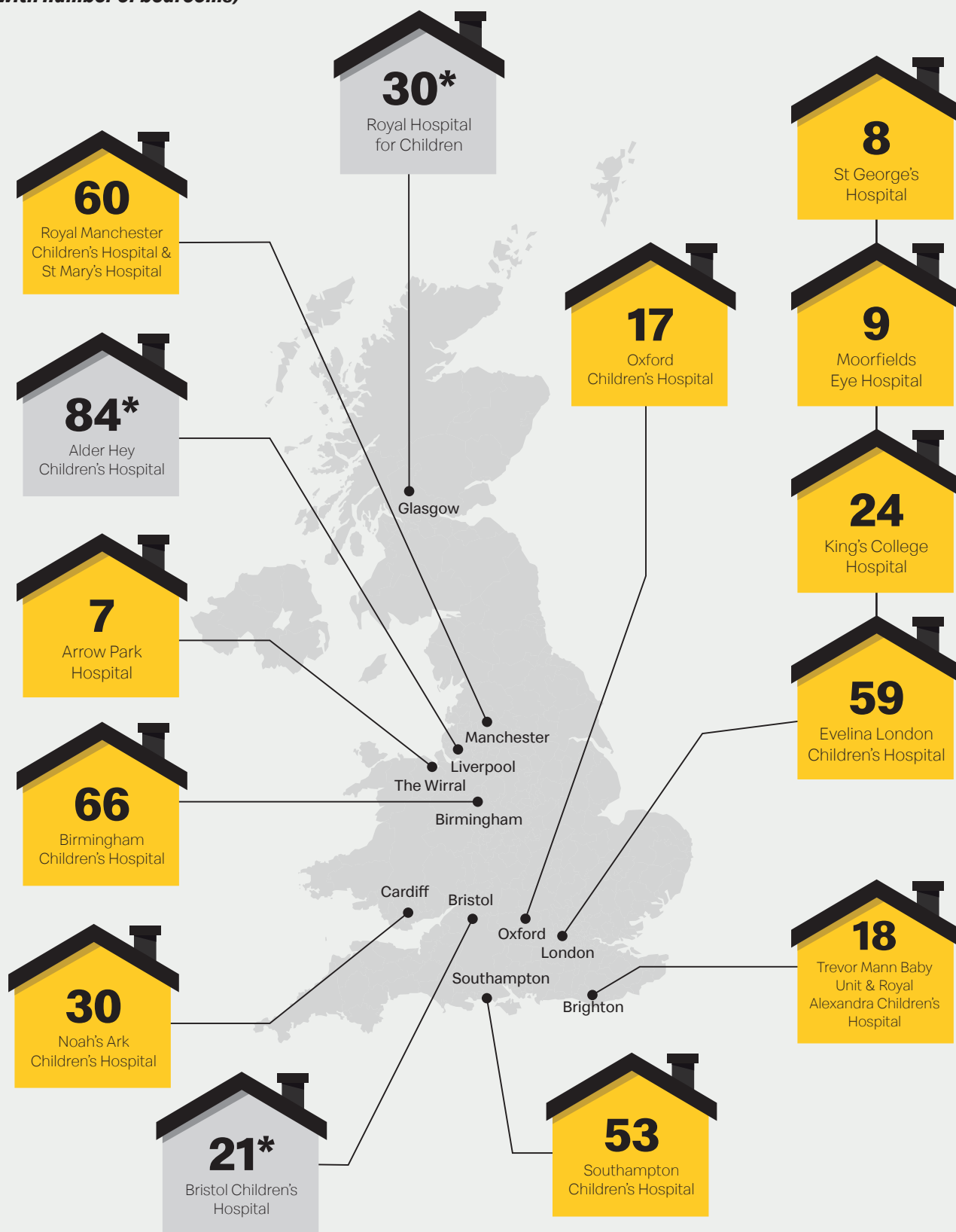
Having the Ronald McDonald House adjacent to the hospital has been a vital resource as we seek to rehabilitate children after brain injury.

Access to a 'real world' environment outside of the hospital which can be used by our patients, supported by expert therapists, is a key part of our patient pathway, speeding the patients' recovery and smoothing their transition from hospital to home in the face of new disabilities.

Dr David McCormick,
Consultant Paediatrician, Neuro-Rehabilitation and
Epilepsy, King's College Hospital

RMHC Annual Report 2017/18

**Ronald McDonald Houses across the UK
(with number of bedrooms)**



*These Ronald McDonald Houses are run by local, independent charities

06.

Good People



Introduction

Today, we employ 125,000 people* across the UK. They are central to our success and are the face of McDonald's for millions of customers every day. We couldn't do what we do without them, and that's why we put so much effort into making sure they enjoy their work.

That can mean offering opportunities, championing communities or finding time for flexibility. We do whatever we can to make working at McDonald's as enjoyable as possible.

All of our people are different, with a range of reasons for doing the job they are doing. But no matter who you are, what you need or where you're going, we strive to create a job that works for you.

A job in McDonald's is often the first step in someone's working life. The majority of our staff (67%) are under 25, and

we've helped many young people kick-start their careers

It's a sign of success that so many of our people decide to stay with us for a large part of their careers. Nine in ten of our Business Managers started with us as crew members and a third of our executive team started their career in one of our restaurants.

At McDonald's, people can expect to be valued and invested in. No matter what their role or their duration of employment, our people can take part in structured training. And each year we invest £43 million in training to develop our people, leaving them better equipped to succeed in whatever their future careers take them on to do.

The last 45 years have seen the number of people McDonald's employ across the UK continue to grow. As we look towards our 50th anniversary, we will continue to invest in our people and equip them to adapt to the rapidly changing world of work.



A great place to work

At McDonald's we know that our people are at the heart of our success. Customers come to our restaurants for great tasting, quality food, but also for quick service and an enjoyable experience. To deliver this consistently staff need to be well-trained, fulfilled and to enjoy their work.

We are proud to have been recognised as one of the 'Best Workplaces' in the Great Places to Work list for 11 consecutive years and to have been ranked by The Sunday Times as one of the 30 Best Big Companies to work for seven years in a row. These results are based on anonymous employee surveys – with flexibility, close knit teams, training opportunities and job security scoring particularly highly.

We are committed to providing staff with opportunities to train and grow. Our Investors in People accreditation is recognition that all of our people managers are equipped to provide the best support to their teams.

We are also proud of the opportunities we can provide to young people in the UK. 67% of our staff are aged 16-25 and we are one of Britain's most popular employers for school

leavers. As one of The Times Top 100 Graduate Employers, our structured training programmes also make us a popular choice for graduates.

However, everyone we employ is different. We want to be able to meet the needs of staff who are ambitious to progress their careers, but also of students, working parents or grandparents looking to earn some cash around their other commitments.

At the Workingmums.co.uk Employer Awards 2017 we were awarded Top Employer for Innovation in Flexible Working for our approach to Guaranteed Minimum Hours Contracts. Following a trial, we decided to offer employees from April 2017 the choice between flexible or fixed contracts with minimum guaranteed hours. We have also partnered with workingdads.co.uk to promote flexible working for dads. We want everyone who needs flexibility to be able to ask for it without harming their career progression.

Today, all of our staff are offered this choice. It is flexibility and innovations such as this that we hope will continue to make us the employer of choice for people from all walks of life.



Training and development

As one of the largest private sector employers in the UK and one of the country's largest employers of young people, we are proud to have provided so many people with the first step in their careers, and the opportunity to gain the training and life skills they need to progress.

The 123,324 employees in our restaurants, franchises and offices comprised 56,783 full-time jobs in restaurants, 66,090 part-time staff working in restaurants and a further 451 employees working in our offices across the country (analysis of 2017 figures).

All of these staff, no matter what their role or how long they have worked with us, have the chance to take part in structured training. We believe in providing opportunities for anyone who wants to learn, develop or progress their careers.

Every year, we invest £43 million in training to develop our people, and staff can gain nationally recognised qualifications while they earn.

Most new employees join us as crew members. The average length of service of a crew member is two years, during which time the employee will benefit from training on topics including food safety, preparing our menu and customer service, but also on softer skills such as how to work well as part of a team, decision making and problem solving. It's where our people really get to know the business - a third of our current Executive Team started their McDonald's career at one of our restaurants.

For those who want to learn more, there is an opportunity to gain academic qualifications that are accredited by Ofsted. These qualifications remain with employees for the rest of their lives.

We are now one of the longest standing providers of apprenticeships in the UK, having delivered them in partnership with Government since 2006. In 2019, we announced plans to double the number of apprenticeships in the UK, with 750 new programme spaces and £2 million worth of opportunities for new and current employees using the apprenticeship levy. Over 18,600 apprentices have qualified at McDonald's to date.

The Hospitality Team Member Apprenticeship (Level 2) is equivalent to five GCSEs grade A*- C (levels 9-4 under the new grading structure). Apprentices gain practical work experience and have the opportunity to study and bring their maths and English up to GCSE standard if this standard has not already been achieved.

Other qualifications available to staff include a Level 3 Hospitality Supervisor in Shift Management. The qualification is designed to be the first course managers attend during a career with us, and covers the skills needed for the day-to-day running of a restaurant; from leading a team to ensuring customer satisfaction.

Since 2009, 186 employees have also been able to gain a Foundation Degree accredited by Manchester Metropolitan University while working at McDonald's. The BA (Hons) Business Management Professional degree in Retail combines academic study with workplace learning and by the end of the course, graduates are recognised as a Chartered Manager by the Chartered Management Institute.

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It is clear that McDonald's value their staff as they invest so much in staff development.

They start leadership training at shift manager level and drive leadership development through every level of the company. It is a model the NHS should look to emulate.

The Rt Hon Matt Hancock, MP

Secretary of State for Health and Social Care

'NHS should learn from McDonald's, says Health Secretary' (Telegraph, 28/11/2018)



Charli France

Charli France, First Assistant at a McDonald's restaurant in Brighouse, is a working mother, currently in her first year of study of her Degree Apprenticeship with McDonald's at Manchester Metropolitan University. Charli balances working in the restaurant alongside her studies, so she is still able to provide for her children.

"I always really enjoyed working at McDonald's. The work really challenged me, I was learning lots of new skills, working with different people and I really wanted to stay with the business."

When I saw the chance to develop my education through McDonald's and apply for a business degree through the company's apprenticeship scheme, this was absolutely perfect, as it allows me to balance looking after my children whilst also working alongside my studies. It's important to me to show my children the value of education and hard work. I really enjoy being able to work and study at the same time. It's a lot of hard work, but I hope my enthusiasm rubs off on them! If anyone is considering applying for an apprenticeship with McDonald's, I would highly recommend it!"



Peter Godwin

Peter Godwin, aged 20 from Chelmsford, has thrived in his apprenticeship since starting the scheme three years ago. Now an Area Lead in South Woodham Ferrers, Peter recently completed his Level 3 Apprenticeship and hopes to become a member of the Advanced Shift Management team soon with the aim of becoming a Business Manager.

"The McDonald's Apprenticeship scheme provided an amazing opportunity for me to expand into fields I may not have considered before, and aided me in my training to one day become a member of the management team."

"Day-to-day I ensure areas of the restaurant run smoothly, coordinating with shift managers so that all products served are up to the McDonald's gold standard and the customers get the best service and quality food possible. I would absolutely recommend the programme – it not only boosts your knowledge but also your skills and confidence in the workplace, pushing you to constantly improve and succeed."



Providing opportunities to progress

We believe in hiring people on their qualities and then giving them the opportunity to gain qualifications. As a result, for many people a job at McDonald's is the very first step in their career and we are proud that we can provide them with the opportunity to gain new skills and valuable work experience.

Young people aged 16-25 represent 67% of our workforce and for many of our employees McDonald's is their first paid job.

Our approach to recruitment provides many people with the opportunity to progress. This progression may be within McDonald's, or beyond. A job with us provides many people with the opportunity to gain the vital 'soft skills' that all employers seek – such as confidence, leadership, time management and communication.

However, for those who want to stay with us, McDonald's provides a structured training and development programme for all employees, regardless of how long they have been

with the company or their position. The fact that nine out of ten of our Business Managers started with us as crew, many of our franchisees and a third of our executive team started out at one of our restaurants is proof of the opportunities available to those who have the ambition and ability to progress.

Flexible Working

We want to create a great place to work for all our staff. Although they all share a passion for the business, each member of staff is different. Some will be keen to fast-track their careers with us. For others, it is a helpful way to earn extra cash in a friendly environment, while juggling family commitments or studying for a degree.

We know that our flexible employment opportunities are a major draw. Over 85% of our employees tell us that they love the flexibility that their job offers them.

To ensure we meet the needs of all our staff, and so that we attract and retain the best talent, we have expanded the range of employment options we offer. In 2017, we rolled out

Guaranteed Minimum Hours Contracts (GMHC) to all our UK restaurants, following a pilot project in 2015.

This followed an extensive consultation with staff, including workshops between July and December 2017 that were attended by both restaurant crew and managers.

These contracts mean that hourly paid employees are now offered a choice over whether they want to stay on a flexible contract, or swap it for a GMHC, where they would retain all the terms and conditions that they had before.

The GMHCs currently guarantee a range of time commitments, from 4 to 40 hours with breaks factored in. Employees can top these hours up if they wish and the contracts are offered in line with normal working hours.

The majority of employees have opted to stay on flexible hours, with the highest uptake of the new contracts among managers. Over 14,000 employees, representing 11% of the workforce, have opted for the new contracts. In restaurants with a high number of students, uptake can be as low as 5%. Many parents also prefer to have the flexibility to take time off in the school holidays, while students may also want to take time out for exams.

The rollout of GMHCs is also supported by our scheduling, which allows us to identify staffing gaps. The system creates further flexibility by giving our staff the ability to change hours if their manager agrees, or to swap shifts with family and friends without a manager signing it off.

Other companies in the retail sector are now looking to roll-out these contracts within their businesses as they give employees greater choice. The initiative was also commended in the Government's Taylor Review of Modern Working Practices and McDonald's was awarded 'Top Employers for Innovation in Flexible Working' by workingmums.co.uk for the scheme in 2017.

It builds on the flexible working 'friends and family' contract pioneered by McDonald's, which enables employees from the same family or groups of friends to share and cover each other's shifts without having to tell the restaurant management team in advance.



Nine out of ten of our Business Managers started with us as crew



A third of our executive team started out at one of our restaurants, as did many of our franchisees





Committed to diversity and inclusion

We believe in an inclusive McDonald's that welcomes everyone. We work hard to create jobs and opportunities for all our people, no matter what their life stage, background, ambitions or gender.

We have been working hard to provide the culture, inspiration and support for the best of our people to progress. As a result, we are pleased that our gender pay gap figures are significantly better than the national average in the UK.

In 2018, women accounted for over half of our total workforce and represented 38% of our senior leadership roles – nearly a third more than in 2008.

Within company-owned McDonald's restaurants, and in our head office, there is a median pay gap between men and women of 0% and a mean pay gap of 4%. This compares to UK national averages of a 17.9% median and 17.1% mean.

In addition to looking at hourly pay, we have calculated the differences between the bonuses our male and female staff receive. We have a number of bonus schemes, including two for our restaurant staff. Each month we measure our company-owned restaurants based on customer feedback, and the top 10% award their crew with 50p for each hour they have worked in a two-week period. All restaurant managers are also eligible for a quarterly bonus based on customer and employee experience, and overall sales growth.

For office employees, bonuses are awarded to managers based on a combination of individual and company performance. Senior leadership (heads of department and above) are also eligible to receive share options.

Our results show that the proportion of men and women receiving bonuses in our business is the same – 56% of men, and 56% of women, receive a bonus. The median bonus gap is 7%, while the mean is 64%. This difference is due to the make-up of our head office management team which is 64% men and 36% women. As our senior leadership team are paid company performance-related bonuses, the higher proportion of men at this level has an impact on the mean bonus pay gap.

How we calculate our gender pay gap

To illustrate what this means, the median is the middle number in a set of figures. For example, if you were to line up all our female employees in order of how much they are paid, from the lowest to the highest, and do the same with our male employees, the man and woman in the middle of each would be paid exactly the same amount.

The mean is the average of a set of figures. For example, if you were to calculate the average pay for men across our business, it would be 4% higher than the average pay for women.

The results highlight that we need to focus our efforts on helping more women into senior management roles. Our initiatives include:

- Further developing an inclusive culture by: holding our first event focused on gender for leaders across the business; holding roadshows across the country to promote diverse thinking and inclusive behaviours; and a Global Women's Leadership board has been established to focus on benefits, talent and the development of women.
- Improving leadership accountability for decisions made, through regular reviews of gender balance across departments and enforced gender balanced recruitment pools.
- A range of initiatives focused on flexible working, such as 'Let's Talk About Flex' – events in our restaurants with campaigner Anna Whitehouse, to provide free help and advice on how to start conversations about working flexibly. Our head office provides the widest range of working patterns possible and we were launch partners for a workingdads.co.uk campaign focused on highlighting how everyone should be given the opportunity to work more flexibly.
- We have worked with independent experts to develop unconscious bias training specifically tailored to our business. In 2019 every one of our office staff and restaurant management teams will be offered this training.
- We encourage and facilitate coaching and mentoring relationships for talent at all levels, regardless of gender. We are also connecting women in the UK and other markets with mentors who can support them to develop a successful career at McDonald's through our Inspire Mentoring programme.



“

In my 2017 review of modern working practices, I recommended that all workers on zero hours contracts should be given the right to request a move to a fixed number of hours. McDonald's showed that this could be done with the introduction of Guaranteed Hours Contracts.*

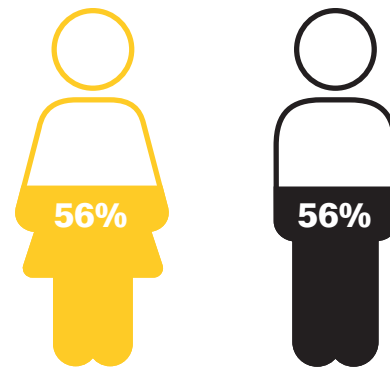
To me this feels like a fair solution. It gives staff the offer of fixed hours if they want them, or not if it doesn't work with their lifestyles. Workers in future are going to seek increasing flexibility, and it is initiatives like this that provide a win-win solution for workers and employers.

Matthew Taylor,
Chief Executive of the Royal Society of Arts,
and Chair of the 2017 Taylor Review of
Modern Working Practices

Our year two data

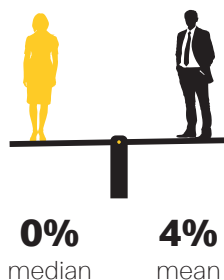


We employ **53% women**
and **47% men**

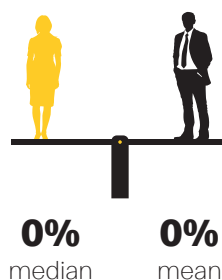


56% women and **56% men**
received a bonus

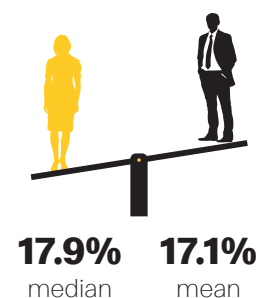
Pay Gap at McDonald's Restaurants Ltd



Pay Gap in our restaurants



UK National average pay gap**

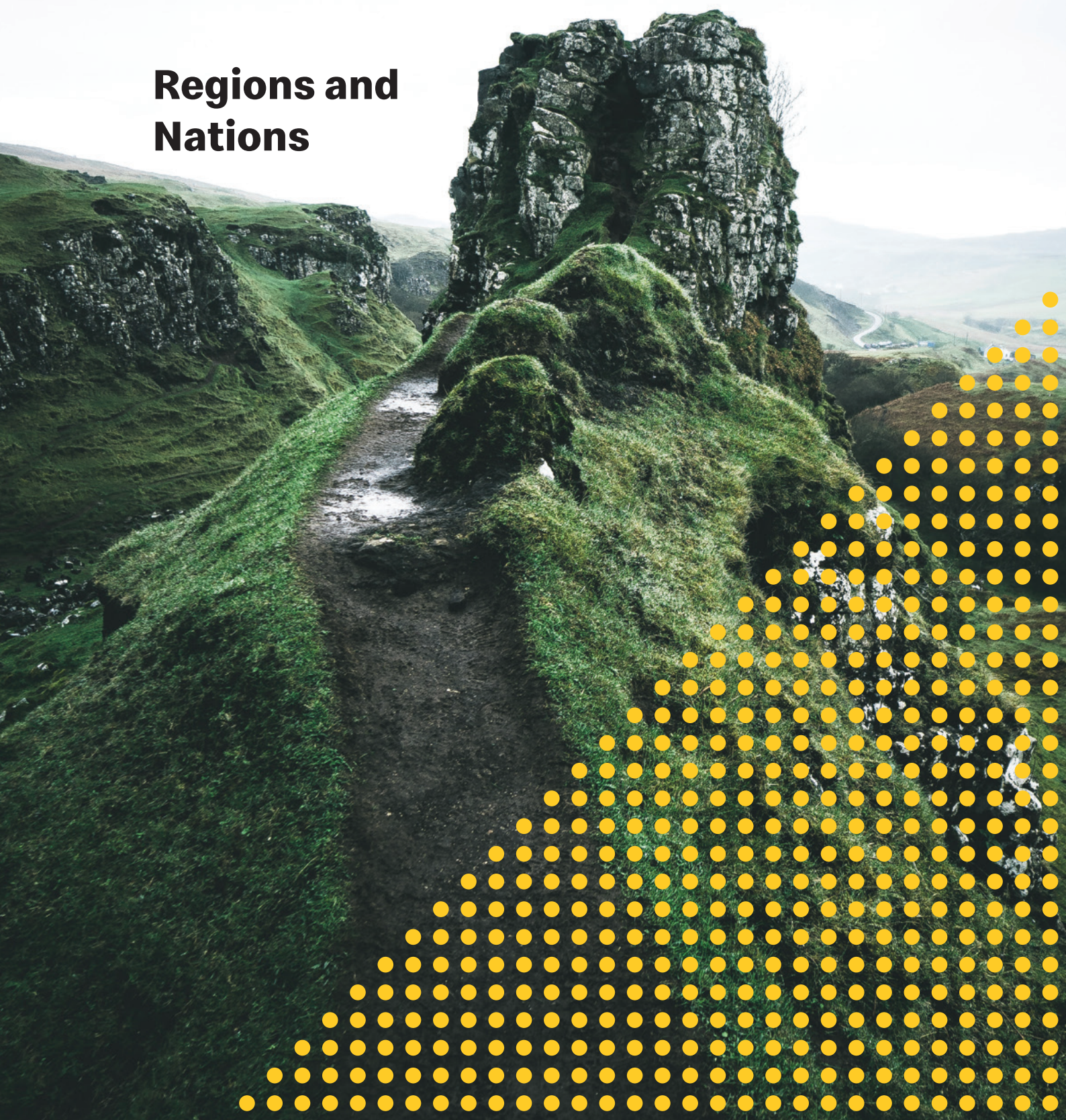


**ONS Data 2018

* Guaranteed hours contracts are under the name "Guaranteed Minimum Hours Contracts"

07.

Regions and Nations



Introduction

McDonald's began with one restaurant in one corner of the UK, but today we have restaurants in every part of the country. From our most northern restaurant in Elgin in Scotland to Penzance, near the southern tip of England, and from the South Wales valleys to Belfast - McDonald's has a presence in hundreds of communities all across the UK.

While McDonald's is a global brand, our franchise model means we are actually a collection of small businesses. Of our UK restaurants, 86% are operated by franchisees. These are small and mid-sized business owners who often live in the communities they serve.

That means that they are committed to improving their local areas, from promoting local employment opportunities to giving back to the communities they are based in. For some,

that can mean leading regular litter picks, for others it means supporting local grassroots football or working with local charities to tackle homelessness.

Our scale and the network of franchisees across the country means that we have a major national reach. This provides incredible opportunities, but it also gives us a special responsibility.

Being rooted in communities is something that both our customer and employees' value. It makes our employees proud to work for us and our customers increasingly want to spend their money with responsible businesses.

As we look to our 50th anniversary, we believe that the desire for responsible business will only increase. That's why we will continue to root our businesses in the communities they serve and why we will use our national reach to make the biggest possible positive impact.



Economic Value across the UK

McDonald's makes an economic contribution to every nation and region of the UK through the jobs we create and our supply chain expenditure.

73% of our total economic output and jobs are outside of London and the South East. The economic benefit of McDonald's is spread across the whole of the United Kingdom, and London receives a small additional boost as the location of our UK head office.

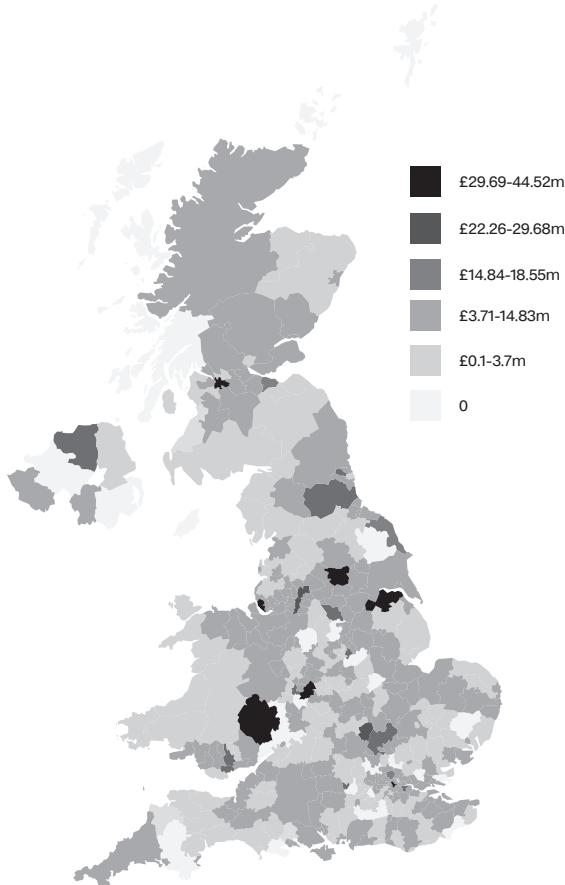
On a local authority level, we have a direct presence with either a restaurant site or office location in 366 local authority areas in the UK. Within these areas McDonald's generates an average economic output of £5.15 million per annum and supports 337 workforce jobs.

In addition, we have an indirect impact in an additional 69 local authority areas where at least one first-tier supplier is located. Within these 69 additional local authority areas, we generate an average indirect GVA of £11.62 million every year and support 193 jobs.

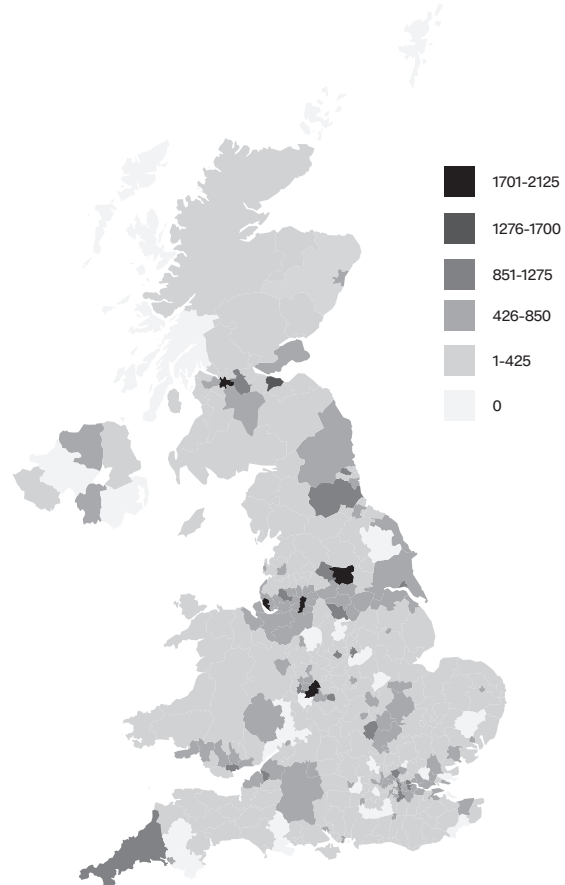
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Our operations outside London and the South East contribute approximately 73% of all our economic output and jobs

Map showing overall GVA (£millions) contribution by UK local authority



Map showing overall jobs contribution by UK local authority



Making a local contribution

McDonald's is a global business but also a collection of local entrepreneurs. In the UK, 86% of our restaurants are run by franchisees, and it is our franchisees who put our community focus into practice. Many of them live and work in the places where their restaurants are located. They know and understand their areas, and want to help them to thrive.

Our 'three-legged stool' model means that our franchisees are integral to the way we run our business, contributing - and sharing in - our success.

Franchisees are required to make an upfront investment of £100,000 and to sign a 20-year contract with us. On average, franchisees are responsible for six restaurants. The primary way that franchisees make a local impact is by running successful businesses and creating local jobs.

Many champion the needs of other local businesses, like franchisee Reema Mavani. For the past two years she has been selected by other businesses in Wembley Park and Wembley High Road to represent their needs in discussions with the local council.

Franchisees are also encouraged to give back to and champion their local communities and they do so in a variety of ways. This might mean raising funds for Ronald McDonald House Charities, participating in the Love Where You Live anti-litter campaign or sponsoring a local grassroots football club.

Others champion their own local causes. For Midlands-raised franchisee Sarah McLean, a life-long passion for the environment has led her to channel her team's efforts towards sustainability initiatives in the areas of National Forest that surround her restaurants. Meanwhile, for London franchisee Claude Abi-Gerges, issues such as homelessness and the need for a safe and vibrant night-time economy in the capital mean his team work hard to make a difference in these areas.

Whether through the employment opportunities our restaurants offer to young people and the long-term unemployed in areas of urban deprivation and anti-social behaviour, or the clean-up efforts our teams lead on beaches along some of the UK's most beautiful stretches of coast, our franchised structure enables us to have a positive impact on communities across the country.





Supporting urban areas

Across the UK, McDonald's makes a significant contribution to our major cities. Whether in Glasgow, Birmingham, Manchester or London, we support jobs in our restaurants and make a wider economic impact through our supply chain. Our scale across all the cities of the UK means that we are in a position to make a real difference.

In 2017, our economic output in London was £518 million and we supported 22,819 jobs in our restaurants, UK head office, supply chain and wider economy. We also support many business and professional services firms operating in the city, such as the advertising firm Leo Burnett.

However, we have a role to play in helping to rebalance the country's economy. Outside of London, the cities where McDonald's makes the greatest contribution are Manchester (GVA of £118.2 million and 6,863 jobs), Birmingham (GVA of £93.6 million and 5,692 jobs) and Glasgow (GVA of £48.1 million and 2,846 jobs).

Our restaurants in these cities provide direct jobs, and we also source from local businesses. All three cities are home to some of our biggest suppliers, such as: Guenther Bakeries in Manchester, drinks manufacturer Britvic and Envira Packaging in Birmingham and McCormick's condiments manufacturing site in Glasgow.

We also know that we have a role to play in addressing some of the issues urban areas face. We are one of the few global businesses that continues to anchor itself on the high street, and we are proud of our continued presence at the heart of many town and city centres.

Finally, we know that air quality and environmental issues concern many residents in urban areas. For this reason, we have retimed our deliveries in London, 40% of our lorries run on biodiesel and all our restaurants conduct litter picks around restaurants at least three times a day, picking up all local litter – not just McDonald's packaging.

Working with the police on anti-social behaviour

Our restaurant on Uxbridge Road in Shepherds Bush, London has been working with the local council and Police to cut levels of anti-social behaviour in the area at night.

Playing classical music at certain times of day to set a different and calmer tone, closing the upstairs area at night and removing free wi-fi have all helped to reduce local levels of anti-social behaviour.

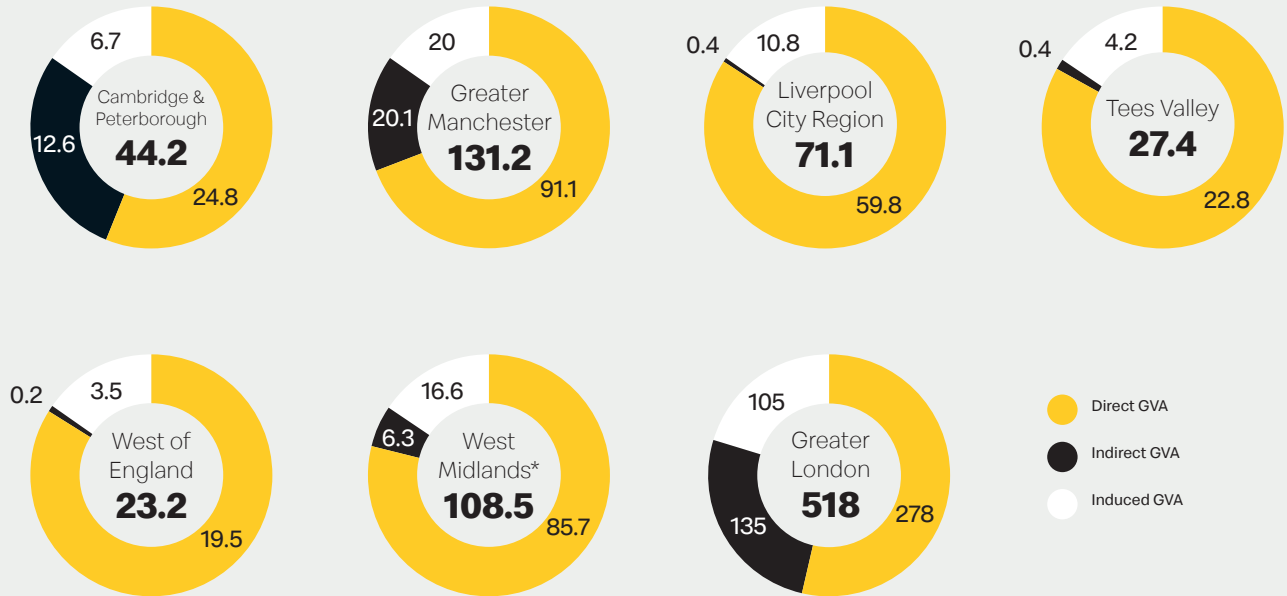
McDonald's in Mayoral regions

With the advent of more devolution across the UK, many areas have joined London in having Mayors with significant new powers.

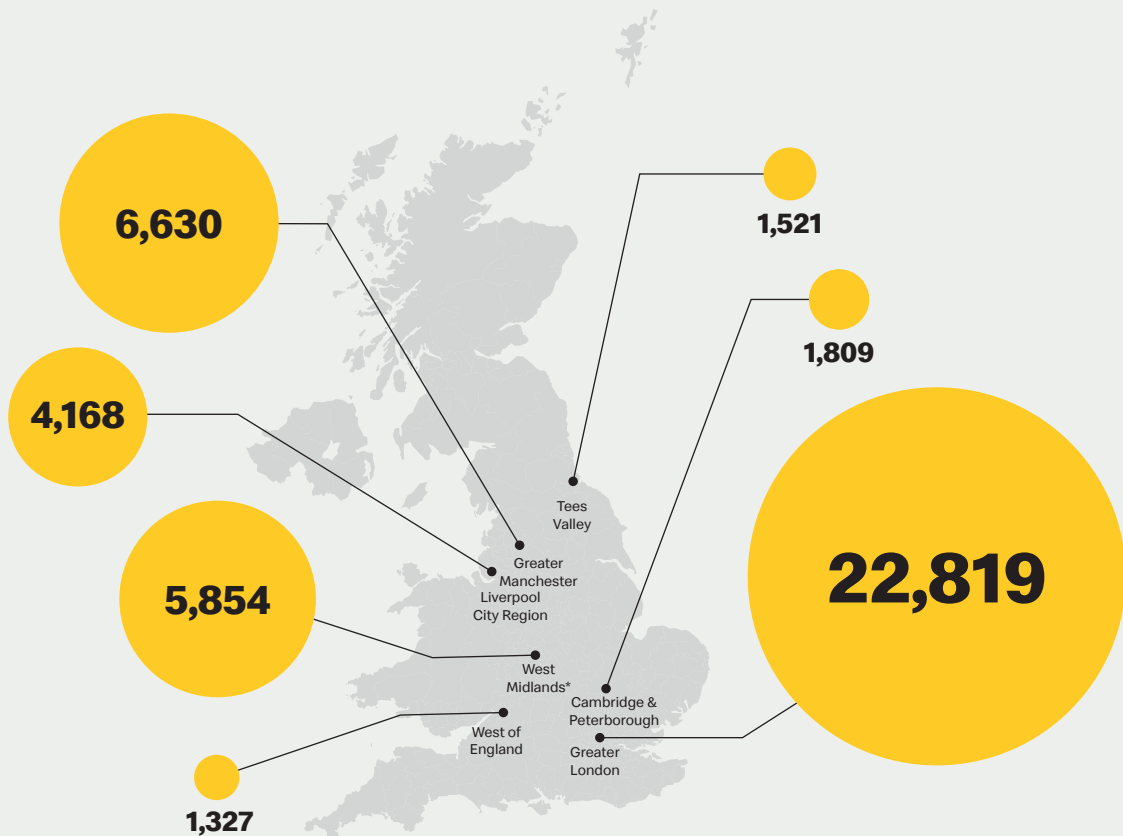
Outside of London the Mayoral region where we have the greatest economic impact is Greater Manchester, where we contribute a total economic output of £131 million in GVA every year, and support 6,630 jobs. We also make significant contributions in the West Midlands and Liverpool City Regions, contributing £108.5 million and £71.1 million in GVA respectively.

Our contribution comes through the jobs we create, the positive impact we have on high streets where our restaurants are located and through the local companies we source from. For example, Peterborough is home to packaging company Dart Products and Coventry the location of our tortilla manufacturers Mission Foods.

McDonald's contribution to GVA by Primary Urban Area in Mayoral Regions (£million)



Absolute number of jobs in Mayoral Regions 2017



*combined authority

Scotland



Scotland

In Scotland, we contributed £233 million to the economy in 2017. Of this total, 64% is associated with the value of the products we sell in our restaurants and 16% with the value of our expenditure with Scottish suppliers. The remaining 19% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the Scottish economy.

We currently have 15 franchisees in Scotland and in 2017 they supported 12,208 jobs; 9,616 in our 101 restaurants, 672 in the supply chain and 1,920 in the wider economy.

In addition to providing jobs in the city, we regularly participate in initiatives with the charity Keep Scotland Beautiful, to keep areas around Glasgow subway stations and the city's streets clean and clear of litter.

We source products from large companies based in Scotland such as the Smith Anderson Group, and Scottish farmers benefit from £17 million worth of income from McDonald's every year, for products such as seed potatoes, beef and milk.

Contribution to national economy

£233m

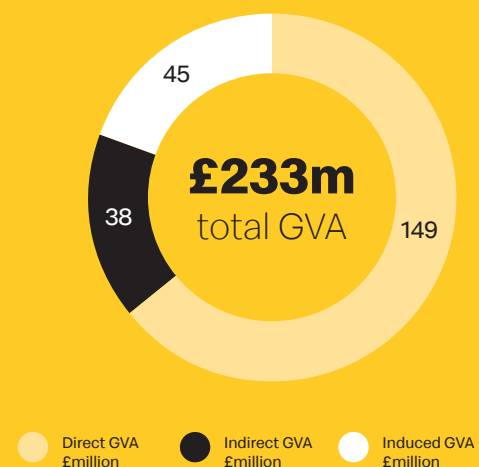
We supported

12,208 jobs

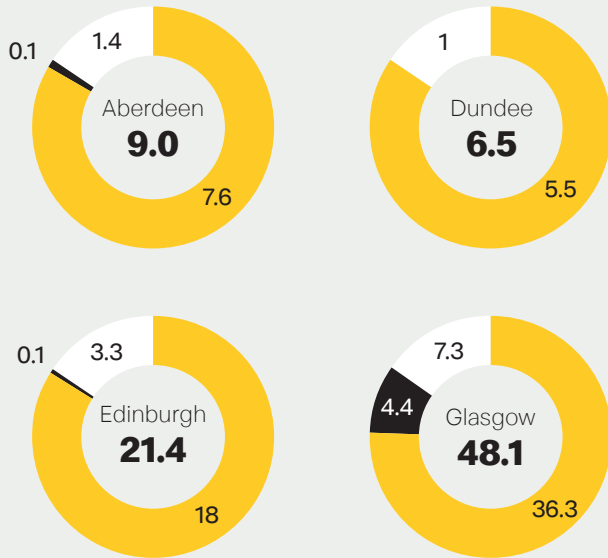
Local farmers received income of

£17m

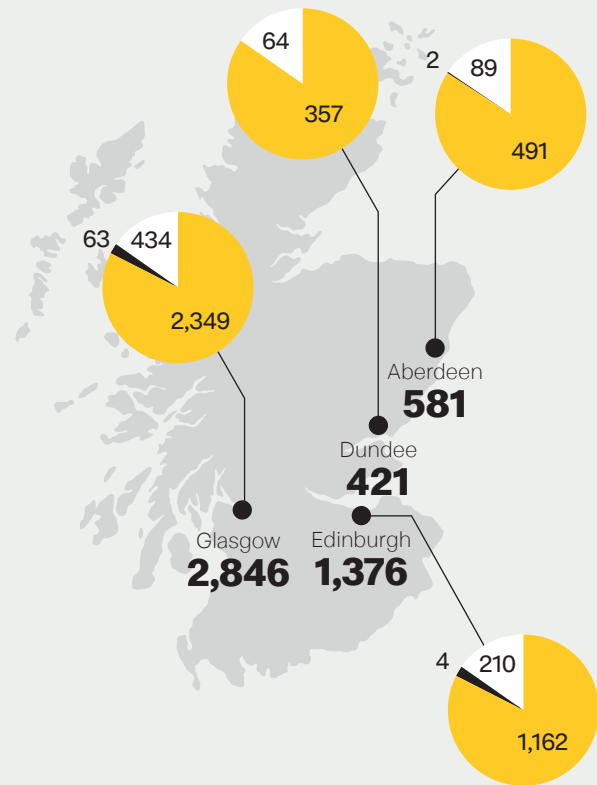
Total Gross Value Added contributed by McDonald's in Scotland in 2017



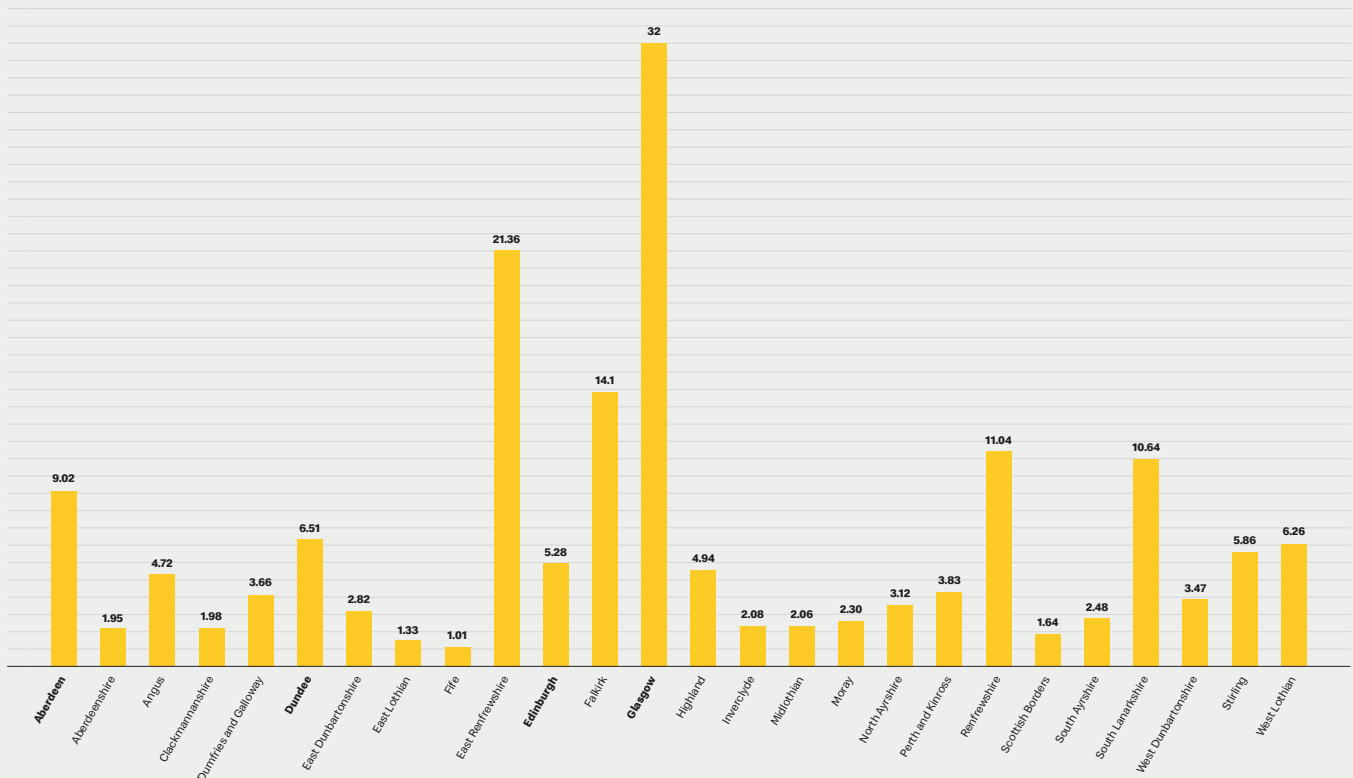
McDonald's contribution to GVA by Primary Urban Area in Scotland (£million)



McDonald's contribution to jobs by Primary Urban Area in Scotland in 2017



McDonald's contribution to GVA in Scotland by Principal Area (£million)





Kate Walker

Before securing her franchise in 2004, Kate had never worked at McDonald's. But she and her husband – who helps her run the franchise – did have business experience, having worked in advertising and utility cost management.

Kate says that some of her success as a franchisee is down to her background. As a mother of three children, McDonald's was a family favourite and Kate feels that she is more likely to see things from other customers' points of view.

She is an avid fundraiser for Ronald McDonald House Charities and was involved in organising a fundraising ball in May 2019. In addition, she is actively involved in local regeneration activities and her team support the work of the Keep Scotland Beautiful campaign.

Andy Gibson

Andy has worked for McDonald's his whole career. After a corporate career with the company, he decided to become a franchisee in 2002 and now has 15 restaurants across Glasgow and Ayrshire.

He strongly believes in the importance of being a "trusted good neighbour". His Easterhouse restaurant was awarded Football Restaurant of the year in recognition of the support that it gives to local grassroots clubs in the Glasgow area. His franchise has donated football kits to Partick Thistle FC and Glasgow Girls, and Bonnyton Thistle FC in Ayrshire. It has also sponsored the Partick Thistle FC Community Champion awards, which recognises people who have had a positive influence on the local community.

Andy and his team are actively involved in the Keep Scotland Beautiful campaign and have helped to clean up areas around Glasgow subway stations, on Great Western Road, Maryhill Road and Cromwell Street as part of McDonald's 'East to West of Scotland' clean up.

Smith Anderson Group Limited

Smith Anderson supply over 1 billion paper bags to McDonald's every year. They are McDonald's longest serving continuous supplier in the UK and their French Fry bags were used at the company's first UK restaurant in Woolwich 45 years ago.

Work with McDonald's has allowed the company to invest in a state-of-the-art facility in Kirkcaldy, Fife which employs 240 people. In 2019, the company is investing in three more bag machines, at an average cost of £1 million each.

The long-term relationship with McDonald's has allowed the company to invest in innovation. All their bags are now 100% recyclable, 100% compostable and 100% biodegradable.

Wales



Wales

In Wales we contributed £170 million to the economy in 2017. Of this total, 58% is associated with the value of the products we sell in our restaurants, 22% with the value of our expenditure with Welsh suppliers and the remaining 20% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the Welsh economy.

In 2017, in partnership with our eight franchisees, we supported 8,311 jobs in Wales; 6,329 in our 66 restaurants, 561 in the supply chain and 1,421 in the wider economy. We provide the greatest number of jobs in Swansea, where 916 people work in the 9 restaurants we have across the city.

We buy packaging from Welsh companies Seda UK and Transcend Packaging. Welsh farmers also benefit from £15 million worth of income from McDonald's every year for products including beef, milk, pork and animal feeds.

Our franchisees are active supporters of local grassroots football teams and sports events. Franchisees and their teams can regularly be spotted taking part in litter collection days such as the All Wales Beach Clean and Keep Wales Clean Tidy campaign.

Contribution to national economy

£170m

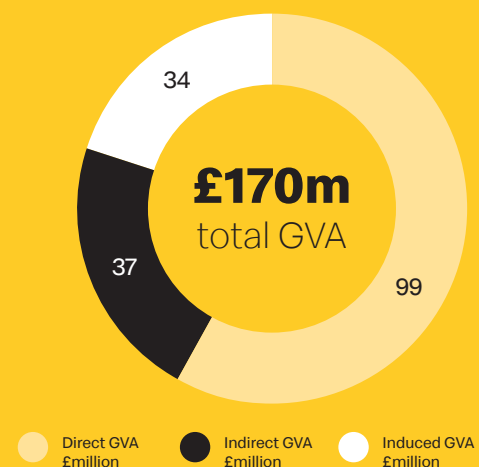
We supported

8,311 jobs

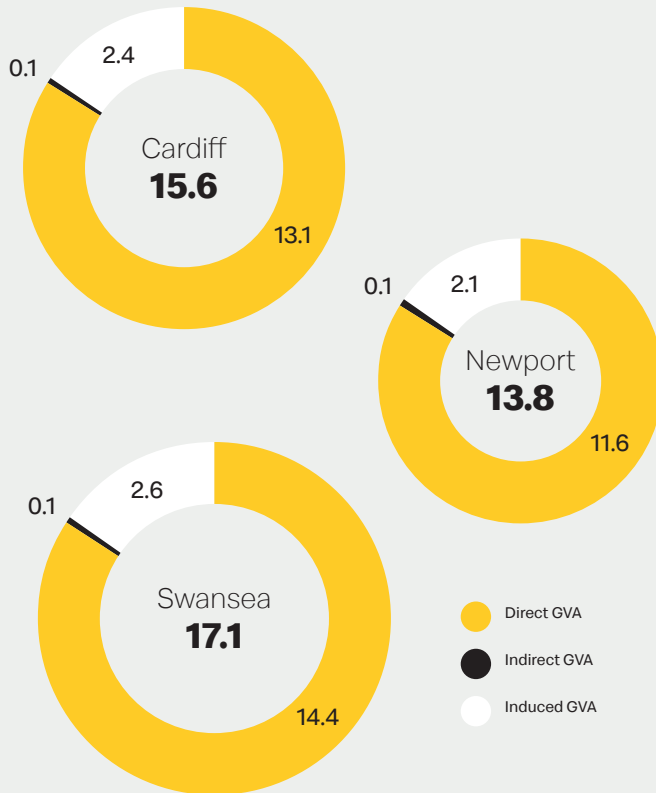
Local farmers received income of

£15m

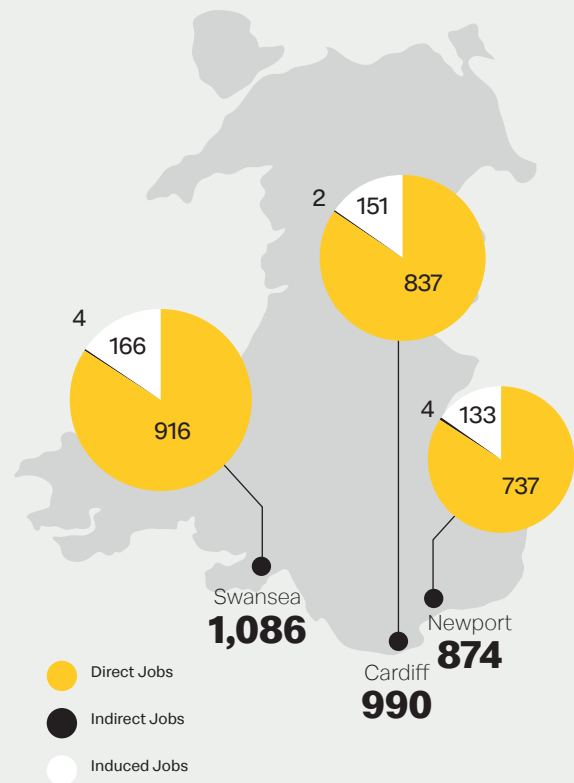
Total Gross Value Added contributed by McDonald's in Wales in 2017



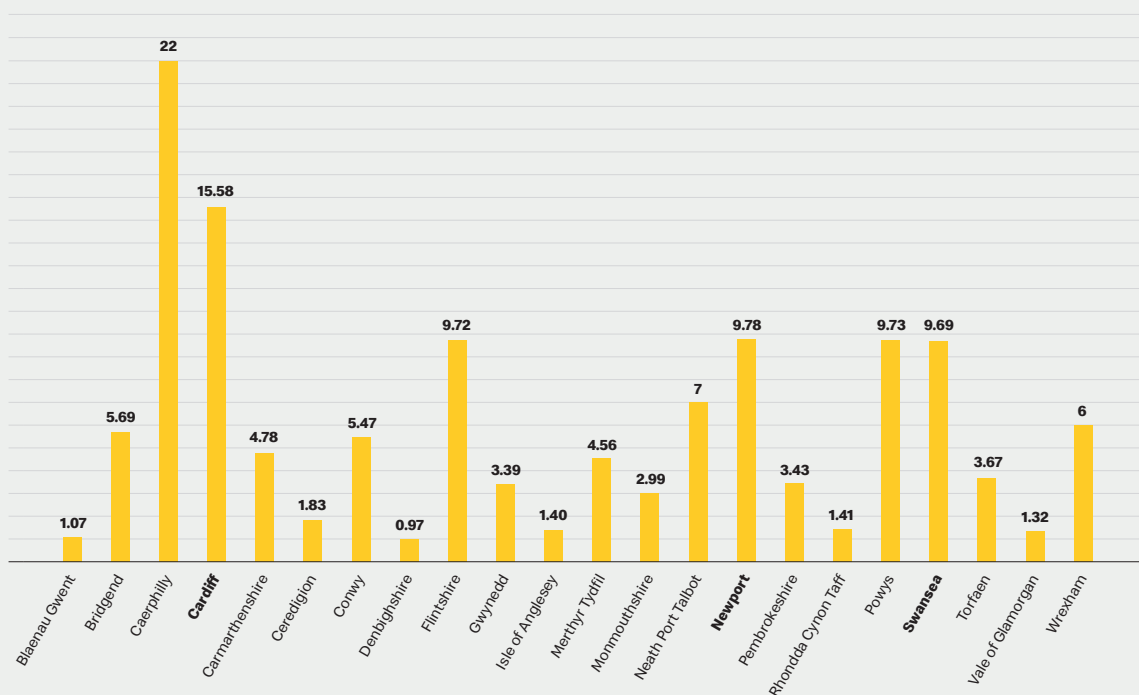
McDonald's contribution to GVA by Primary Urban Area in Wales (£million)



McDonald's contribution to jobs by Primary Urban Area in Wales in 2017



McDonald's contribution to GVA in Wales by Principal Area (£million)





Transcend Packaging

Following a successful trial in five UK restaurants, we committed to replacing all plastic straws in our UK and Ireland restaurants with paper ones during 2019.

Transcend Packaging is one of two suppliers we are working with to meet this commitment. The business,

based in Ystrad Mynach, Caerphilly has increased its workforce from 30 to 130 and was recognised as start-up businesses of the year at the 2019 Welsh Business Awards since securing the McDonald's agreement.

Seda UK

Seda is a multinational packaging company with two manufacturing facilities and a logistics hub in Newport, providing jobs for 400 people. Seda has worked with McDonald's in the UK since 1993. Since 2007 all our coffee cups featuring the unique loyalty card and sticker have been provided by Seda. The company has also worked with us on a number of sustainable innovations, including compostable packaging for the London Olympics, a pilot scheme for cup recycling in 2012 and a new paper salad container launched in 2019. The company announced a three-year investment plan in 2017 as it prepares for future growth.

Ron Mounsey

Since switching from dairy farmer to franchisee in 1998, Ron has grown his business to now include 16 restaurants across Wales. The provenance of McDonald's food and the long-term relationships we have with our suppliers were important factors in his choice of franchise.

Today, it is seeing some of the young staff he employed when he first started at McDonald's grow into successful restaurant managers over the course of a decade that brings him most joy.

As a Rally Navigator in his spare time and keen follower of every sport from F1 to rugby, he applies his passion to the community initiatives he sponsors. His franchise sponsors the Dyfed cross-country championships, which 1,500 local children participated in during 2018. He has also joined forces with several McDonald's franchisees in Wales to sponsor the Wales Young Sports Person of the Year awards run by Reach PLC in November 2019.



Jane Blackwell

Jane was a Police Constable for nine years and then ran a local Post Office before becoming a McDonald's franchisee in 2013. In both her past roles she played an active part in her local community and it was the opportunity to continue this work that drew her to McDonald's. Jane is part of the fundraising committee for the Ronald McDonald's House Charities in Cardiff and her franchise has also been involved in litter picks with Keep Wales Tidy.

Her other passion is supporting women in work, and she has been involved in local business networking groups. Jane says McDonald's is a great place for working mums and dads due to the opportunities it offers to work flexibly. She feels that women can sometimes lack the confidence to put themselves forward for bigger roles and, as a mother of three running a growing business, she hopes to use her success as an example for others.

Northern Ireland





Northern Ireland

In Northern Ireland, we contributed £99 million to the economy in 2017. Of this total, 65% is associated with the value of the products we sell in our restaurants and 22% with the value of our expenditure with suppliers in Northern Ireland. The remaining 13% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the Northern Irish economy.

In 2017 we supported 4,732 jobs in Northern Ireland; 3,097 in our 29 restaurants, 778 in the supply chain and 857 in the wider economy.

Northern Ireland is an important part of our supply chain. Farmers benefitted from £23 million worth of income from McDonald's in 2017, for products such as beef and milk. We also source packaging including fry cartons, clamshells for our burgers and paper straws from Belfast and Antrim based supplier Huhtamaki Foodservice Delta, and dairy-based products such as cheese, milkshakes and ice cream from our supplier Kerry.

Our Franchisees are active supporters of local grassroots football teams and they and their teams can regularly be spotted taking part in litter collection days as part of the Keep Northern Ireland Beautiful campaign.

Contribution to national economy

£99m

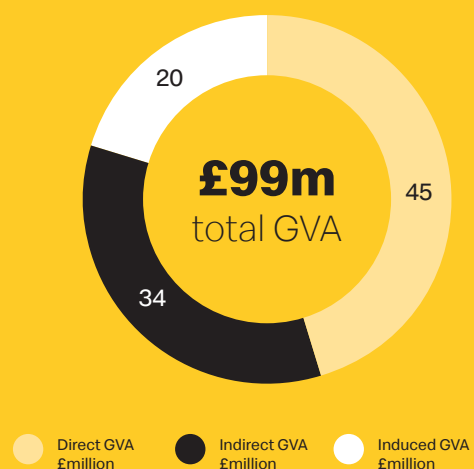
We supported

4,732 jobs

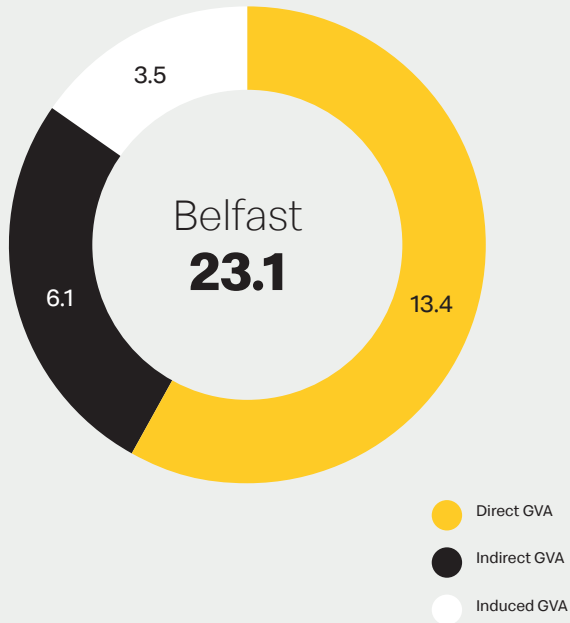
Local farmers received income of

£23m

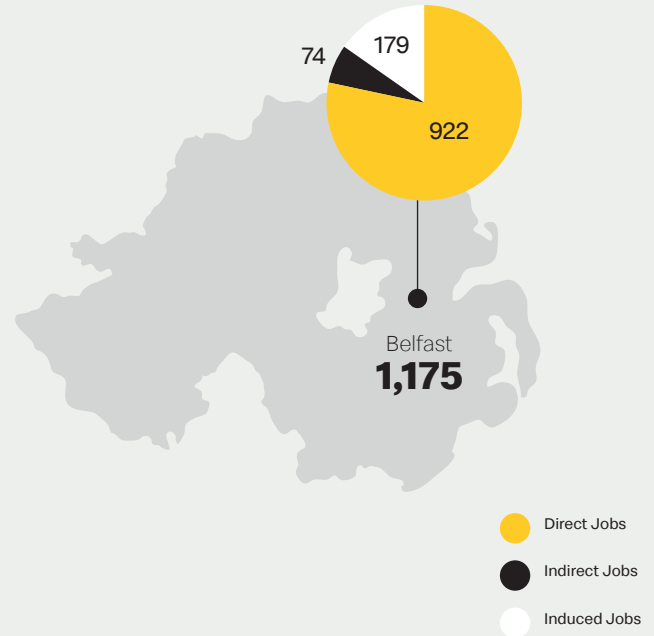
Total Gross Value Added contributed by McDonald's in Northern Ireland in 2017



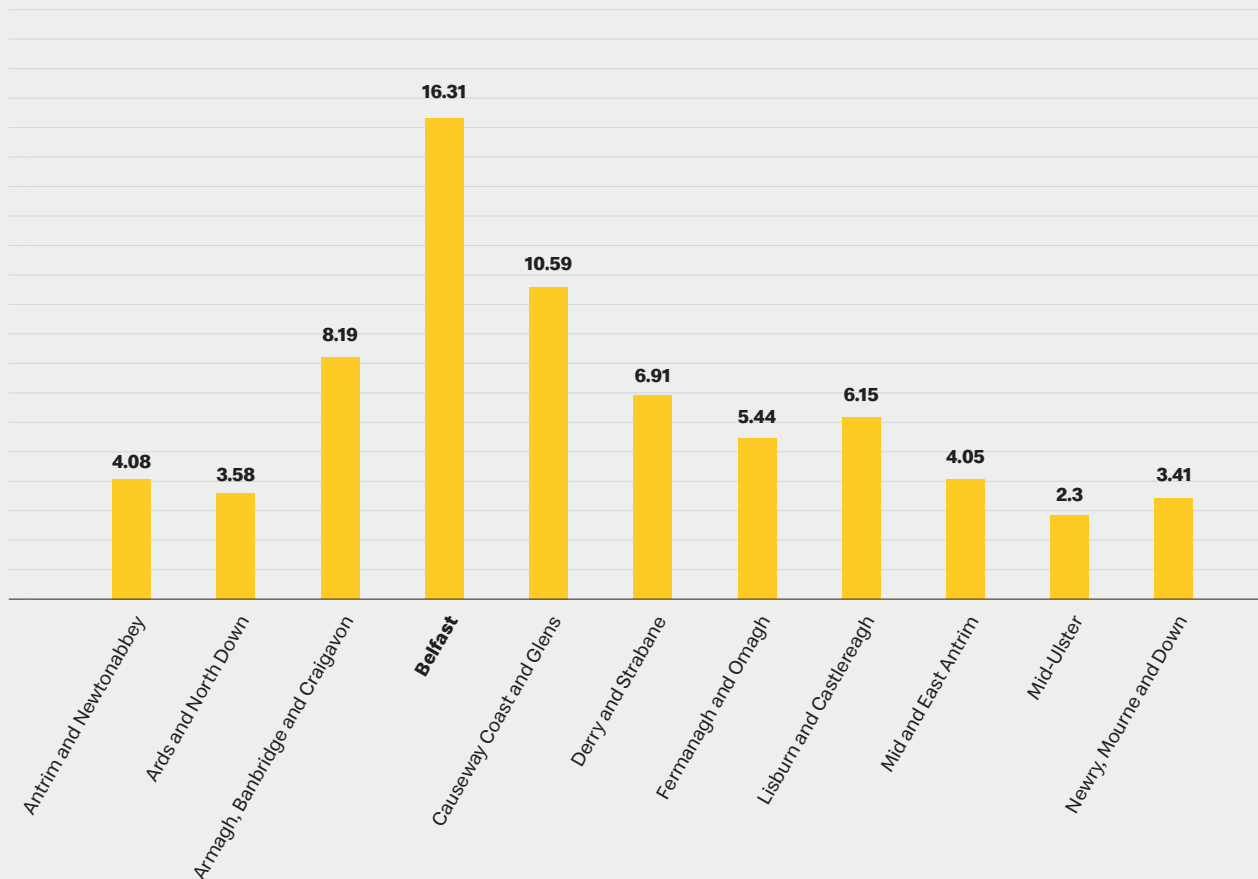
McDonald's contribution to GVA by Primary Urban Area in Northern Ireland (£million)



McDonald's contribution to jobs by Primary Urban Area in Northern Ireland in 2017



McDonald's contribution to GVA in Northern Ireland by Principal Area (£million)





Kerry

Kerry has worked with McDonald's since 1980 and supplies cheese, beverages, ice-cream, coffee syrups and McFlurry toppings.

The company uses milk from farms across the UK and Northern Ireland for McDonald's products, and 900 employees work across the sites supplying McDonald's from Coleraine, Omagh and Portadown in Northern Ireland, and from Tenbury and York in the UK.

Huhtamaki Foodservice Delta

Huhtamaki has supplied McDonald's with packaging such as fry cartons and clamshells since 1998. It operates out of manufacturing sites in Belfast and Antrim, providing over 300 jobs.

The long-standing relationship has allowed the company to diversify into other categories such as paper straws and paper wraps in support of

McDonald's work to reduce its environmental footprint. It has also invested in sustainable practices, reducing unnecessary chemicals from the manufacturing process and reducing the carbon footprint of its supply chain.

The company invested £16 million in the business in 2018 to support future growth.

Paul Connan

Paul Connan has been a franchisee with McDonald's for over 17 years and currently operates two Belfast restaurants. Prior to becoming a franchisee; Paul worked for the McDonald's brand in a number of positions including Market Manager for Northern Ireland.

Paul has big ambitions to equip his senior team for the future, encouraging them to take part in training courses and other professional development opportunities. His commitment to his people was further demonstrated in August 2018 following the temporary closure of his Donegall Place restaurant due to nearby fire damage. During the closure Paul, with the support of Northern Ireland's franchisee community, successfully transferred all of his 135 crew into McDonald's restaurants across NI until the Donegall Place restaurant re-opened in November 2018.

Paddy Cusack

36-year-old Paddy Cusack, who operates the McDonald's Antrim restaurant in Northern Ireland, is one of McDonald's youngest franchisees.

Before becoming a franchisee Paddy, who grew up in County Cavan in the Republic of Ireland, was a Director of a real estate firm focusing on property investment and development.

During his time at university Paddy worked at McDonald's and loved the 'people culture' within the restaurant. Later on, looking for something that would match his entrepreneurial spirit, Paddy came back to McDonald's as a franchisee.

Paddy is always looking for ways to ensure his restaurant plays a part in his local community. As a sports fan, he recently partnered with local football club Antrim Rovers and is preparing to host a Fun Football Festival in Antrim featuring Northern Ireland Football Ambassador Pat Jennings.

North East England



North East

In the North East of England, we contributed £114 million to the economy in 2017. Of this total, 70% is associated with the value of the products we sell in our restaurants, 11% with the value of our expenditure with suppliers in the North East and the remaining 19% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy.

In 2017, we supported 6,407 jobs in the North East; 5,263 in our 55 restaurants, 214 in the supply chain and 930 in the wider economy. We provide the greatest number of jobs in Newcastle, where we support 2,059 jobs. 1,737 of these are in the 18 restaurants we have across the city.

Businesses in the North East benefit predominantly from indirect spending in the McDonald's supply chain, which totals £13 million. Farmers in the region benefit from £5 million in income as a result of McDonald's spending.

Contribution to national economy

£114m

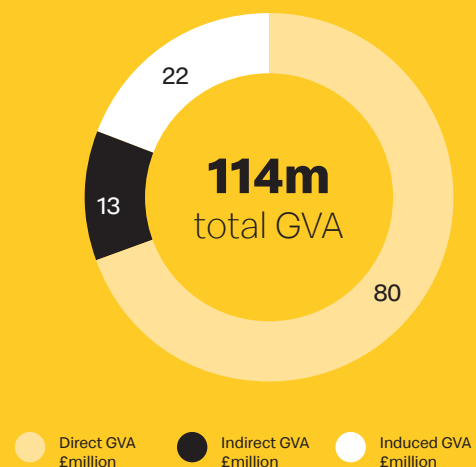
We supported

6,407 jobs

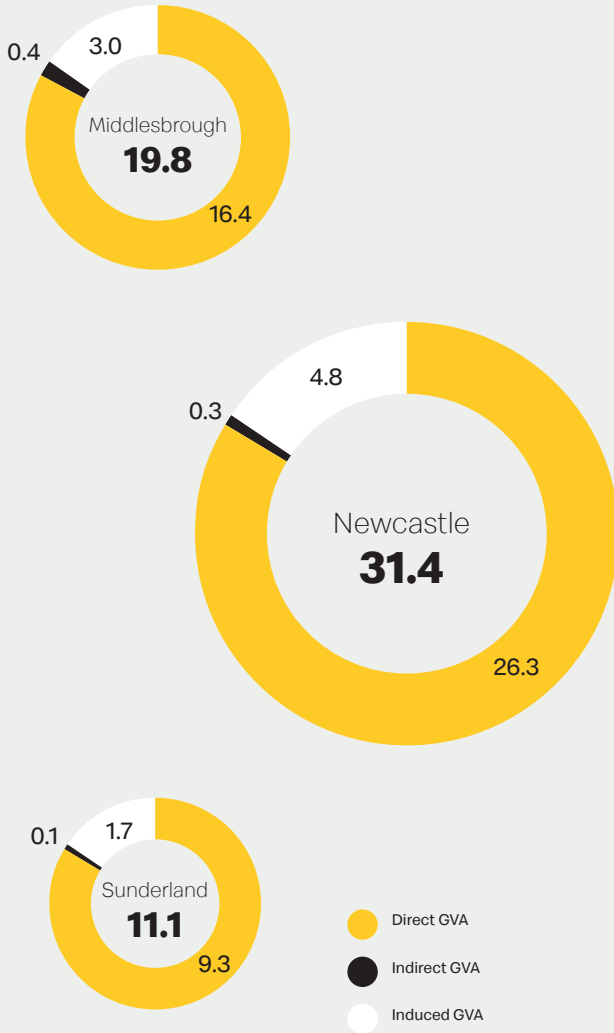
Local farmers received income of

£5m

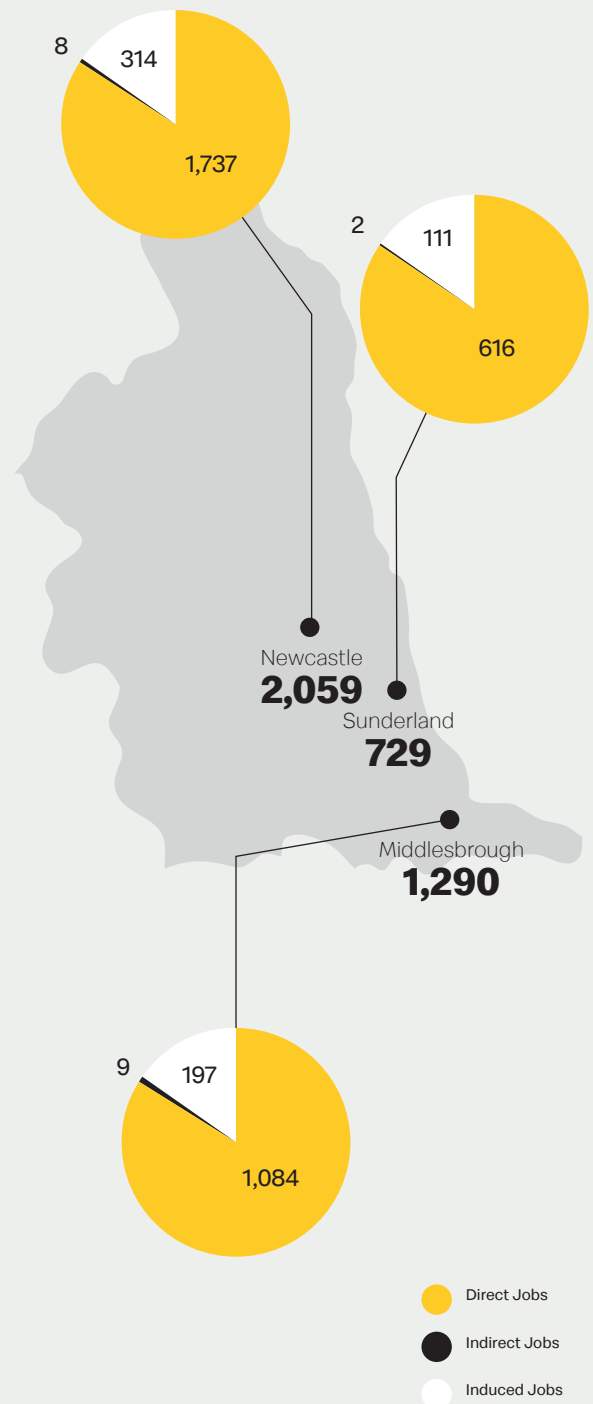
**Total Gross Value Added
contributed by McDonald's in
the North East in 2017**



McDonald's contribution to GVA by Primary Urban Area in the North East (£million)



McDonald's contribution to jobs by Primary Urban Area in the North East in 2017



Emma Vieira

When McDonald's franchisee Bill Liddy handed the keys to the Gosforth Park restaurant to his daughter Emma Vieira in March 2019, she became one of the first second-generation franchisees for McDonald's in the UK.

Emma had worked within Bill's franchise since 1999 and worked her way up through the business, both in the restaurants and subsequently in management roles, to support her long-held ambition to become a franchisee. Even with her extensive experience of working within her father's McDonald's franchise, Emma still had to pass through the rigorous franchisee application and approval process.

Before becoming a franchisee, Emma held a supervisory role within McDonald's. In this job she set up an initiative with the Gateshead Food Bank, with McDonald's team members helping out in the warehouse several times a year. She has also sponsored the Percy Park Rugby Club current U16's team for the last three years and provides their tour kit.



Jasper Maudsley

Jasper became a franchisee in 1998, initially looking after three restaurants in Sunderland and Washington. He worked his way up in the company, starting as Trainee Manager in Birmingham 16 years before, to becoming Market Manager looking after the Yorkshire and North East region, and then to franchisee, now overseeing almost 1,000 employees.

He says McDonald's is not a multi-national company, but a multi-local company, closely supporting and working together with the communities that we operate in. Jasper and his colleagues are passionate about helping the local area, working alongside local authorities to clean up their communities and organising Great British Spring Clean events – where staff can collect up to 42 bags of rubbish in one day. In Sunderland, the team has also helped out at the city's Food Bank and continues to work closely with schools on careers guidance, helping young people think outside of the box about their future.

Jasper's team are also great supporters of the Ronald McDonald House Charity. In October 2018, his team raised over £8,000, with their Operations Consultant Ryan Norman taking on the extraordinary challenge of running between all ten restaurants, covering a staggering 29 miles.



North West England



North West

The area of the UK where we have the greatest economic impact outside of London is in the North West. The North West contributes 12.5% of the total, equivalent to £407 million.

When broken down, 70% of this GVA is associated with the value of the products we sell in our restaurants, 11% with the value of our expenditure with suppliers in the North West and the remaining 19% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy

In 2017, we supported 21,430 jobs in the North West, of which 16,514 are in our 167 restaurants in the region, 1,504 in our supply chain and 3,412 in the wider economy. We provide the greatest number of jobs in Manchester, where an estimated 5,560 people work in our 58 restaurants in the city. This is followed by Liverpool where 2,274 people work in our restaurants.

Businesses in the North West supply us with a range of goods and services. Our iconic Big Mac sauce comes from McCormick in Manchester, and cooking oil from our restaurants is converted into biodiesel to power our distribution fleet at a state-of-the-art biodiesel plant in Liverpool, run by Olleco.

Farmers in the North West benefit from £25 million of income from McDonald's for products such as eggs.

Contribution to national economy

£407m

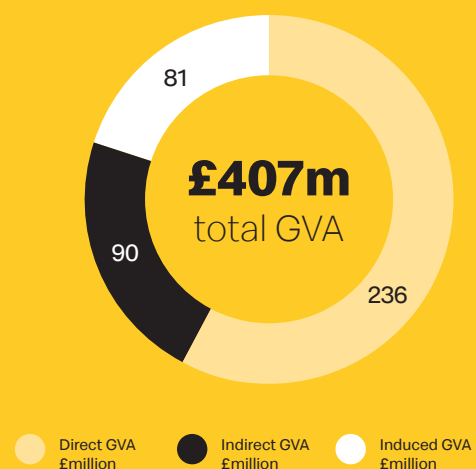
We supported

21,430 jobs

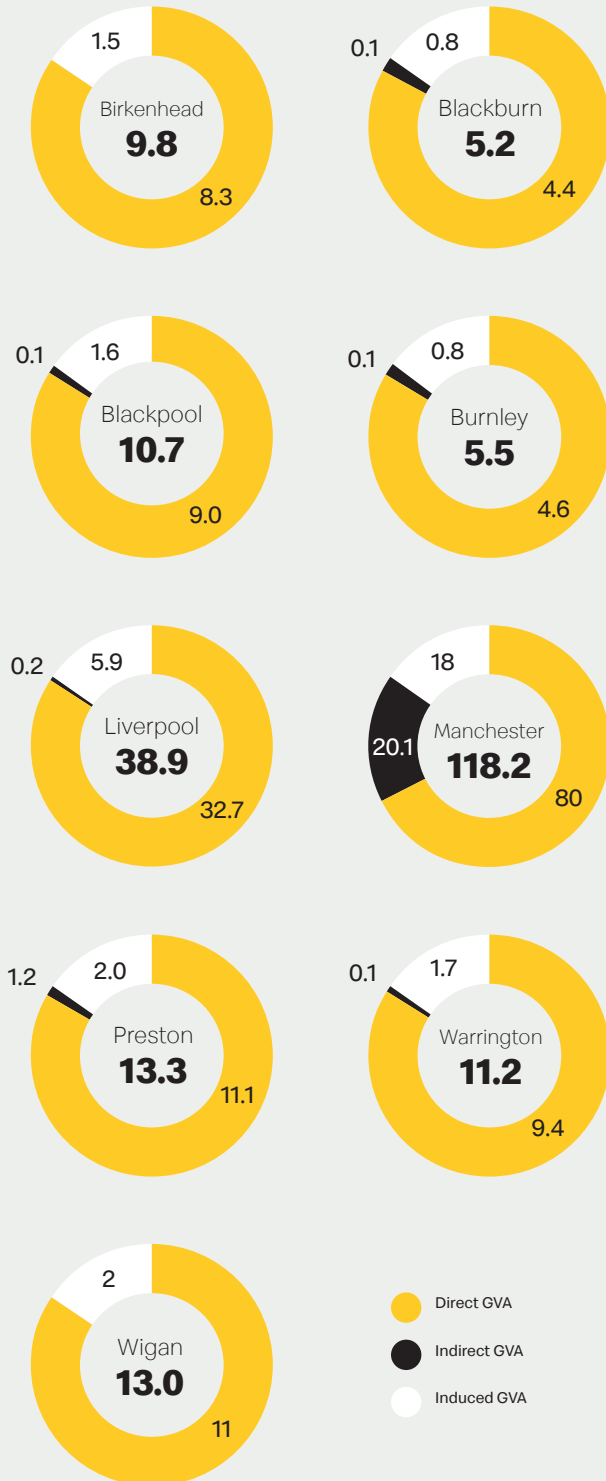
Local farmers received income of

£25m

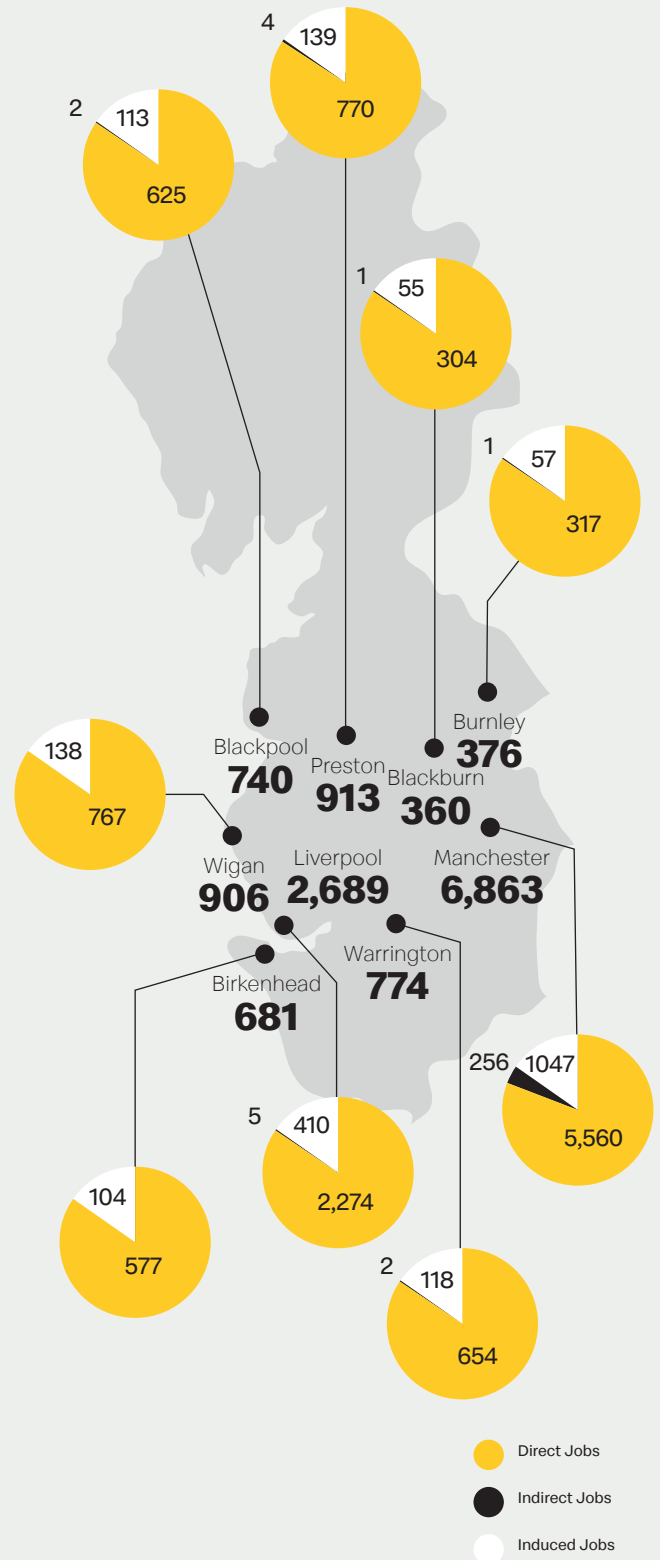
**Total Gross Value Added
contributed by McDonald's in
the North West in 2017**



McDonald's contribution to GVA by Primary Urban Area in the North West (£million)



McDonald's contribution to jobs by Primary Urban Area in the North West in 2017





Mark Blundell

Before becoming a franchisee in 2012 Mark worked in a number of McDonald's head office roles. As McDonald's Head of HR, he oversaw 100,000 restaurant and corporate staff.

He remains passionate about his teams, which over the last seven years have grown from four salaried managers to 50, with 80% of these new managers promoted from internal positions. Mark feels it is important to get to know employees as people. After discovering that one of his staff was studying art at a local university, he installed a blackboard at one of his Liverpool restaurants and asked that he draw a local city scene. The initiative has since been repeated in his other restaurants - much to the delight of customers.

Mark is also keen on helping people in the local community. When a McDonald's restaurant opened in Walton, Liverpool, his team worked with the local Job Centre to give 50 long-term unemployed local residents the chance to work. He says it is seeing his teams make small differences like this in local areas that makes him happiest in his role.

Gerald Thompson

Gerald started his career with McDonald's as a part-time crew member at the age of 16. He then rose through the ranks at McDonald's before taking up the opportunity to become a franchisee in 1999. He now has 12 restaurants across Manchester, Oldham, Rochdale and Ashton. His wife manages the franchise's accounts.

His business now employs around 1,300 people and he enjoys seeing his team progress and succeed in their careers. All of his restaurant managers started as crew and one member of his team, who started part-time, has risen to become an area supervisor looking after four of Gerald's restaurants.

He has always been involved in community initiatives and he helped set up Midnight Basketball in Middleton to help encourage young people to get active and off the streets. He has sponsored a youth centre in Harpurhey, an inner-city area of Manchester, and in April 2019 a local dance troupe based in Openshaw was sponsored by his franchise to attend the dance World Championships in the USA after coming first in the UK heats.

McCormick

McCormick supplies us with the iconic Big Mac sauce and over 40 other sauces and seasonings. We have worked with McCormick since the 1960s and the company has a sauce manufacturing site in Littleborough, Manchester.

During this long-standing relationship the McCormick food development team has worked with McDonald's to develop new flavours and more nutritious sauces. It was recently recognised for its outstanding contribution to the McDonald's food menu.



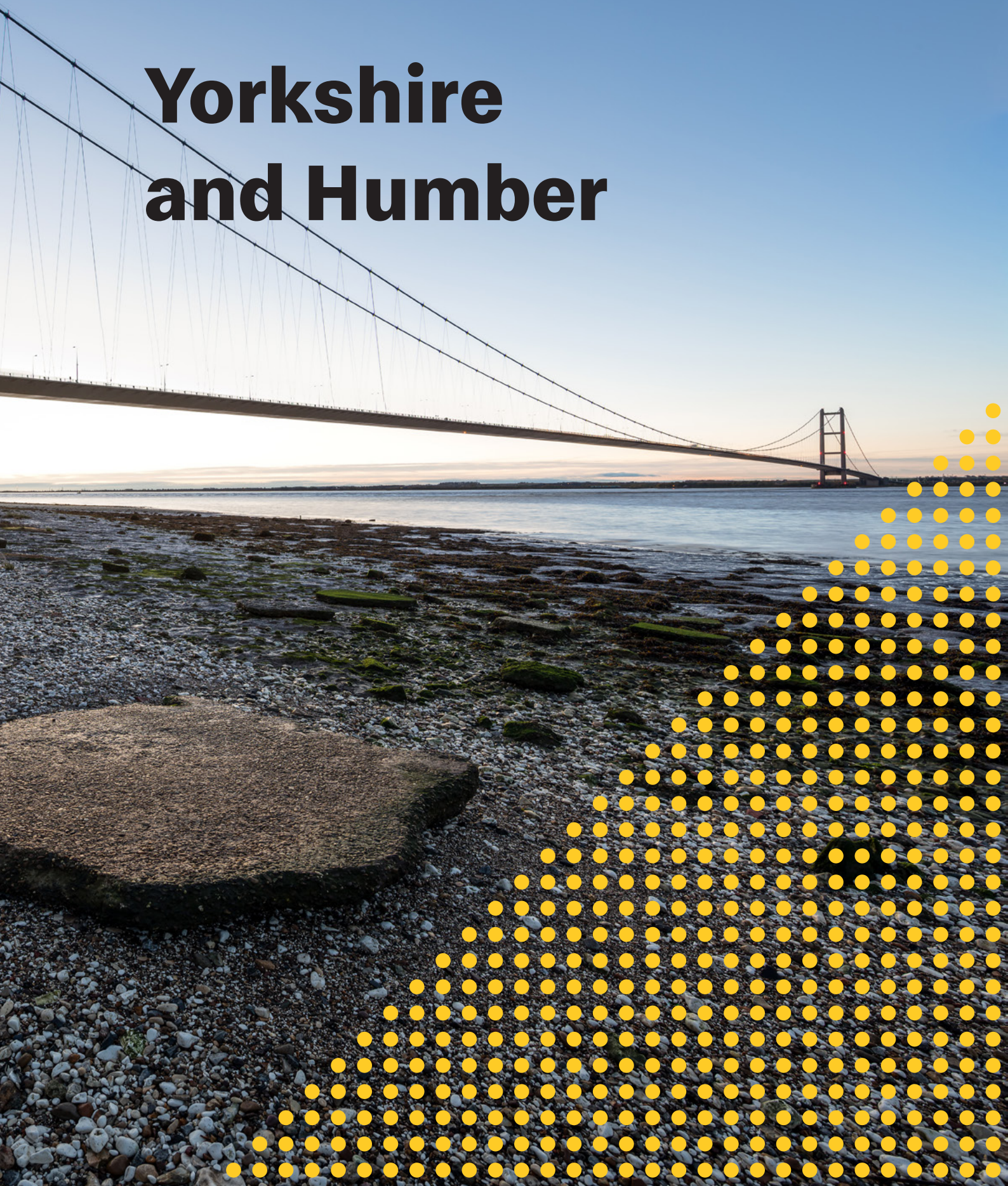
Olleco

We work with Olleco, the renewables division of ABP Food Group, on a number of sustainability projects.

For over a decade we have been using biodiesel in our lorries, 40% of which comes from our own cooking oil. This cooking oil is converted at Olleco's state-of-the-art biodiesel plant in Liverpool. The facility is the UK's largest purpose-built plant dedicated to producing biodiesel from used cooking oil. It has the capacity to produce 16 million litres of biodiesel and in 2015 an anaerobic digestion plant was added, providing the site with renewable heat and power. This has allowed the facility to produce biodiesel that saves over 86% in greenhouse gas emissions compared to fossil fuels.

Olleco employs over 1,000 people at more than 19 sites in the UK and Ireland.

Yorkshire and Humber



Yorkshire and Humber

In Yorkshire and Humber, we generated £305 million in economic output in 2017. The proportion of this economic output generated through our expenditure with businesses in the region is greater than in other areas of the UK. This is because we source a range of food products from the region such as beef, pork, potatoes and dairy products. Local farmers also benefitted from £37 million of income as a result of McDonald's spending in 2017. Firms involved in the construction and refurbishment of our restaurants are also located in the area.

Of the £305 million of GVA generated by McDonald's in Yorkshire and Humber, 46% is associated with the products sold in our restaurants and 34% with the value of our expenditure with local suppliers. The remaining 20% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy.

In 2017 we supported 13,527 jobs in Yorkshire and Humber; 9,484 in our 99 restaurants, 1,406 in the supply chain and 2,637 in the wider economy. We provide the greatest number of jobs in Sheffield, where we support 2,086 jobs, of which 1,759 are in the 17 restaurants we have across the city. We also support 1,868 jobs in Leeds, of which 1,521 are in our 15 restaurants.

Contribution to national economy

£305m

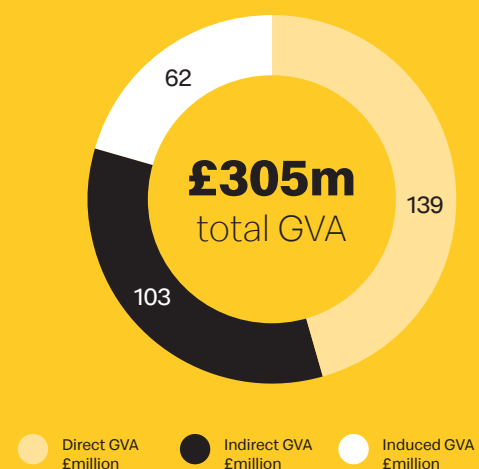
We supported

13,527 jobs

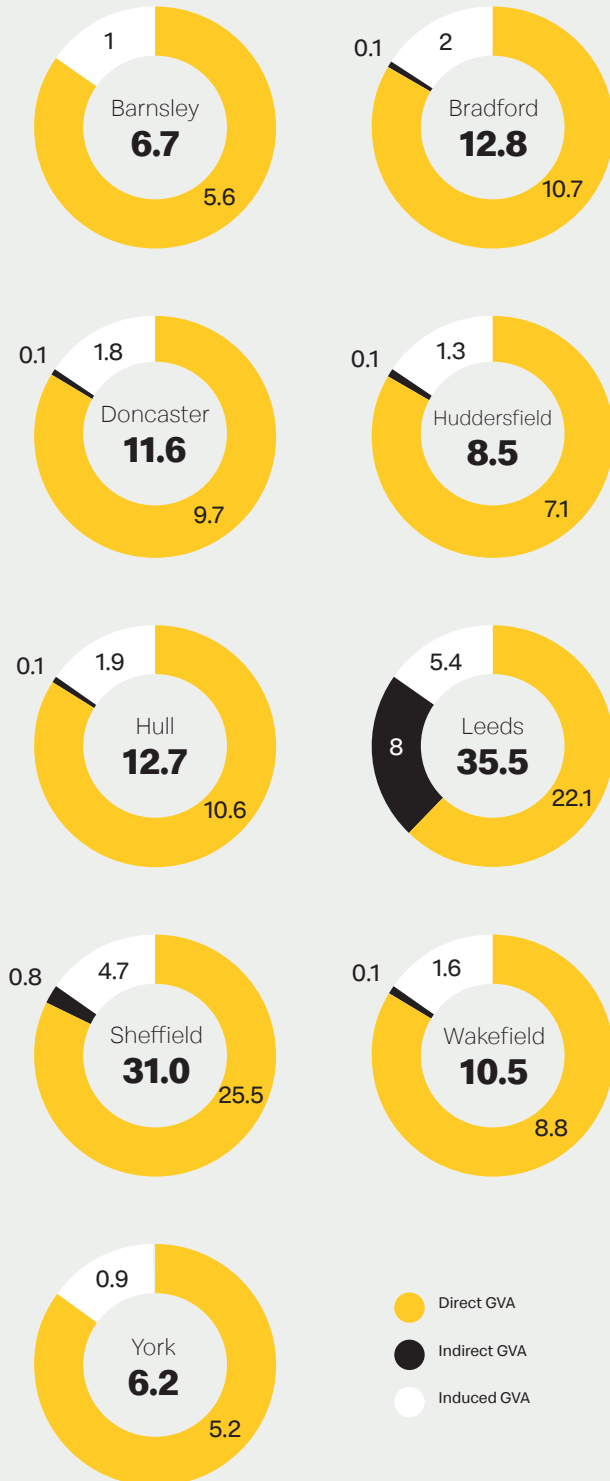
Local farmers received income of

£37m

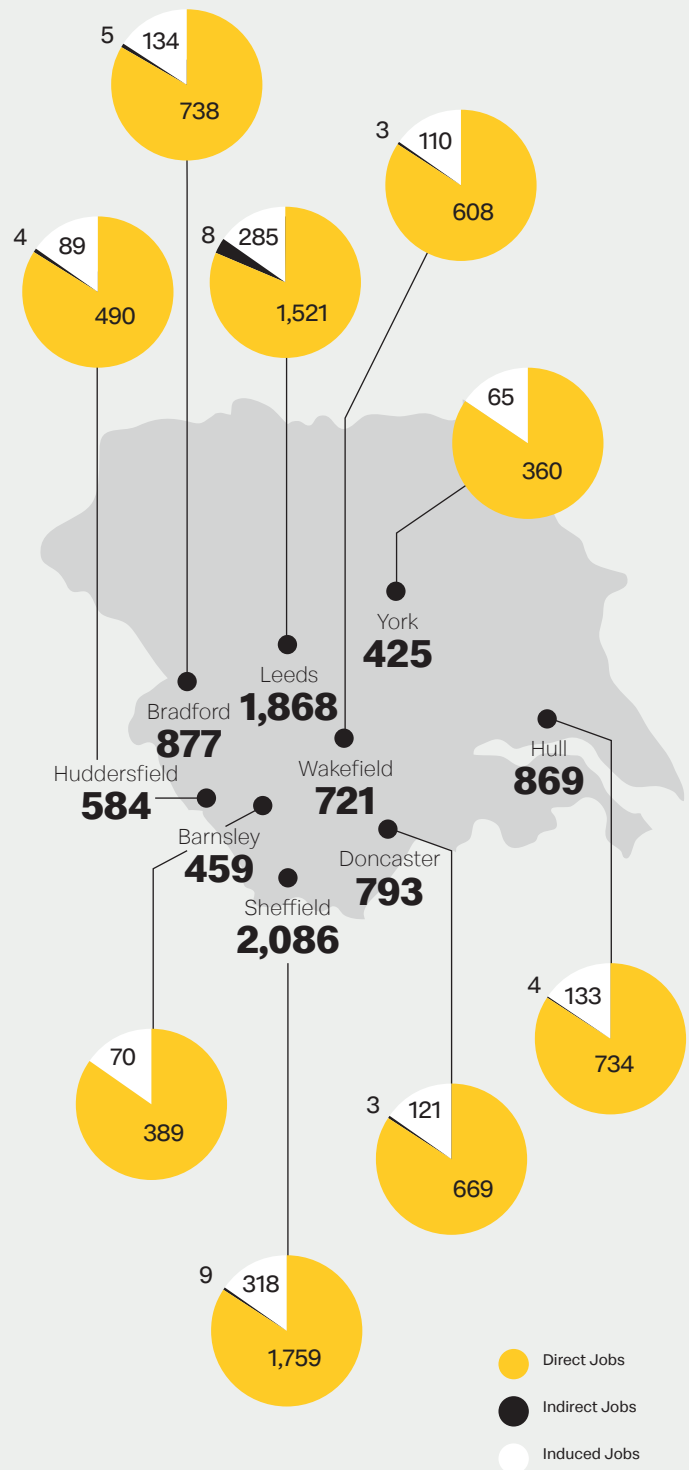
Total Gross Value Added contributed by McDonald's in Yorkshire and Humber in 2017



McDonald's contribution to GVA by Primary Urban Area in Yorkshire and Humber (£million)



McDonald's contribution to jobs by Primary Urban Area in Yorkshire and Humber in 2017



McCain Foods GB Ltd

Potato experts McCain have been supplying us with our world-famous McDonald's Fries since 1978.

For our fries, McCain only uses four varieties of British potatoes: Russet Burbank, Shepody, Pentland Dell and Innovator. Simple, good quality ingredients are then prepared with care. Potatoes are washed, peeled, cut and then lightly fried in a McDonald's blend of vegetable oil and frozen.

In 2019, McCain marks the 50th anniversary of its manufacturing site in Scarborough. The company is currently investing over £100 million in the facility's upgrade, securing its presence and jobs in this area of Yorkshire for future generations.



OSI Food Solutions

We have worked with food manufacturers OSI since 1978. The company produces and packs nearly 80% of all the beef patties we use in the UK and all of our pork breakfast sausage patties.

The products are manufactured from a facility based in Scunthorpe, Lincolnshire.



Richard Marcroft

Franchisee Richard Marcroft has seen first-hand the importance McDonald's place on the relationship with local suppliers.

Richard, who has worked in the food industry his whole career, started in farming and had his own business by his early 20's. After a career in Supply Chain Management, he joined McCain Foods GB Limited at their Scarborough base in 2003 and went on to become Head of Agriculture for the UK, whilst also managing the relationship with McDonald's for a number of years.

He says that the role gave him the chance to see the importance of the relationship to the town and the local economy – from the employment opportunities created at McCain, one of McDonald's core suppliers, through to the training and employment opportunities offered to local people at the town's McDonald's restaurants.

Richard was keen to return to running his own business and has now been a McDonald's franchisee for four years.

As a local businessman he is passionate about his local community and is proud of the impact McDonald's and McCain continue to have on the local area. Richard has also used his role as a McDonald's franchisee to get involved in a range of local projects - from supporting local sports teams through to work with his local charities and associations.



Franco Ventura

As a 16-year-old, Franco Ventura first started working part-time at McDonald's Rotherham town centre restaurant in order to finance his love of watching his local football team, Rotherham United. By the age of 23, he had become Business Manager, running the restaurant.

He continued to progress through the business. After a stint managing groups of McDonald's restaurants across the UK, he worked his way up to joining our Executive Team and took on a number of senior positions where he was responsible for the operation of company-owned and franchised restaurants.

Franco then decided to switch from advising franchisees, to becoming one himself. He now runs seven restaurants in Rotherham and Sheffield and is proud of the contribution they make to the local

community. The restaurants provide 700 local people with jobs and, within the first seven months that he became a franchisee, 18 employees were promoted and one manager was placed on to the McDonald's Business Management Professional degree programme.

His love of football is still strong and his franchise is actively involved in local grassroots football, supporting seven local teams including Wickersley Juniors. His other work includes taking a leading role in the town centre management group, where he works alongside local councillors to focus on the continued regeneration of Rotherham Town Centre. Franco and his teams also support their local communities with involvement in litter picking, renovation schemes and supporting Grim & Co, a charity focused on improving reading and writing skills.

East Midlands





East Midlands

In the East Midlands, we contributed £245 million to the economy in 2017. Of this total, 59% is associated with the value of the products we sell in our restaurants and 21% with the value of our expenditure with suppliers in the North East. The remaining 20% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy.

In 2017, we supported 12,739 jobs in the East Midlands; 9,621 in our 91 restaurants, 1,074 in the supply chain and 2,044 in the wider economy. We provide the greatest number of jobs in Nottingham, where we support 1,675 jobs, of which 1,414 are in the 13 restaurants we have across the city. We also support 1,133 jobs in Leicester and 840 jobs in Derby.

Our supply chain impact in Mansfield is disproportionately large because of the location of W&J Linney Ltd in the town. The company manufactures digital signage for our restaurants. Other products sourced from the region include hair nets from Nottingham based company Aburnet. Farmers benefit from £20 million of income as a result of McDonald's spending on products such as free range eggs.

Contribution to national economy

£245m

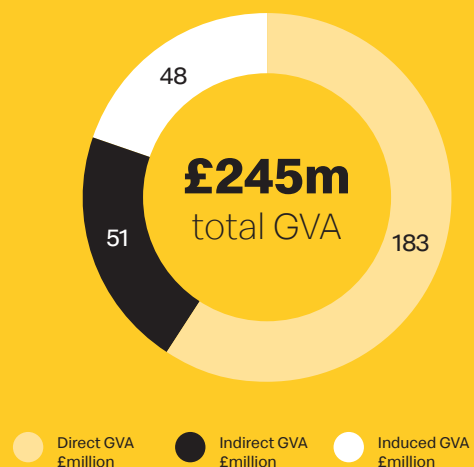
We supported

12,739 jobs

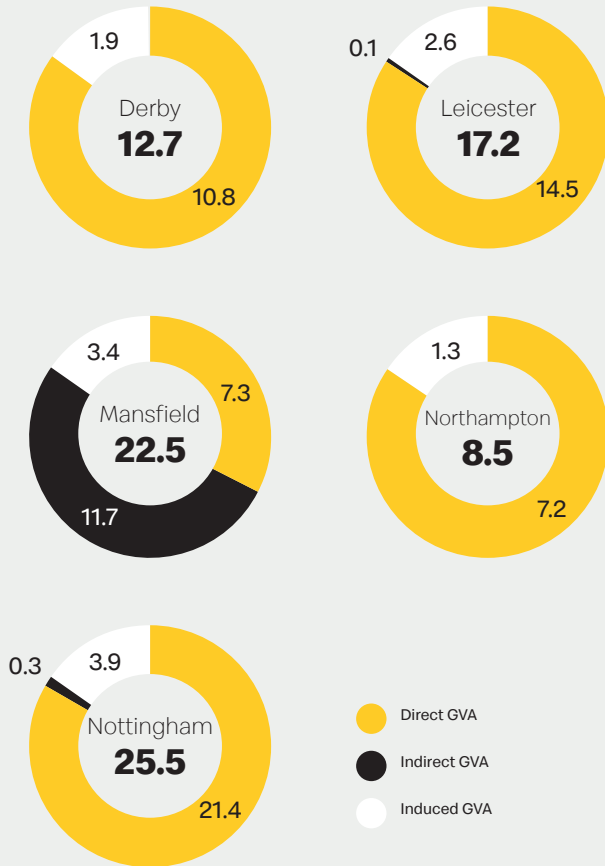
Local farmers received income of

£20m

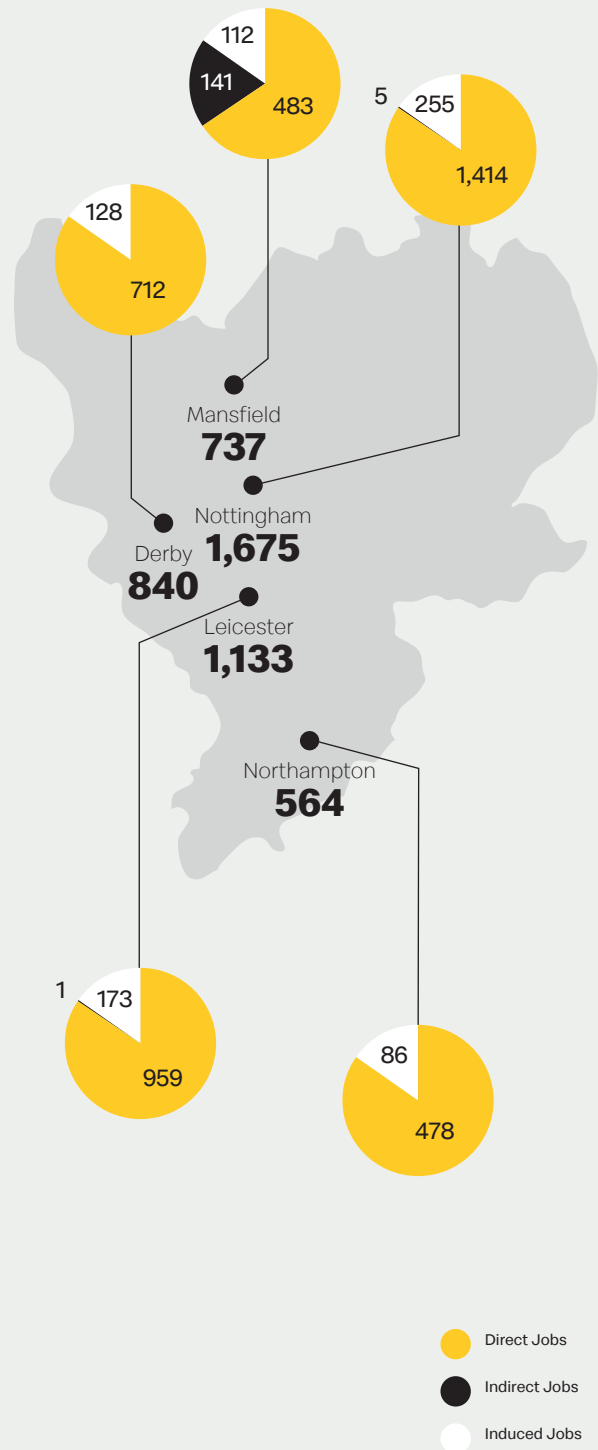
Total Gross Value Added contributed by McDonald's in the East Midlands in 2017



McDonald's contribution to GVA by Primary Urban Area in the East Midlands (£million)



McDonald's contribution to jobs by Primary Urban Area in the East Midlands in 2017





W&J Linney Ltd

Mansfield based firm Linney provides McDonald's with digital content management for more than 10,000 screens in 1,300 restaurants in the UK. The company produces, manages and distributes digital content for around 10 screens per restaurant, scheduling content to respond to customer needs as they change throughout the day.

Roy Ward Farm

Roy Ward Farm covers nearly 700 hectares in Lincoln and is owned and run by Andrew Ward. Andrew has been a McDonald's Flagship farmer since 2015. His farm supplies High Oleic Low Linolenic (HOLL) rapeseed, which is processed into the oil blend used in McDonald's restaurants.

The farm emphasises innovation in farm management and practices, and is committed to developing new machinery and techniques as a way of reducing inputs and tackling new and existing challenges. The farm's biodiversity and soil health are also priorities for Andrew, as is the active involvement of his staff in running and developing the farm.

Sarah MacLean

Sarah has worked for McDonald's for nearly four decades. After completing a French and German degree at a London university, she then started her McDonald's career as a trainee manager, business manager and in head office roles before finally becoming a franchisee 18 years ago. Sarah says that her 16 restaurants contribute to the local community by providing good jobs and diverse career opportunities. She is also passionate about local fundraising; over the last 16 years Sarah has raised nearly £300,000 for Ronald McDonald House Charities through overseas cycle challenges alone.

Sarah grew up in the Midlands, where her franchise is predominately based, and she channels her passion for the environment through the community work she leads.

Her team lead local litter picks once a quarter. In Spring 2019 they collaborated with a local canoe club and paddled up the River Trent in Burton to collect litter. The team can also frequently be seen picking up litter along local highways. The players for the Under 9 football clubs that each of her restaurants sponsor are invited to take part in litter collection too, helping to build their sense of social responsibility.

Douglas Wright

Since starting his career at McDonald's at the age of 16 and becoming a franchisee in 2002, Doug has worked his way up and now operates 20 restaurants across the Midlands.

His influence as a local entrepreneur was recently recognised when, in February 2019, he was made Deputy Lieutenant of the West Midlands and awarded an Honorary Doctorate from Birmingham City University. Doug also supports his local community as a Champion Of Community Cohesion. These roles not only recognise the contribution Doug has made to the local economy, but also his continued work in the community.

Doug is chairman of the Ronald McDonald House Charities in Birmingham, which houses 66 families of children being treated at the Birmingham Children's Hospital. At the charity's annual gala dinner, Doug was instrumental to the success of the event, which raised more than £150,000.

Doug is proud of the work his team do to make the Midlands an even better place to live and work.

West Midlands





West Midlands

In the West Midlands, we contributed £300 million to the economy in 2017. Of this total, 57% is associated with the value of the products we sell in our restaurants and 23% with the value of our expenditure with suppliers in the West Midlands. The remaining 20% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy.

In 2017, we supported 15,274 jobs in the West Midlands; 11,628 in our 120 restaurants, 1,128 in the supply chain and 2,518 in the wider economy. We provide the greatest number of jobs in Birmingham, where we support 5,962 jobs, of which 4,979 are in the 52 restaurants we have across the city.

We source a range of products from the region; tortillas come from Coventry based manufacturer Mission Foods, drinks from Birmingham based company Britvic and our long-term distribution suppliers Martin Brower recently opened a distribution centre in Coventry, creating over 400 jobs. Farmers in the region also benefit from £28 million of income as a result of McDonald's, for products such as beef and potatoes.

Contribution to national economy

£300m

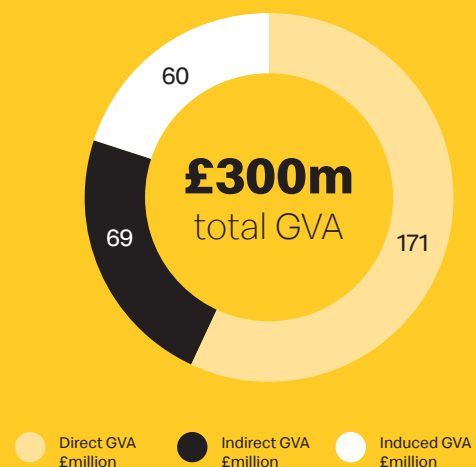
We supported

15,274 jobs

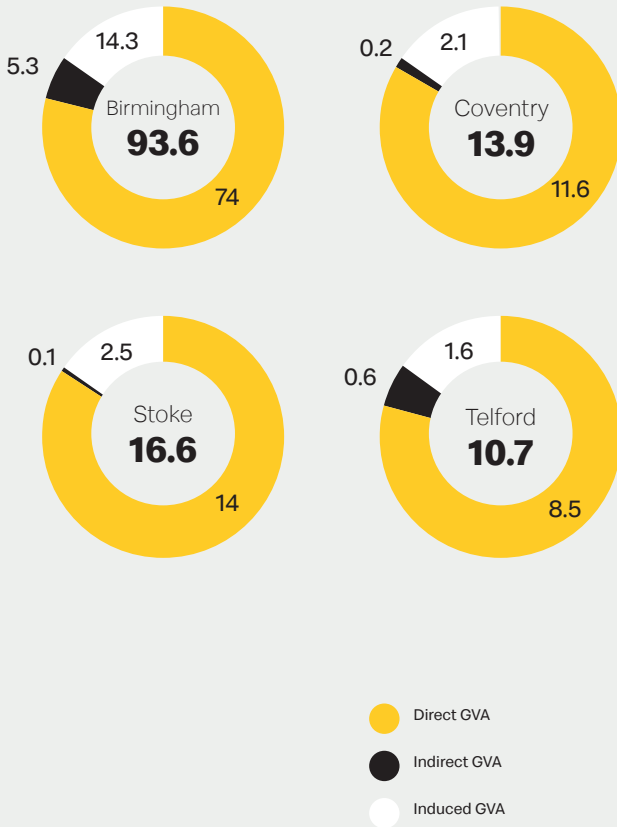
Local farmers received income of

£28m

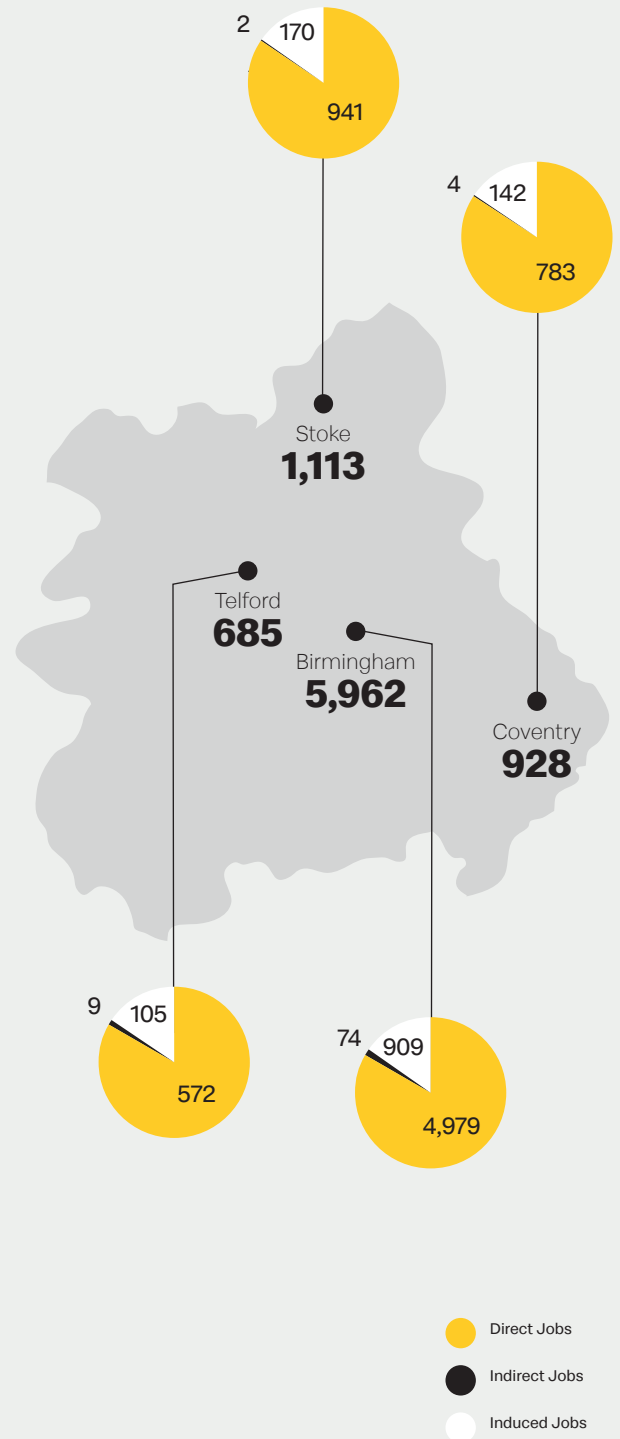
**Total Gross Value Added
contributed by McDonald's in
the West Midlands in 2017**



McDonald's contribution to GVA by Primary Urban Area in the West Midlands (£million)



McDonald's contribution to jobs by Primary Urban Area in the West Midlands in 2017





Martin Brower UK

Martin Brower has worked with McDonald's since the 1970s and operates distribution centres across the country to deliver products to restaurants.

Recently, this long-standing relationship has allowed Martin Brower to invest over £4.5 million in

the Coventry area to introduce a new distribution centre, creating over 400 jobs and supporting local developers and tradesmen in its construction.

Abdul Sirkhot

In 1994, Abdul Sirkhot became a McDonald's franchisee. This was the culmination of 13 years of working his way through the business, from being a crew member right through to running his first restaurant. Abdul gained vital experience and management skills during his journey to becoming a franchisee.

Abdul now employs over 1,000 people in 12 restaurants across Wolverhampton, Halesowen, Merry Hill and Stourbridge – and every single restaurant plays a positive role in their community. All 12 restaurants support a local football team, and

each individual restaurant team undertake their own community work, from litter picking to working with the local council to help adults with learning disabilities. Abdul is also involved in a number of local business forums.

The teams work with local foodbanks and schools to make sure that our ethos – and Abdul's desire to support local people and the environment – is felt in every restaurant's community. Abdul plans to continue supporting initiatives across all of his restaurants, which has been at the heart of his work as a franchisee over the last 25 years.

South East England



South East England

In the South East, we contributed £406 million to the economy in 2017.

Out of all the regions and nations in the UK, the South East ranks third in terms of economic output, with £406 million (12%) of our GVA being produced in the region. This ranks just behind London and the North West

Of this total, 57% is associated with the value of the products we sell in our restaurants and 23% with the value of our expenditure with suppliers in the South East. The remaining 20% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy.

In 2017, we supported 20,334 jobs in the South East; 15,410 in our 165 restaurants, 1,515 in the supply chain and 3,409 in the wider economy. We support the greatest number of jobs in Portsmouth (1,292 jobs), Milton Keynes (1,145 jobs) and Southampton (934 jobs). In Portsmouth and Southampton, these jobs are mainly in our restaurants but, in Milton Keynes, the location of our coffee suppliers UCC Coffee means we have a particularly large indirect impact too. In addition, farmers in the region benefit from £12 million of income as a result of McDonald's, mainly for produce such as wheat.

Contribution to national economy

£406m

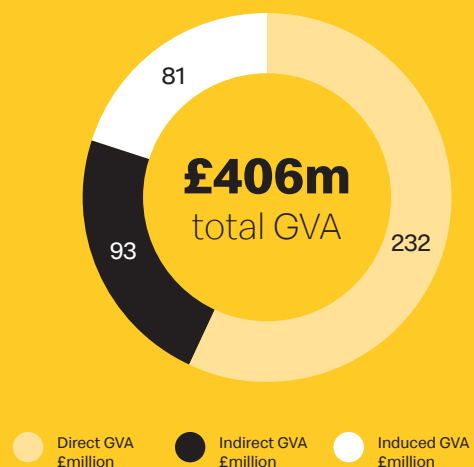
We supported

20,334 jobs

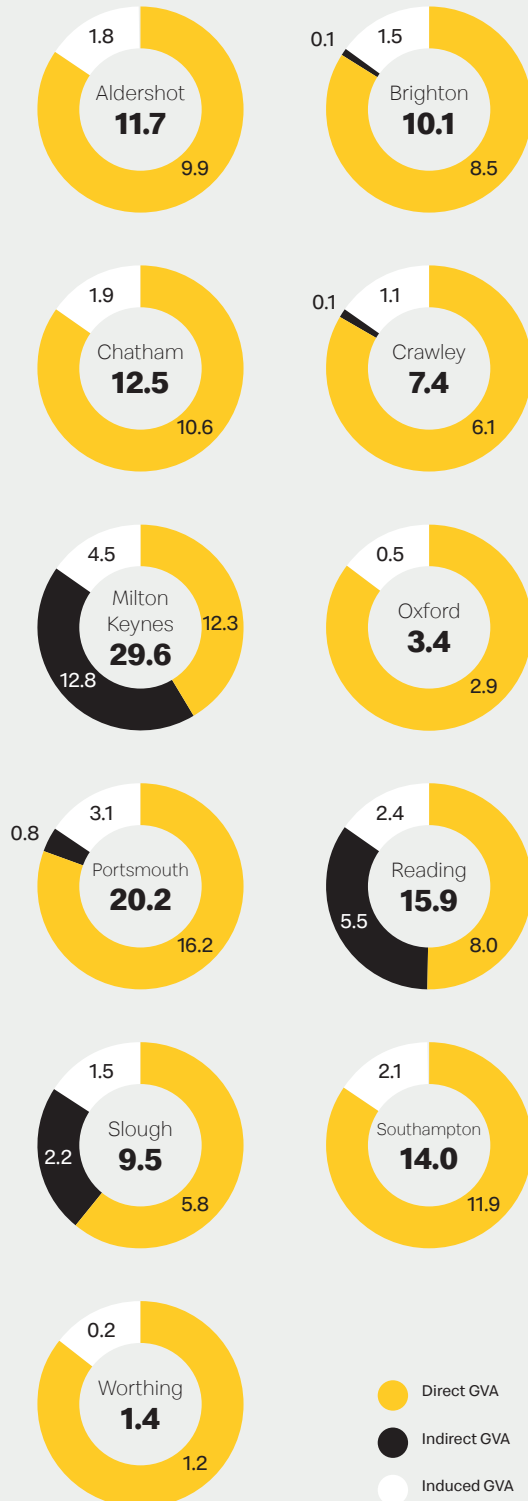
Local farmers received income of

£12m

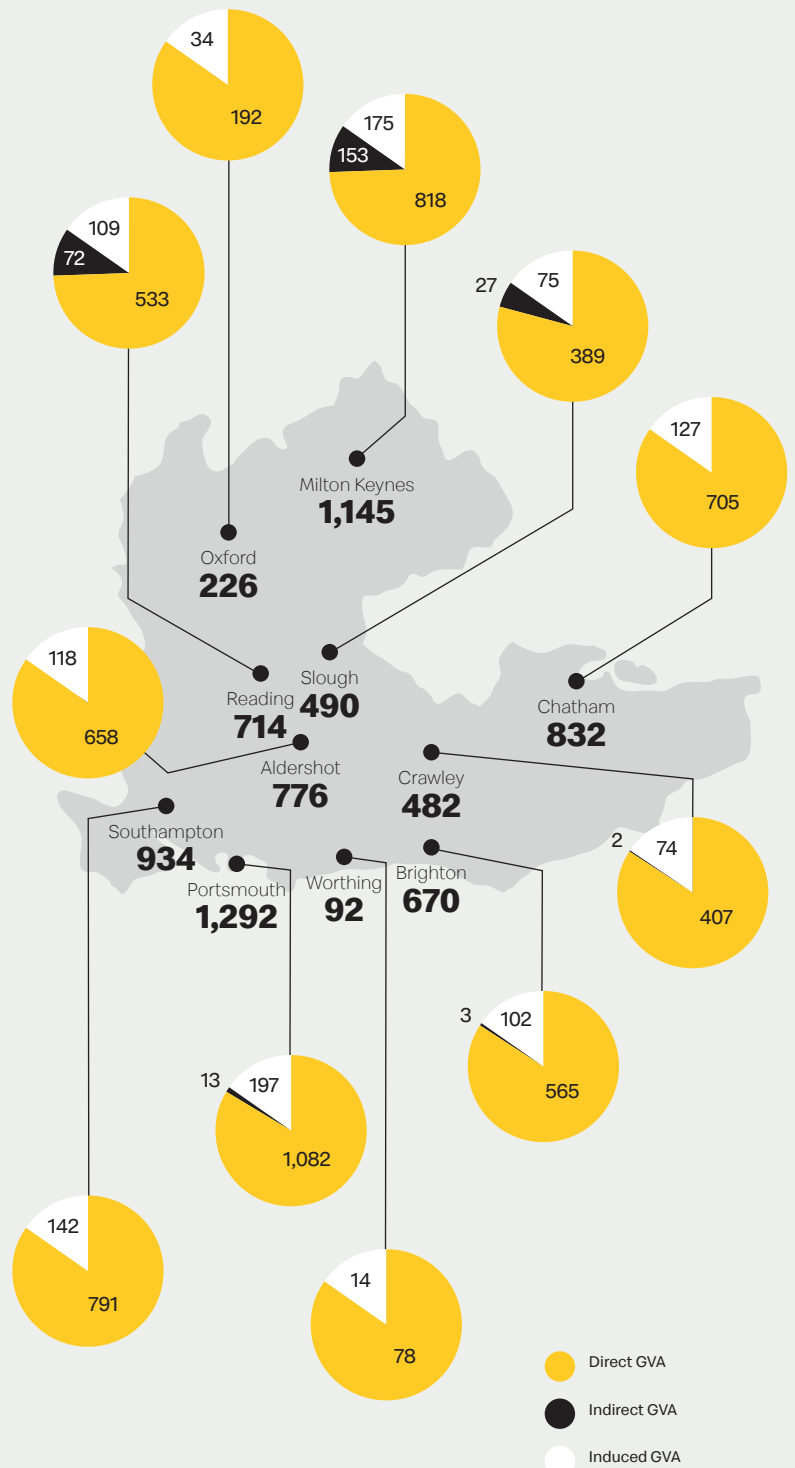
Total Gross Value Added contributed by McDonald's in the South East of England in 2017



McDonald's contribution to GVA by Primary Urban Area in the South East (£million)



McDonald's contribution to jobs by Primary Urban Area in the South East in 2017



Ken Tomkins

Ken has had a long career with McDonald's, starting as a management trainee in a restaurant in Peckham in 1985. After taking on a number of operational roles he became a franchisee in 2011, and now operates six restaurants in Milton Keynes, where he lives with his wife and children.

He is a passionate advocate for the local area. Since 2012 Ken and his team have organised an annual 24 hour litter pick in Milton Keynes, which features all of the local stores along the route. Over the last seven years of litter picks, Ken's group have seen nearly 1,400 bags of refuse and recycling collected by over 700 volunteers, who walked more than 3,000 miles along the way!

Ken has been a member of the Board of Governors for the Ronald McDonald House at John Radcliffe hospital in Oxford since 2014, and is a keen supporter of the charity. He is also a director of the Milton Keynes Shopping Centre Association. His 'Coffee with a Copper' sessions at five of his restaurants, where local residents have the opportunity to meet with Thames Valley Police, are popular locally.

Arla Foods

Arla Foods is the UK's largest dairy company with several manufacturing sites producing products sourced from 2,700 farmers. The farmers who supply milk used by McDonald's are located mainly in the North West and Eastern counties of England.

Stourton Dairy in Leeds, West Yorkshire supplies McDonald's with Milkshake and McFlurry mix and, in 2012, Arla Foods invested over £9 million in their Shake & Sundae processing facilities.

A state-of-the-art net carbon zero facility in Aylesbury, Buckinghamshire processes organic milk for use by McDonald's. Opened in 2014, following an investment of approximately £180 million, the facility is the world's largest fresh milk dairy and the country's second largest construction project after London's Olympic Village.



UCC Coffee

In the UK, our most frequent customers are those who come in for their morning caffeine-kick.

Milton Keynes based company UCC Coffee provides us with everything we need to serve our customers great coffee - from bespoke McDonald's blends to the machines we use to turn them into cappuccinos and lattes.

The company, which employs over 550 people in the UK & Ireland, recently invested £1.3m in its Milton Keynes facility, adding a new coffee excellence training centre, workshops and additional capacity for planning, installs and coffee machine maintenance. Securing Milton Keynes as its home for the future.

Ismet Turen

Ismet started at McDonald's straight out of university. Nearly 40 years later he is the proud operator of six restaurants in Brighton, and an active member of the community.

In addition to daily litter picks around his restaurants, his team regularly work together to clean up areas such as The Level, an open space in the heart of Brighton, as part of the McDonald's and Keep Britain Tidy Love Where You Live campaign.

Ismet's franchise also sponsored the newly formed junior section of the Burgess Hill Town Football Club during the 2018/19 season, providing facilities for young, aspiring players and their supporters.

In addition, his team are active fundraisers for the Ronald McDonald House Charity in Brighton. In 2018, the facility allowed 206 families to stay close to their premature babies at the neighbouring Royal Alexandra Children's Hospital. Ismet's passion for the charity is so strong that it has even rubbed off on his two daughters, who volunteer at the facility.

Paul Crocker

Paul started his working life as a riding instructor at his parents' riding school in Leicester before joining forces with his father on his other business, a small group of petrol stations in Kent. As partners, the pair grew the business to include eight petrol stations across the country before Paul sold the business as competition from supermarkets increased pressure on the sector.

The following year, in 1995, he opened his first McDonald's franchise in Margate. In the last three financial years his revenues have grown 112.3%, making his firm one of the 17th fastest-growing private companies in Kent.

Given his success, he is keen to give back to the local community. In March 2019, his team took part in the Daily Mail litter picking initiative the Great British Spring Clean. He and his teams are also active fundraisers for the Ronald McDonald House Charity in Camberwell, a free 'home away from home' for families of seriously sick children being treated at King's College Hospital.



South West England



South West England

In the South West, we contributed £224 million to the economy in 2017. Of this total, 54% is associated with the value of products sold in our restaurants and 26% with the value of our expenditure with suppliers based in the South West. The remaining 20% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy.

In 2017, we supported 11,102 jobs in the South West; 8,084 in our 87 restaurants, 1,123 in the supply chain and 1,895 in the wider economy. In the South West, we support the greatest number of jobs in Bristol, with 1,145 jobs supported in our 12 restaurants across the city.

There are also several major McDonald's suppliers based in the South West. Farmers in the region benefit from £48 million of income as a result of McDonald's.

Contribution to national economy

£224m

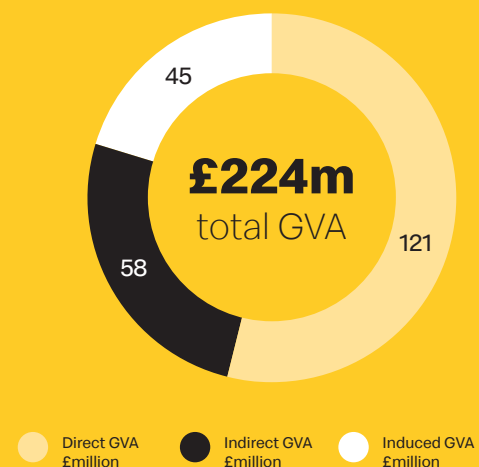
We supported

11,102 jobs

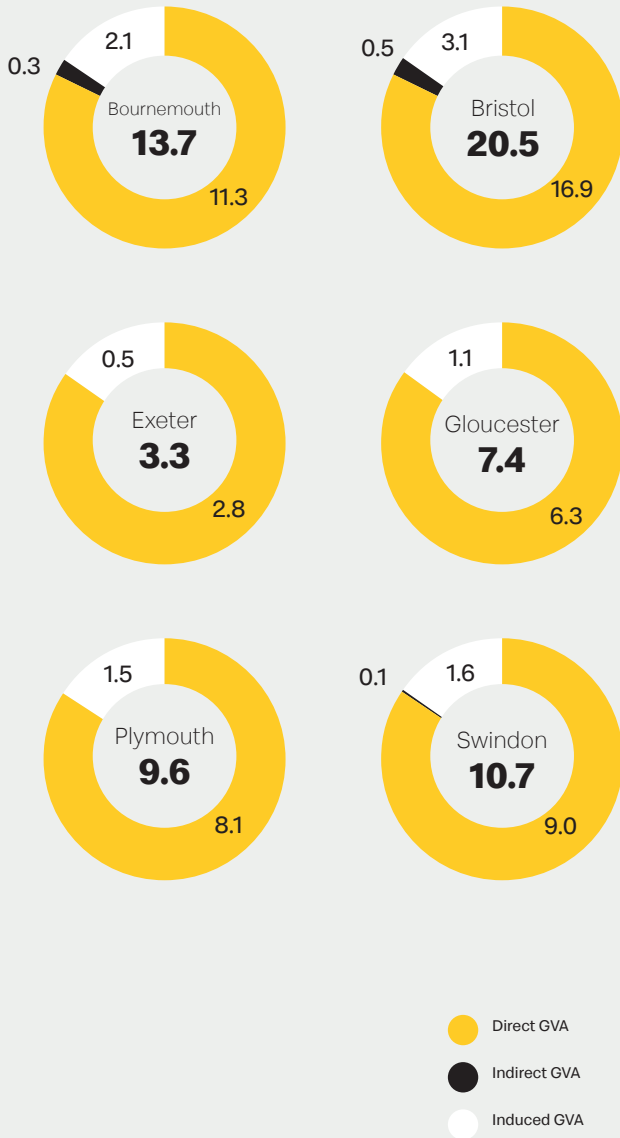
Local farmers received income of

£48m

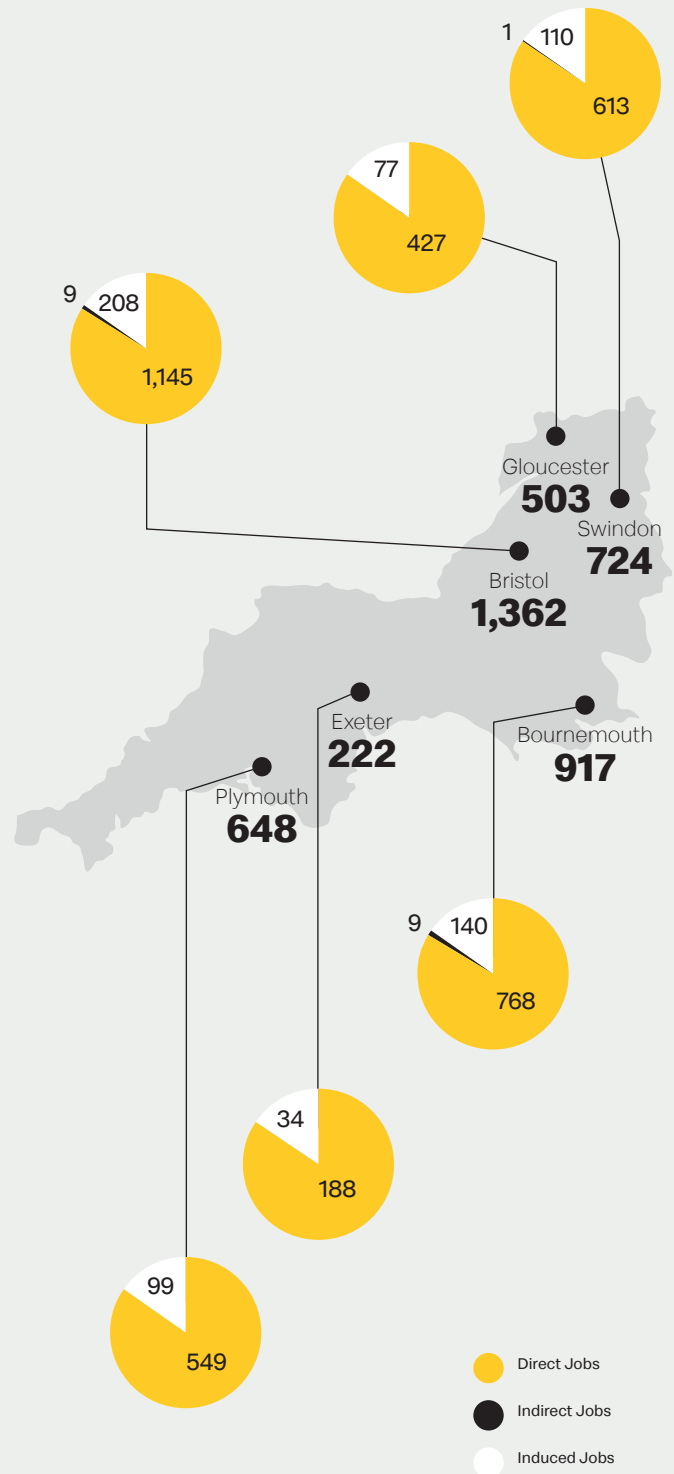
Total jobs contributed by McDonald's in the South West in 2017



McDonald's contribution to GVA by Primary Urban Area in the South West (£million)



McDonald's contribution to jobs by Primary Urban Area in the South West in 2017





Sarah Lloyd

Sarah ran her own retail business before deciding to become a McDonald's franchisee. She says it was the brand and the focus on people – both customers and employees – which really resonated with her.

She now has restaurants in Somerset and Wiltshire and loves how they feel part of the local community. Many families and holidaymakers visit her Amesbury restaurant as it is on the road down to Devon and Cornwall. The restaurant's active fundraising team often offer face painting, and team members participate in local events such as the Whole Hog obstacle course to raise funds for Ronald McDonald House Charities.

At the annual summer parade in Amesbury last year, a dozen of the McDonald's team followed the procession to pick up the litter left behind. Local residents cheered them on and they have been asked back again. The restaurant also sponsors the Amesbury Town Juniors Under 7s team, providing their kit but also water and fruit bags for every match. The team's coach visits the restaurant every Saturday to update on progress and, after they won the league last year, the whole team came into the restaurant with their parents for a celebratory meal.

Dave Wynne

David started with McDonald's as a crew member at the age of 17. By the time he was 21, he was the youngest restaurant manager in the UK. He progressed to become area manager for the South West and Wales and then for the West Midlands. In 2002, he decided to become a franchisee, starting with a restaurant in Birmingham. Six years later he decided to move to Plymouth, where he now operates five McDonald's restaurants. His franchise has since expanded to include eight restaurants in Cornwall.

He is an influential member of the Plymouth business community and is actively involved in the community. He and his team have helped raise more than £100,000 for Ronald McDonald House Charities. The team can often be found working with Plymouth City Council to help clean up local areas of natural beauty, such as Jennycliff and the surrounding coastal paths.

Mike and Sue Tizzard

In 1943, Mike's Tizzard's father started milking two cows behind the local pub in Milborne Port, Dorset, and subsequently acquired a small dairy unit called Venn Farm. At the age of 16, Mike began his farming career working alongside his father and two brothers on the farm. In 1989, Mike and his wife Sue took on the tenancy of their own small dairy. Four years later, they went into partnership with their landlord to manage two additional dairy units. They have been McDonald's Flagship Farmers since 2014.

Today, the family-run business operates five separate organic dairy farms, built upon carefully selected genetics, good animal husbandry and cost-effective milk production.

London



London

London has a significant place in McDonald's history. Our first UK restaurant opened in Woolwich, South East London in 1974 and our UK headquarters are located in East Finchley. In 2017, there were 181 McDonald's restaurants in London, directly employing over 16,748 people and contributing £278 million in economic output to the city's economy.

Of these 16,748 people, 451 people are employed at the McDonald's UK head office. McDonald's has a wider indirect economic impact on London, supporting approximately 1,768 jobs and £135 million in economic output in businesses supplying products and services to McDonald's, such as advertising and media services. A further 4,303 jobs and £105 million in GVA is generated through multiplier effects; through employees of McDonald's and its suppliers spending in the UK economy.

McDonald's recognises that its scale in London means it can have a positive impact on a range of London-wide issues. McDonald's shares many of the Mayor of London's ambitions and is actively engaged on issues from tackling crime to supporting quality food. For example, McDonald's is engaged with the Mayor's Office for Policing & Crime, and franchisees work with local police teams and communities to create a safer city.

Similarly, to help clean up the city all our restaurant teams complete litter patrols three times a day.

Our reach means we are well placed to drive informed food choices in London. We are proud to be selling quality food in the capital – with 90% of our menu containing less than 500 calories – and to be providing Londoners with the nutritional information they need to make informed choices about what they eat.

Furthermore, as part of our work to support grassroots football in the UK, 88 restaurants within the M25 are twinned with and actively supporting a local football club. Since 2014, more than 5,000 people in London have attended one of our Community Football Days and we have distributed 3,328 kits to accredited teams in the capital.

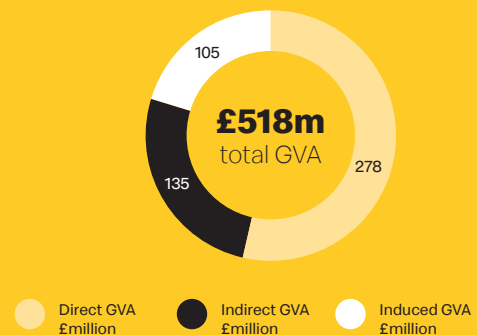
Contribution to national economy

£518m

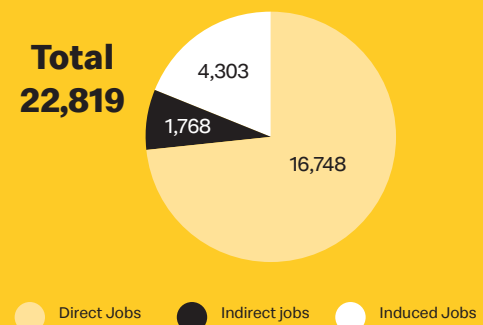
We supported

16,748 jobs

Total Gross Value Added contributed by McDonald's in London in 2017



Total jobs contributed by McDonald's in London in 2017



Reema Mavani

A few years ago, Reema's life in IT Management saw her travelling round the world, but the lifestyle wasn't working for her family.

Since becoming a franchisee in 2016, she has more control over her diary. She can have breakfast with her family and she made it to her son's sports day for the first time last year.

Today she feels more like part of a community. She likes to see her team grow; 17 of her staff have been recently promoted and there have been over 85 new hires. When offered a franchise in Wembley, she jumped at the opportunity. Her grandmother lived there and many of her cousins still do. It is a neighbourhood she knows well and she is keen to give back.

This is the second year that she has been voted to represent businesses in Wembley Park and Wembley High Road on local issues. Working with local supermarkets, her team also led a food collection drive for a food bank in Brent last year, providing local families with supplies during the tougher summer months when children are off school and providing three quality meals a day can be a financial challenge.

Her background in IT also makes her passionate about the technology being introduced at McDonald's – from digital self-order screens to mobile apps.



Claude Abi-Gerges

Just over two decades ago, Claude was a trainee manager at McDonald's. Today, he is responsible for 29 restaurants across Westminster, Camden and the City of London.

He plays an active role in the city and serves on the Board of the Heart of London Business Alliance and the Northbank and Camden Town Business Improvement Districts, advising on how best to support businesses operating in London's West End and central London.

His restaurants have pioneered many initiatives. The franchise is a founding member of the Young Westminster Foundation, a cross-sector partnership that supports local youth groups and charities. His restaurants in Leicester Square and Shaftesbury Avenue are also amongst the first in London to receive Best Bar None Gold accreditation in recognition of the positive impact they have on London's night-time economy.

Leo Burnett

London based Advertising and Marketing agency Leo Burnett have had a successful relationship with McDonald's lasting over 30 years.

Leo Burnett help us to tell the story of McDonald's in the UK - finding creative ways to share news of innovations on our menu, in our restaurants and within our local communities. Leo Burnett have worked with the team at McDonald's to create some of our most memorable and eye-catching campaigns.

East of England



East of England

In the East of England, we contributed £341 million to the economy in 2017. Of this total GVA, 54% is associated with the value of the products we sell in our restaurants and 26% with the value of our expenditure with suppliers based in the East of England. The remaining 20% is driven by the multiplier effect of employees in our company-owned and franchised restaurants, and employees supported by our supply chain, spending their wages in the local economy.

In 2017, we supported 15,983 jobs in the East of England; 11,395 in our 116 restaurants, 1,703 in the supply chain and 2,885 in the wider economy. In the East of England, we support the greatest number of jobs in Norwich, with 735 jobs supported in our 8 restaurants across the city.

There are also several major McDonald's suppliers based in the East of England, such as food packaging manufacturers Dart Products in Peterborough and Signature Flatbreads, based in Dunstable. Farmers in the East of England benefit from £40 million of income as a result of McDonald's, mainly for products such as pork and potatoes.

Contribution to national economy

£341m

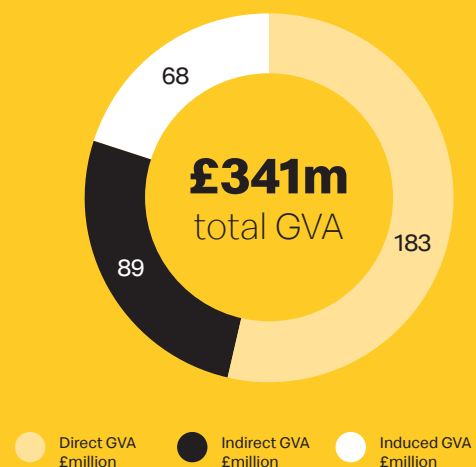
We supported

15,983 jobs

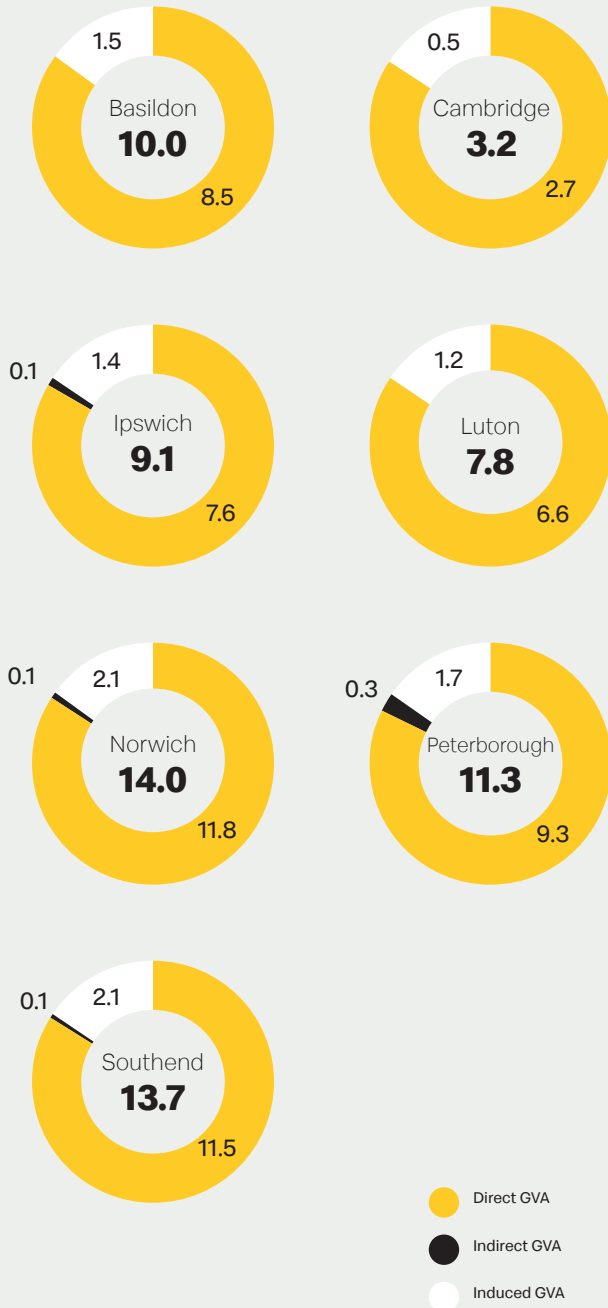
Local farmers received income of

£40m

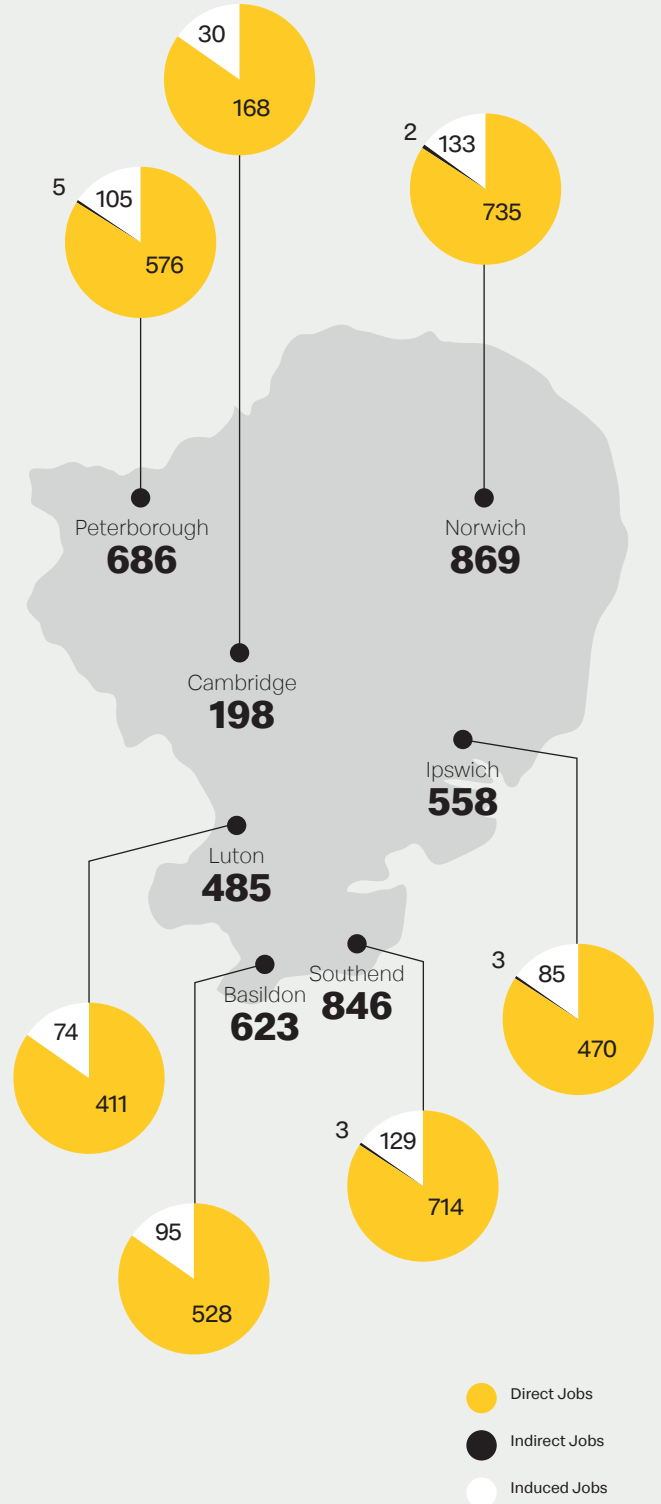
Total Gross Value Added contributed by McDonald's in the East of England in 2017



McDonald's contribution to GVA by Primary Urban Area in the East of England (£million)



McDonald's contribution to jobs by Primary Urban Area in the East of England in 2017



Signature Flatbreads

This Dunstable based company started supplying us with flatbreads in 1999.

Operating out of a 250,000 square foot manufacturing site, Signature now also supplies McDonald's with tortillas.

The relationship with McDonald's has allowed the company to expand into 18 countries across Europe and the Middle East. Over the past 12 months, the company has invested £12 million in the UK and created 200 new jobs in the East of England. The company's growth and investment in staff training led to Signature being named the Insider Made in Central and East England 'Food Manufacturer of the Year 2019'.

Lee Sparks

At the age of 45, and after 11 years working for a large insurance firm, Lee wanted a new challenge. After visiting a franchise fair in the summer of 2015, he decided that a McDonald's franchise would give him the independence he craved and the support he needed to lessen the risk for a first time entrepreneur with three children to support.

Today, his restaurant just outside Lowestoft – 500 yards from the Suffolk coast – employs 100 people. While his previous role involved extensive commuting and travel, he now lives nearby and has more flexibility with his diary. The opportunity to focus on people was another draw for Lee. He enjoys seeing his team develop and having the opportunity to give back to his local community.

When he refurbished his restaurant in April 2018 with digital self-order screens, wireless phone airchargers and a bigger room for the crew, he donated the old furniture to a local community hall. His restaurant sponsors the Kirkley & Pakefield football club. They are also active when it comes to local clean-up activities, donating a new bin to the local parish council for a playing field and participating in litter picks on Pakefield and Kessingland beaches.



Carol Rogerson

Following a 20-year career in the outsourced customer services sector, Carol became a franchisee in March 2014 with her first restaurant in Great Yarmouth. She says that McDonald's is an integral part of its local community, not only as a significant employer, but also as a result of its community initiatives.

Carol's restaurants are no different. In keeping with the McDonald's spirit of bringing people together, her restaurants sponsor local football teams, provide football kits, and have even judged and sponsored the Suffolk FA Awards.

Her team's commitment to the community does not stop there. They are out every day cleaning up the local area, they organise Keep Britain Tidy - Keep Up The Clean Up events, and they help residential communities gain access to the medical kit they need, such as defibrillators.

Conclusion

Forward to 50



Conclusion

Forward to 50

When McDonald's opened its doors in Woolwich in 1974, no one could have foreseen the impact that we would have had on the UK. At that time, the priority was making one restaurant a success with customers. Today our growth to 1,280 restaurants is a visible demonstration of our success across the UK.

We know, though, that to continue to grow and thrive, we need to adapt. We have not achieved our success by standing still, and we won't continue to grow in the future without evolving again.

Like any business, we have changing consumer tastes and technological changes to adapt to, but we have navigated them and come out stronger on the other side. The coming decades will be no different, but the relationships we have built up with our staff, suppliers and customers mean that we are in a better position to respond than we ever have been.

We are set for the future - but we cannot be complacent. The challenges we will face over the coming years will be greater and more disruptive than anything we have faced before. It is not only the changing needs of our customers that will drive this, but changes in our climate, in technology and in the way that people choose to live and work.

The coming years will see climate change have more of an effect on our planet and we fully expect our customers to demand more action from us. That is why we will continue to innovate to reduce our environmental footprint and make sure people have the ability to make choices that can reduce their own impact on the environment. We know that climate change is an existential threat – we cannot ignore it.

The rapid changes in technology will also change the way we work. Already, we have had to adapt to the availability of new technologies. Five years ago, there were no self-order screens in our restaurants and no delivery services through online platforms. As customer demand for greater convenience has increased, we have adapted to take advantage of new technologies while also making sure that the experience of our customers, and the welfare of our staff, is not compromised.

The coming years will see more automation and the extension of artificial intelligence across a range of industries. Our industry will not be an exception. We will



navigate these changes with our employees, franchisees and suppliers – we want them to benefit from our use of new technology.

This report has provided a deeper insight into the economic and social impact of our restaurants as we mark our 45th year. There is much to be proud of beyond simply the sheer scale of our operation. We can be proud of the impact that our jobs have had on the individuals who work with us, the benefit that our long and sustained relationships have brought for our suppliers and the loyalty that we have built with the customers who are at the centre of everything that we do.

As we look ahead to our 50th anniversary in 2024, it is clear that there are key areas where we must focus our efforts.

The 45 years since McDonald's arrived in the UK have seen massive change, but the pace of that change is increasing. In the five years between now and our 50th anniversary, we may see greater change than we did over the past two decades. We stand ready to respond to this and to continue to use our scale and global reach to make a positive difference.



Statement of methodology

This report includes data that quantifies the economic contribution made by McDonald's to the UK economy since it became established in the UK in 1974. The focus of this economic data is on the impact of directly operated and franchised restaurants in the UK, together with the headquarters and distribution networks and the UK based supply chain including farming and food manufacturing.

The estimates of economic impact focus both on the contribution during the most recently completed financial year for McDonald's (2017) as well as summary estimates of the attributable cumulative impact over the 45-year period since the first McDonald's restaurant opened in the UK in 1974.

The primary measures of economic impact are:

- The contribution to the production of economic output – as measured in terms of Gross Value Added. GVA is an internationally used measure of the value of goods and services produced by a business sector. It is calculated as the difference between income generated by McDonald's and the costs incurred in generating that income.
- The contribution to job creation through the UK economy.

The estimates consider the contribution of McDonald's at three levels. The first of these is the **direct contribution** of McDonald's and its franchises to the UK economy through the provision of jobs and value added in the restaurants and company headquarters.

The second level is the jobs and value created in the supply chain across the UK economy via the procurement of food products and other goods and services that enable the business to operate and provide meals to its customers. These jobs supported in the supply chain are usually termed **'indirect impacts'**. Procurement expenditure on non-UK goods and services is treated as leakage from the UK economy, and deducted from the consideration of direct, indirect and induced effects.

Finally, there are also jobs and value added created in the economy as a result of employees (both directly employed and in the supply chain) spending their wages in the UK. These additional jobs created through the workings of the multiplier effect are termed **'induced' impacts**.

Taken together these three effects – direct, indirect and induced – combine to generate the overall impact of McDonald's and its franchises on the UK economy.

Financial and other data used to generate these economic estimates were supplied by McDonald's. Additional information – such as details of employee numbers – were supplied by individual franchise operating businesses.

However, all estimates of overall economic value have been independently produced and are the responsibility of Development Economics.



