



**McDonald's Restaurants Limited
Gender Pay Report 2023**





Foreword

from Alistair Macrow,
Chief Executive Officer, UK & Ireland

Our people have helped us deliver great food, in great restaurants, since 1974. As we celebrate 50 years in the UK this year, we are also celebrating the great people at the core of our business, whoever they are or wherever they come from. From our head office teams, to our crew, to our suppliers, and franchisees, we remain committed to giving every single person the opportunity to thrive, to grow, and to succeed at McDonald's.

As one of the biggest brands in the UK, with restaurants in every community across the country, we also have a responsibility to represent the communities we operate in. We want every employee to thrive in our business, and we want to support them on their career journey with us, no matter who they are or what their background is. It's important to me, personally, that our business reflects the diverse communities we serve, right across our business, from our restaurants to our senior leaders, and gender pay parity is a core part of this.

I am proud to say that as of April 2023, our mean gender pay gap is the lowest it has been since we began reporting our pay gap data in 2017. It stands at one per cent – a decrease from three per cent the previous year, helping us get nearer to our goal of closing the gap. We have also maintained gender parity at board level for another year highlighting our ongoing commitment to supporting women throughout their careers with us, at all levels of the business.

Despite this progress I know that we can, and should, be doing more to make sure our business is the best it can be for everyone who works with us, and closing the gender pay gap will certainly be a positive step in this direction.

I have also been delighted to see how our Empowering the Female Leader programme has continued to flourish, with 112 candidates taking part in 2022/23. This programme was launched in 2021 and has gone from strength to strength, helping us to accelerate women's career development and secure a strong pipeline of female talent which is vital to our success.

We have also made good progress against the goals we set in our Plan For Change, a set of goals and actions that are intended to help us lead positive change across our business and beyond. For example, 73% of participants in the second cohort of our Restaurant to Corporate Bridge programme, which gives Restaurant Staff the opportunity to work in one of our Corporate Offices on a 12-month placement, were from underrepresented groups, beating our goal of 40% by 2025 and evidencing our commitment to providing opportunities for everyone, no matter their background.

In tandem with this work, we are also going further to understand what more we can do to create safe, respectful inclusive workplaces for all of our people. We are currently delivering on a clear action plan that will help us to go further to ensure all of our people feel supported at McDonald's. This includes reviewing our process and Speak Up culture to ensure we're the best we can be.

As encouraged as I am by the progress we've made, we will continue to work hard and ensure we deliver on the high standards we have set ourselves and continue to live the values of our business. Our commitment to give every employee what they need to succeed at McDonald's remains as firm as ever.



Alistair Macrow,
UK & Ireland CEO

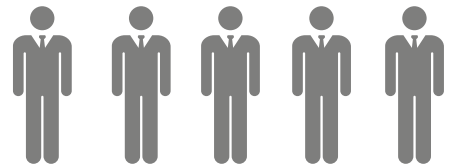


How we calculate the median difference

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



DIFFERENCE = MEDIAN HOURLY PAY GAP



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

How we calculate the mean difference



NUMBER OF MALE EMPLOYEES

= MEAN MALE AVERAGE PAY



NUMBER OF FEMALE EMPLOYEES

= MEAN FEMALE AVERAGE PAY

DIFFERENCE = MEAN HOURLY PAY GAP

McDonald's Restaurants Ltd. (UK only)

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

This report provides figures for McDonald's Restaurants Ltd. in the UK only, which covers the first two components: McDonald's company-owned restaurants and UK head offices. Together, these represent a workforce of 24,797 employees, of which 949 people are employed in head office roles. We offer a wide range of jobs – from our restaurant crew and managers, through to roles in our corporate functions. As of December, 52% of people in our senior leadership roles are female. Across our franchisee base, 12 per cent are female. While this is above the industry average of 11 per cent, we are committed to supporting more women considering a career as a franchisee.

89%

OF OUR RESTAURANTS ARE OWNED AND OPERATED BY FRANCHISEES



TODAY, WE HAVE 1,491 restaurants ACROSS THE COUNTRY



PART OF THE UK FOR 50YRS

There are three component parts:



OUR UK HEAD OFFICES



OUR 166 COMPANY-OWNED RESTAURANTS



OUR FRANCHISED RESTAURANT ESTATE

McDONALD'S RESTAURANTS LTD. (UK ONLY)

McDONALD'S COMPANY-OWNED RESTAURANTS AND UK HEAD OFFICES

REPRESENT A WORKFORCE OF

24,797

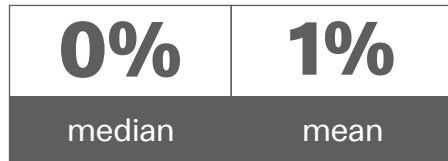
WHICH INCLUDES 949 people

EMPLOYED IN HEAD OFFICE ROLES



Our data

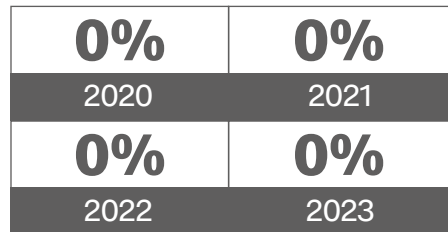
Pay gap at McDonald's Restaurants Ltd.



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

As part of the reporting, we are required to identify a 'snapshot date' – a fixed point in time at which our data will be captured each year. As such, all of the data we will share in this report is representative of our gender pay on 5th April 2023. This is our sixth year reporting this data and, in addition to fulfilling the legal requirement to report on the Government website, we have summarised this data below for transparency.

Median pay gap of:



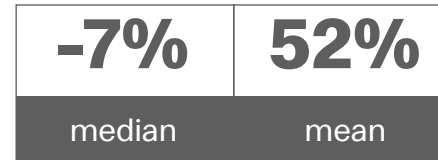
At McDonald's Restaurants Ltd. we have a median pay gap of zero per cent. This has remained the same since we started reporting in 2017/18. We have a mean pay gap of one per cent; last year it was three per cent.

Both our median and mean pay gap figures are significantly below the latest national averages – a national median pay gap of 14.3 per cent and a mean pay gap of 13.2 per cent.*

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

While we should not be satisfied with any gap, we are delighted to have maintained a zero per cent median gap, and to see our

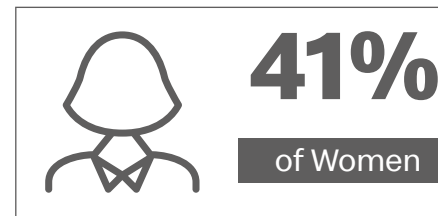
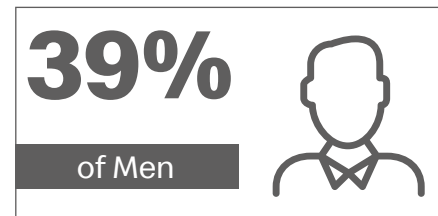
Bonus pay gap at McDonald's Restaurants Ltd.



mean gap narrow to one per cent. Our mean gap is also the lowest it has been since we started reporting our data in 2017/18. And in our restaurants, we have consistently maintained both a mean and median hourly pay gap of zero per cent in recent years, with this year's figure for the mean pay gap being -1% (in favour of women).

As well as looking at hourly pay, companies are asked to share data on the number of men and women who receive a bonus, and the median and mean bonus pay gap. There are several bonus schemes at McDonald's Restaurants Ltd., including two for our restaurant staff. As of April 2023, when the data contained in this report was drawn down, each month we measured our company-owned restaurants based on a variety of performance measures, and each month the employees of top restaurants received an uplift in pay. All restaurant managers are also eligible for a quarterly bonus based on feedback on order accuracy and customer service.

Bonus received



In our head offices, we award bonuses to our people based on a combination of individual and company performance. Our senior leadership (Senior Managers and above) are also eligible to receive stock options and restricted stock units from McDonald's Corporation as part of the Long-term Incentive scheme. All bonuses are dependent on business performance. They are approved by the compensation committee in the US annually in February. This year, 39 per cent of men and 41 per cent of women received a bonus payment. It is also worth noting that the long-term incentive bonus which we offer as a business impacts the overall bonus calculation, and that all roles have grades and bonus targets that are consistent and aligned to those grades.



Office for National Statistics (ONS), released 1 November 2023, ONS website, statistical bulletin, Gender pay gap in the UK: 2023.



We have a median bonus gap of minus seven per cent, which means the gap is in favour of women, and last year it was nine per cent (in favour of men).

Our mean bonus gap is 52%, falling from 64% last year, and 78% in 2021. This drop indicates that changes we have made (for example promoting and hiring senior women so that we maintain gender parity on our 12-strong UK board) are starting to have an impact.

We continue to have a good balance of women across all levels of our restaurant crew. This is important as one third of our senior leadership team started out working in one of our restaurants and we recognise the value of supporting our female employees to progress throughout the business to the most senior levels at McDonald's.

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





Closing the gap in 2024 and beyond

Our people are at the heart of what we do at McDonald's, whether that's our crew serving up great tasting food in our restaurants or our supply chain team making sure we are sourcing quality ingredients for our menu, we are committed to supporting each and every one of them. Sometimes that career lasts a few months, like students who take on shifts to support their studies, and sometimes it can last years, with many of our restaurant teams going onto roles in head office. However much of their career they spend with us, it's important to us that our people feel valued and have opportunities to learn and develop at McDonald's.

Our Programmes and Partnerships

Our internal programmes, including Empowering Female Leaders and our Women's Network, continue to help drive our female talent pipeline and provide safe space for women to share, learn and grow their careers.

Women's Network

Throughout 2023, our employee-led Women's Network (previously known as the Women's Leadership Network) has continued to evolve. From its foundations in our Operations teams the programme has grown and now represents women from all corporate functions, franchisee businesses and supplier partners, with over 300 members currently actively involved.

The network has transitioned from its original focus on accelerating female high performers into leadership, to becoming an inclusive, supportive network for women of all levels and stages in their career. In 2023, some fantastic events showcased the strength of our network, including:

- Celebrating International Women's Day, with a 'Building your Brand' workshop at our head office.
- A series of 'coffee chats,' allowing our more junior team members to gain exposure to inspiring female leaders within on our Executive Leadership team and hear how they overcome challenges as women in senior positions.
- A 'Be More Rhino' resiliency workshop, with representation from corporate employees, female franchisees, and female employees within our supplier network.
- An active, inclusive Workplace page for members to discuss and share resources amongst the network.

"The Women's Network is an inclusive, system-wide community that exists to empower, develop, inspire, and support women to achieve their potential. This involves providing tools and resources as well as organising events. Promoting diversity is not just the right thing to do, it's also a necessity for driving business growth and becoming an employer of choice for everyone, now and in the future."



Alison Gillham,
VP, Chief Technology Officer, UK&I and Chair of the Women's Network

Empowering the Female Leader Programme

At McDonald's, we know that our focus on accelerating women's career development must continue, and a strong pipeline of female talent is vital to our success. Launched in 2021 to support the female leaders we have in our restaurants, the Empowering the Female Leader Programme's objective is to build a network of female talent by providing opportunities for women to share their experiences, develop awareness of potential challenges they may need to overcome to succeed and to engage with each other through coaching opportunities.

Now in its third year, the programme continues to go from strength to strength. The cohort has doubled in size, and we made it available to franchisee employees who now hold 50% of places on the programme. Feedback has been overwhelmingly positive and colleagues who have been involved have said that as well as fostering strong personal networks, that they have felt more inspired, confident, and ambitious.

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

- Alexandra Daniels, Director of Operations at McDonald's UK&I and Sponsor of The Empowering the Female Leader Programme



Continuing to provide opportunities for all through Restaurant to Corporate Bridge

Launched in 2021, we have continued our Restaurant to Corporate Bridge programme, which gives Restaurant Staff the opportunity to work in one of our Corporate Offices in the U.K. on a 12-month placement. The chance to work across multiple departments including Finance, Technology, Supply Chain and Marketing, allows them to gain skills that they may not otherwise have been able to otherwise develop. 73% of participants in our second cohort of placements in 2022/2023 were from underrepresented groups, meeting our Plan for Change goal that 40% of participants would be from underrepresented groups by 2025.

Our plan for change

In 2021, we launched our Plan for Change in which we made specific commitments to support us in becoming a people positive business and we are already making significant progress on these targets.

- ✓ By 2024, we will work with our supplier partners and franchisees to advance social inclusion through a Mutual DE&I Commitment
- ✓ By 2025, 40% of participants in our new corporate placement and internship programme for our restaurant employees will be from underrepresented groups
- ✓ By 2030, we will reach and maintain gender balance within our senior leadership roles by ensuring gender parity at all levels of our talent pipeline

Working with our Suppliers

Our passion for empowering women in the industry extends beyond our business, and we are proud to work with many of our partners on programme that support women in their careers. Some examples include:

- SAVES Supplier Council - Our SAVES Supplier Council is a collaborative forum between McDonald's and key leaders from within our supplier base to come together and collaborate on critical issues affecting us all. In 2023, the SAVES Supplier Council members have intentionally been selected with diversity in mind, to promote diversity of thought in how we take on key challenges.
- Progressive Young Farmers (PYF) – launched in 2012, our Progressive Young Farmers programme is coordinated by McDonald's and allows full-time university or college undergraduate participants to spend 12 months working across all aspects of our supply chain, gaining practical experience from farm to front counter. We've achieved gender balance across our 60 participants in the PYF programme so far, giving young women a fantastic opportunity to launch their career in food, farming or supply chain.

Partnership with Meat Business Women

In 2023, our Supply Chain team pioneered a partnership with Meat Business Women, a global network of women working in meat and food supply chains, aiming to encourage more gender diversity within the sector.

As part of this partnership, female members of our Supply Chain teams are given the opportunity to attend events and masterclasses and are provided with access to mentorships and resources designed specifically to support women's development. This year, the activity has included an annual conference for women working within the meat and food supply chain sectors, as well as masterclass webinars with leading experts on presentation skills, decoding confidence and building and supporting talent pipelines. Many of our supplier partners have now also joined this growing network of individuals passionate about promoting diversity in our sector.





Apprenticeship Program

“We believe passionately in supporting and developing our people, which is why the McDonald’s apprenticeship scheme is designed specifically to help give our employees the skills, knowledge and confidence they need to develop as an individual, whilst enabling them to also perform their role at their very best. By allowing them to take on a new challenge while also being able to learn at their own pace, the scheme provides clear progression and learning opportunities, with the support of a mentor who is on hand from day one.”

Having spent 20 years with McDonald’s, I’ve worked my way through the business to becoming a permanent member of the Head office People team as an HR Business Partner. Being able to combine education alongside my day-to-day work has been invaluable to my development, teaching me life-long skills that have enabled me to progress to where I am today.



My first apprenticeship was whilst in the role as a Business Manager, and it not only enhanced my skills in project management, but taking part in the scheme hugely improved my confidence in terms of my own academic capability and helped develop my business acumen. Completing the Level 6 degree apprenticeship via the partnership with the Chartered Management Institute filled a lifelong dream of achieving a degree, with the added benefits of enhancing my capabilities while working to embed these skills in real time.

After completing the level 6 and knowing how it helped me to develop as a business manager, I applied to complete the level 7 CIPD in HR to further enhance my knowledge and execution in my current role. Through increasing my knowledge and understanding of employee legislation, I have already seen huge value in terms of how I approach the initiatives I work on as part of the People Team, and I can’t wait to finish my qualification which will set me up with more expertise in this field and beyond.

As a working mum who proudly shares every hat and gown photo, the opportunities I have been given through the apprenticeship scheme have been priceless. Being able to learn and earn at the same time has made me a true advocate for what a McDonald’s apprenticeship can do for your career.

Rachael Carrington, People Experience Partner





Our commitment to improve

How we drive forward progress.

The progress we have seen in our gender pay data this year reflects the hard work that has taken place over the last 12 months. Our people are fundamental to our success and it's crucial that everyone has access to the best opportunities, regardless of their background. Providing the opportunities and environment for women to be represented and rewarded is at the heart of this.

We have always reflected on how we can improve as a business to ensure that we do not fall short of the high standards we set ourselves, our people, our suppliers and our franchisees.

Last year, we made a commitment to improve and understand what more we can do to create safe, respectful inclusive workplaces – and we are currently delivering on a clear action plan that will help us to go further to ensure all of our people feel supported at McDonald's. This includes reviewing our process and Speak Up culture to ensure we're the best we can be.

More broadly, we continue to regularly evaluate the success of our programmes to ensure that we are focused on actions that make a real difference. We'll be focused on enhancing our current partnership and programmes, such as our Women's Network, and will continue to consider where we can add new initiatives to support the women across our business even better. We will also keep sharing our data on gender pay and representation across our business so that we understand where the challenges and opportunities lie.

While we continue to work hard to achieve complete gender parity across our business, we are heartened by our progress that continues to demonstrate we are on the right track. In 2024, our efforts to ensure an inclusive and equitable work culture will continue, to support one of the most diverse and multi-generational workforces in the country.



"People are at the heart of McDonald's success, and we work hard to make sure everyone has the opportunity to thrive in our business, to develop new skills and grow in their role, whatever their background. As we celebrate our 50th year in the UK, our firm commitment to supporting our employees is as important as ever, and we are proud to see the progress being made to close our gender pay gap."

"Our efforts to make us the best we can be and deliver on our values will continue into 2024 and beyond, and I am looking forward to working with the brilliant teams across our business to continue to enhance our initiatives that support women across McDonald's."

James Thorne, Senior Vice President, Chief People Officer, McDonald's UK & Ireland





Statutory Disclosures - McDonald's Restaurants Ltd.

Median gender pay gap	0%
Mean gender pay gap	1%
Median bonus pay gap	-7%
Mean bonus pay gap	52%
% males/females receiving a bonus payment	39%/41%
Upper quartile (male/female %)	50%/50%
Upper middle quartile (male/female %)	55%/45%
Lower middle quartile (male/female %)	46%/54%
Lower quartile (male/female %)	51%/49%

Declaration

We confirm the information and data reported is accurate as of the snapshot date 5th April 2023

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



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