



**MCDONALD'S RESTAURANTS LIMITED
GENDER PAY GAP REPORT 2018**



FOREWORD

FROM PAUL POMROY, UK CHIEF EXECUTIVE OFFICER AND HARRIET HOUNSELL, UK CHIEF PEOPLE OFFICER

At McDonald's our commitment to diversity and inclusion sits at the very heart of our business. Our people are absolutely key to our success. Whether they work in our restaurants or in head office, we wouldn't be able to run great restaurants without them.

That is why we work hard to create jobs and opportunities for all our people, no matter their gender, age or life stage. Men or women. Young or old. Those who want career progression or simply a way to earn money and pay the bills. We believe in an inclusive McDonald's that welcomes everyone.

Gender pay gap reporting has helped to shine a light on the barriers women face in the workplace and underlying societal norms that need to be challenged. We welcome greater transparency and have been working hard within our own business to provide the culture, inspiration, support and opportunity for the best of our people to progress.

We are pleased to report that our gender pay figures remain significantly below the current national average. Women account for over half of our total workforce and represent 38 per cent of our senior leadership roles – nearly a third more than 10 years ago. And we have taken positive action over the last year, from introducing unconscious bias training to improving our maternity package and championing flexible working.

There is still work to be done, especially with senior level representation. If we are to close this country's pay gap, all organisations across all sectors must work together to drive long-term, sustainable change. It takes each of us to make a change for all of us, and we remain committed to playing our part.



Paul Pomroy,
UK CEO



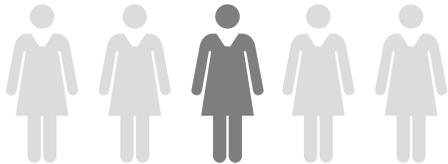
Harriet Hounsell,
UK CPO



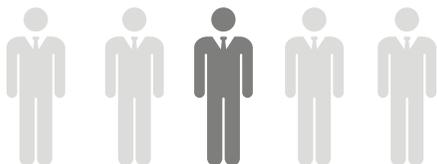


HOW WE CALCULATE THE MEDIAN DIFFERENCE

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



DIFFERENCE = MEDIAN HOURLY PAY GAP



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

HOW WE CALCULATE THE MEAN DIFFERENCE



= MEAN MALE AVERAGE PAY



= MEAN FEMALE AVERAGE PAY

DIFFERENCE = MEAN HOURLY PAY GAP

MCDONALD'S RESTAURANTS LTD.

McDonald's has been a part of the UK for almost 45 years. Today, we have more than 1,290 restaurants across the country that are owned and operated by either us or our franchisees, creating jobs and opportunities for people, whatever their experience or background.

There are three parts to our UK business: our head office, our 252 company-owned restaurants, and our franchised restaurant estate. Across the UK, around 80 per cent of our restaurants are owned and operated by franchisees, local businessmen and women who have a considerable amount of their own money invested, employ local people and invest in their communities.

As independent employers, our franchisees will each publish individual gender pay figures as required by government.

This report provides figures for McDonald's Restaurants Ltd that operate in UK only, which covers the first two parts: McDonald's company-owned restaurants and UK head office. Together these represent a workforce of 30,079, which includes 746 people employed in head office roles. We offer a wide range of jobs, from our restaurant crew and managers, through to roles in our central support functions.



TODAY, WE HAVE MORE THAN
1,290 RESTAURANTS
ACROSS THE COUNTRY

A PART OF THE UK
FOR ALMOST
45 YEARS



THERE ARE THREE COMPONENT PARTS:



OUR UK HEAD OFFICES



OUR 252 COMPANY-OWNED RESTAURANTS



OUR FRANCHISED RESTAURANT ESTATE

MCDONALD'S RESTAURANTS LTD. (UK ONLY)
MCDONALD'S COMPANY-OWNED RESTAURANTS AND UK HEAD OFFICES

REPRESENT A WORKFORCE OF

30,079

WHICH INCLUDES JUST OVER

746 PEOPLE

EMPLOYED IN HEAD OFFICE ROLES

AROUND
80%

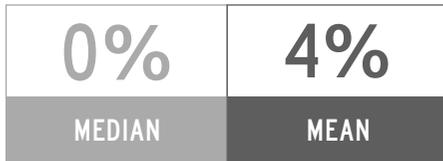
OF OUR RESTAURANTS ARE OWNED AND OPERATED BY FRANCHISEES

OUR FRANCHISEES WILL EACH PUBLISH INDIVIDUAL GENDER PAY FIGURES AS REQUIRED BY GOVERNMENT



OUR YEAR TWO DATA

PAY GAP AT MCDONALD'S RESTAURANTS LTD.

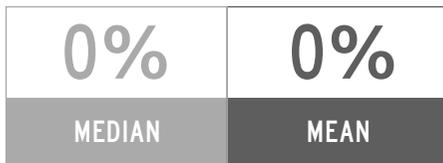


At McDonald's Restaurants Ltd. we have a median pay gap of 0 per cent and a mean pay gap of 4 per cent.

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

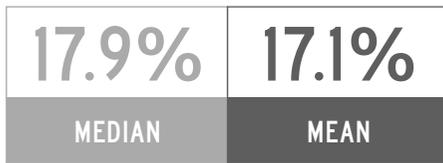
The mean is the average of a set of figures. For example, if you were to calculate the average pay for men across our business, it would be 4 per cent higher than the average pay for women. This is significantly below the national average of 17.1 per cent*.

PAY GAP IN OUR RESTAURANTS



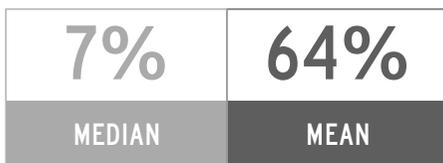
These figures are even lower in our restaurants, where the median pay gap is 0 per cent and the mean pay gap is 0 per cent. Today, our business is almost equal parts men and women (47 per cent men to 53 per cent women). For context, the national median is 17.9 per cent*.

UK NATIONAL AVERAGE PAY GAP*



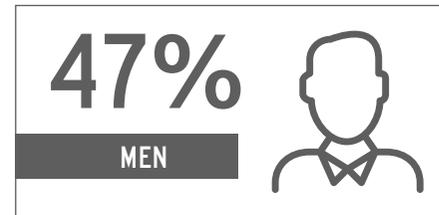
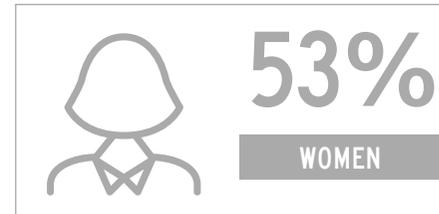
Our restaurant teams are the heart of our business. We employ parents, students and older workers, irrespective of background, and we provide flexible working and family friendly policies to help them work around childcare and other commitments.

BONUS PAY GAP AT MCDONALD'S RESTAURANTS LTD.

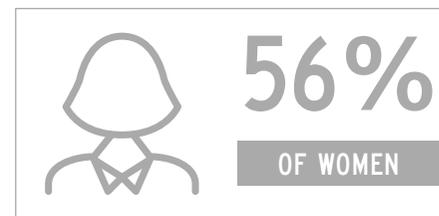
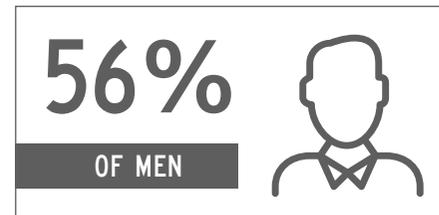


*ONS Data 2018

WE EMPLOY



BONUS RECEIVED



As well as looking at hourly pay, companies are being asked to share data on the number of men and women who receive a bonus and the median and mean bonus pay gap.

There are a number of bonus schemes at McDonald's Restaurants Ltd. including two for our restaurant staff. Each month we measure our company-owned restaurants based on customer feedback, of which the top 10 per cent award our crew (employees) with 50p for each hour they have worked in a two-week period. In addition, all restaurant managers are eligible for a quarterly bonus based on customer experience, employee experience and overall sales growth.

For our Office employees, we award bonuses to managers based on a combination of individual and company performance. Our senior leadership (heads of department and above) are also eligible to receive share options and shares from McDonald's Corporation for strong performance and potential as part of the Long-term Incentive scheme of McDonald's Corporation. As bonuses are dependent on business performance, they fluctuate year on year.

The proportion of men and women in our business receiving a bonus is the same – 56 per cent of men receive a bonus compared to 56 per cent of women. We have a median bonus gap of 7 per cent and a mean bonus gap of 64 per cent.

This mean bonus gap is predominantly due to the make-up of our head office management team which has 64 per cent men and 36 per cent women. Our senior managers and leaders are paid performance-related bonuses, and the higher proportion of men at this level has an impact on the overall bonus pay gap. We know we have work to do to close this gap and we are committed to helping more women into senior management roles. This is where we are focusing most of our efforts going forward.



CLOSING THE GAP – THE YEAR IN REVIEW

Inclusion and diversity sit at the heart of our business and our culture, and we have been working hard over many years to develop our female talent and leadership.

In our first gender pay gap report, published in April 2018, we set out specific actions we were taking to help close the gap. These are still in place and we continue to implement these. They are not about short-term statistical gains; but about driving sustainable, long-term change to address the barriers women face in the workplace.

We know that this can only be achieved if there is a change in mind-set across all levels of leadership, both male and female. So over the past year we have focussed our efforts in further developing an inclusive culture and encouraging leaders to promote inclusive behaviours and leadership within their teams, for example:

Leadership panel event: We held our first ever event dedicated to diversity, featuring guest speakers from other organisations who updated on their own plans and progress. Leaders from across our business discovered the benefits of diverse thinking to McDonald's Restaurants Ltd, leaving no doubt about our approach to inclusivity.

Culture Catalyst Network: This change movement held roadshows up and down the country promoting diverse thinking and inclusive behaviours.

Global leadership commitment: Our Global CEO, Steve Easterbrook, has set our ambition to achieve greater gender balance across the organisation, activated through a Global Women's Leadership advisory board to act as an internal strategic partner and advisor for benefits, talent and development of women.

We are already seeing a positive impact keeping us on course to reach our target to achieve gender balance across all levels.

Of course, to make a real step-change, we must continue to shine a spotlight and evolve our purposeful tactics to ensure accountability of our leadership for the decisions we make. Today, we impress accountability through regular reviews of gender balance across departments, we enforce gender balanced recruitment pools, and invest in a range of support and initiatives for our female employees. We also remain longstanding members of Inclusive Employers and the BITC Gender Campaign, working closely to adopt best practice.

ONGOING PROGRESS: OUR COMMITMENT TO IMPROVE BEING COMMITTED TO THE FLEXIBLE WORKING AGENDA

This year we want to use our experience and our influence to encourage other employers to offer more flexible working options. We launched a series of 'Let's Talk About Flex' events in our restaurants, with campaigner Anna Whitehouse, to provide free help and advice on flexible working to all, such as how to start a conversation on working flexibly. We also hosted a workingmums.co.uk roundtable event which sought to share ideas and promote innovation in flexible working with other businesses. We are committed to offering all our restaurant staff the choice of flexible or fixed contracts with minimum guaranteed hours – and in head office we provide the widest range of working patterns possible. We have recognised that often societal norms can hinder the progression of women, which is why McDonald's Restaurants Ltd is launch partners of workingdads.co.uk, recognising that flexible working isn't a 'female issue', it's a 'people issue'.

We believe that everyone should be given the opportunity to work more flexibly, but that doesn't diminish ambition, desire or opportunity to progress. We will continue to ensure our jobs work for our people and not be a barrier to female progression.

ROLLING OUT UNCONSCIOUS BIAS TRAINING ACROSS OUR BUSINESS

We have worked with independent experts to develop unconscious bias training specifically tailored to our business. This has been piloted with our entire Executive team and a sample of senior leaders across head office and key regions. In 2019, every one of our office staff will attend this training and it will also be rolled out to our restaurant management teams later in the year.

DEVELOPING COACHING AND MENTORING RELATIONSHIPS

We continue to encourage and facilitate partnerships for talent at all levels, regardless of gender, to develop their critical M.A.S.S (mentor, advocate, sponsor and successor) across the business. Globally, we are introducing McDonald's Inspire Mentoring, which connects women in the UK and other markets with mentors who can support them in developing a successful career at McDonald's. We know that developing mentoring opportunities and providing visible role models is important to our female employees, when asked about what support they would most value.

We know we won't be able to close the gender pay gap overnight, but we are committed to driving long-term, sustainable change. It takes each of us to make a change for all of us, and we are determined to play our part in becoming more balanced at senior levels and to operate 'better together' for future generations.

We look forward to sharing our progress next year.



STATUTORY DISCLOSURES - MCDONALD'S RESTAURANTS LTD.

Median gender pay gap	0%
Mean gender pay gap	4%
Median bonus pay gap	7%
Mean bonus pay gap	64%
% males/females receiving a bonus payment	56%/56%
Upper quartile (male/female %)	52%/48%
Upper middle quartile (male/female %)	44%/56%
Lower middle quartile (male/female %)	49%/51%
Lower quartile (male/female %)	47%/53%



DECLARATION

We confirm the information and data reported is accurate as of the snapshot date 5th April 2018

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



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