As a franchise of McDonald's, Caspian Networks Limited adheres to the same policies and processes as the McDonald's UK system.

McDonald's UK Modern Slavery Statement 2023

At McDonald's, we take seriously our responsibility to respect and promote human rights and to act with due diligence to avoid infringing on the human rights of others and addressing any impacts on human rights if they occur. We are committed to respecting human rights as set out in the Universal Declaration of Human Rights. Our Human Rights Policy ("**Policy**"), which is adopted by McDonald's Corporation and applies to its majority-owned subsidiaries worldwide, including McDonald's in the UK, is also guided by:

- the United Nations Guiding Principles on Business and Human Rights
- the International Bill of Human Rights
- the principles set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

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

In 2022, McDonald's Corporation published its Responsible and Ethical Recruitment Principles, which apply to all its majority-owned subsidiaries and therefore define our approach on this issue, including how we will work toward five global standards. These five standards will apply to migrant labour recruiting practices and will be required across our corporate operations, Franchisees and International Developmental Licensees ("**DLs**").

Introduction

This statement is published in accordance with the UK Modern Slavery Act. It outlines the approach we take to prevent modern slavery in our business and supply chains associated with the United Kingdom.

McDonald's Restaurants Limited ("**McDonald's UK**", "**Company**," "**we**" or "**our**") published its first Modern Slavery statement in 2017. We continue to build our knowledge of the risks of modern slavery and the areas of our business that could face some of these challenges. We work across our business and supply chain to put practices in place to help prevent and respond to any potential modern slavery-related risks.

Modern slavery is unacceptable within our business and supply chains. We believe that we have a responsibility to respect the rights of people who work for the Company, and to do

business with franchisees, suppliers and other businesses that respect human rights for their respective employees. We recognise there is no single solution to human rights issues, which is why we believe that it is critical that we engage with all of these stakeholders to build awareness and understanding.

In 2023, we engaged an external provider to conduct a strategic deep-dive review and gap analysis of the processes and policies within our UK business through the lens of modern slavery. In the year ahead, we will be implementing a number of measures to further strengthen our anti- slavery framework through actionable training and collaborative partnership.

Our business, structure and supply chains

Our Business

UK

We are proud to have run our business in the UK for almost 50 years, having opened our first restaurant in Woolwich in 1974. We are a franchised business and today, we and our franchisees operate over 1,400 restaurants in all corners of the UK and employ over 170,000 people. Alongside the restaurants, we have a head office function based across three offices in regions across the country, with our main UK office in East Finchley, London.

Approximately 11% of McDonald's restaurants in the UK were owned and operated by the Company at the end of 2023 with around 89% owned and operated by franchisees. McDonald's in the UK, including its franchisees, have created over 2 million local jobs, spent over £35 billion with UK businesses and contributed over £54 billion to the UK economy since we opened in 1974. Alongside this, and with our partnerships we and our franchisees collectively hold with national and local groups to support the causes that matter to local communities, we are passionate about contributing to the areas in which we operate.

McDonald's Corporation

McDonald's is the leading global omni-channel restaurant brand. McDonald's harnesses the power of franchisees (including conventional franchisees under franchised arrangements, and developmental licensees or affiliates under license agreements), suppliers and employees working together toward our purpose to feed and foster communities. McDonald's Corporation and McDonald's UK (together, "McDonald's") work across all three elements of our business—the Company, the franchisees, and our supplier partners— to feed and foster communities. Our approach to modern slavery and human rights are underpinned by this same commitment.

Our supply chains

McDonald's has a complex global supply chain with thousands of direct suppliers employing thousands of people in more than 100 countries. The success of the McDonald's System lies, in

part, in our strong relationships with suppliers, all of which must meet our expectations of fundamental rights for all people. We aim to build long-term relationships with suppliers and work closely to maintain the highest standards around human rights. We require them to comply with our Supplier Code of Conduct and associated guidance, which include respect for human rights and following practices that protect their employees' health and safety.

We are proud that many of them have worked with us for decades. These long-term relationships enable us to have open and honest conversations and to share best practices.

Specifically, in the UK, we are proud to source our produce locally wherever possible. We support the UK farming community who supply us with quality ingredients.

All the ingredients on our menu are sourced from approved supplier partners who have to adhere to our high-quality standards, which are independently audited. Where possible, our supplier partners source ingredients from farms accredited by a recognised farm assurance scheme such as Red Tractor and RSPCA Assured, with regular audits taking place on the farms to ensure that these standards are upheld. In addition, many of our supply chains are vertically integrated, meaning that our supplier partners will often have control and oversight of every step of the supply chain.

Policies

McDonald's UK supports the goals of the Modern Slavery Act and takes seriously our responsibility to act with due diligence to avoid infringing on the human rights of others and address any impact on human rights if they occur.

Employment practices

McDonald's is committed to preventing forced labour and upholding responsible and ethical recruitment standards.

The Responsible and Ethical Recruitment Principles outline our commitment to working toward five global migrant labour recruitment standards:

- Workers do not pay recruitment fees, whether to a private labour broker/employment agent or to the employer itself.
- Workers are provided contracts in a language fully understandable by the workers at the point of recruitment and prior to deployment.
- McDonald's and its franchisees do not keep or withhold any government-issued identification, monetary deposits, bonding or other collateral as a condition of employment.

- If workers reside in employer-provided housing, there must be a plan for management of safe housing and accommodation, including that it is structurally sound and in good repair.
- McDonald's and its franchisees apply these standards to themselves and to third parties recruiting and/or managing labour on their behalf. We make our Responsible and Ethical Recruitment Principles available to suppliers and third-party contractors to educate them on our responsible recruitment standards and encourage them to develop similar policies and procedures for their own business operations.

These standards apply to migrant labour recruiting practices across McDonald's and its franchisees.

To help support the implementation of these standards across McDonald's in the UK, we delivered webinars to all of our franchisees, McOpCo operations consultants and regional people team leaders in 2023.

Led by the UN Guiding Principles, McDonald's Corporation undertakes risk-based due diligence to identify, address and mitigate adverse human rights-related impacts. Wherever practical, McDonald's hires workers directly. When this is not possible, McDonald's will aim to select agencies that operate responsibly and abide by the same Responsible and Ethical Recruitment Principles. Furthermore, McDonald's will adopt practices and procedures to ensure that migrant workers don't pay hidden recruitment fees and that they are hired in accordance with our principles.

Human Rights

In 2018, McDonald's published a global Human Rights Policy, which reinforces McDonald's commitment to respect and promote human rights. This Policy applies to McDonald's Corporation and its majority-owned subsidiaries around the world.

Our Global People and Global Supply Chain functions are responsible for overarching human rights policies and performance. Human rights professionals on our Sustainability & Social Impact team within our Global Impact function play a key coordinating role and manage a cross- functional Human Rights Working Group which meets quarterly, as well as on an ad hoc basis as needed.

The executive sponsors of the Human Rights Working Group are our Global Chief Impact Officer, Global Chief People Officer, Global Chief Supply Chain Officer and Global Chief Legal Officer. These executive sponsors report to the CEO on human rights risks and share relevant updates to the Board Committees of McDonald's Corporation.

The CEO and McDonald's Corporation Senior Leadership team have oversight of human rights policies, commitments and management, as well as of Enterprise Risk Management, which may include specific human rights issues. The Board Committees of McDonald's Corporation have oversight of human capital management, including human rights.

A commitment to respect human rights is also set out in McDonald's Standards of Business Conduct, which apply to employees of McDonald's Corporation and its majority-owned subsidiaries. Company employees are trained on the standards and are required to certify their understanding of and commitment to upholding them.

Globally, McDonald's primary grievance mechanism is an anonymous channel, the Business Integrity Line – staffed by a live operator from an independent company, 24 hours a day, 365 days a year. Anyone, including Company employees, can raise concerns via the Business Integrity Line. Regardless of who uses the Business Integrity Line to raise a complaint, all complaints received
are reviewed by our Global Compliance team and complainants are protected from discrimination or retaliation by our Standards of Business Conduct and Global Statement of Principles Against Discrimination, Harassment and Retaliation.

The Business Integrity Line is complemented by additional grievance channels across our markets, and we encourage honest communication with managers and human resource representatives. Each of our International Operated Markets ("**IOMs**") has human resources staff that are responsible for handling concerns in an appropriate and timely manner. This process may include investigating complaints, interviewing witnesses, reviewing documentation and determining next steps.

McDonald's in the UK encourages our people to use the People Services Helpdesk to report any complaints that they may have. Employees can raise their concerns anonymously through an online form or they can speak to the helpdesk directly.

We continue to work with external stakeholders to actively review our approach and global policies related to protecting human rights, to give greater transparency and clarity on our commitments and ensure they remain aligned with internationally recognised standards.

Assessing and Mitigating Risk in our Supply Chain

Supplier Code of Conduct & Supply Workplace Accountability Programme

The Supplier Code of Conduct applies to all suppliers in McDonald's supply chain. At a minimum, we require all suppliers and their facilities to meet the standards and promote the principles outlined in our Code. McDonald's also expects suppliers to hold their own supply chains (including subcontractors, agencies, etc.) to the same standards as outlined in our Code, and to create internal mechanisms and programmes for handling reports of workplace grievances, including anonymous reporting. McDonald's provides a Supplier Workplace Standards and Guidance Document ("**SWSGD**") to assist suppliers in meeting the standards in our Code (see the training section for further details on our SWSGD).

McDonald's Supplier Code of Conduct includes standards in human rights, workplace environment, business integrity and environmental management. For example, our Code contains standards that address:

- **Non-discrimination**
- **Maximum working hours**
- **Underage labour**
- **Freedom of association and the right to collective bargaining**
- **Corporal punishment/disciplinary practices**
- **Safe working conditions**
- **Forced labour**

Fundamental to the Code is the expectation of ethical employment practices by suppliers and their supply chain, including subcontractors and third-party labour agencies. The Code prohibits any form of slave, forced, bonded, indentured, or involuntary prison labour. Suppliers and third-party labour agencies are prohibited from retaining employees' government-issued identification, passports or work permits as a condition of employment.

The Supplier Code of Conduct is the cornerstone of the global Supplier Workplace Accountability ("**SWA**") programme, which aims to help suppliers understand McDonald's expectations, verify compliance with our expectations and work toward continuous improvement. Our 2023 SWA Global Compliance report indicated that we have more than 4,000 supplier facilities globally in the SWA programme.

When onboarding prospective suppliers, they must complete a verification process to show they meet our expectations. This includes completion of a rigorous annual self-assessment questionnaire to appraise their current systems and practices – producing a report indicating areas for improvement.

The programme also provides suppliers and the McDonald's Global Supply Chain team with optional training to understand better human rights issues and SWA programme requirements. Built on a model of continuous learning, our online training platform allows suppliers to access tools and resources that provide guidance on human rights issues.

Our global training modules focus on topics covered under the Supplier Code of Conduct, including health and safety, involuntary labour (including recruitment and fee reimbursement) and underage labour. To build capacity of suppliers across our industry, we also supplement our training modules with additional supplier training that we co-sponsor as members of AIM-Progress, a business initiative focused on responsible sourcing.

The SWA Programme engages several social compliance auditing firms around the world who conduct on-site audits of facilities, worker housing and cafeterias. These audits investigate such concerns as recruitment fees, discrimination, wrongful confiscation of personal documents and other human rights considerations that McDonald's seeks to eliminate from its supply chain. Further, they scrutinise supplier compliance with each aspect of the Code,

such as verifying that all workers are of legal age to work. If an underage person is hired, for example, suppliers must support remedial solutions that serves the child's best interests.

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

As part of our continued effort to prevent forced labour worldwide, we updated our Supplier Workplace Standards and Guidance Document to address forced labour risks by strengthening our requirements around reimbursement of recruitment fees. Since 2021, our SWA global team has been engaging with markets, as needed, to develop compliance roadmaps and ensure there is full compliance with reimbursement requirements.

Understanding and managing risk

Our human rights due diligence is incorporated into our Supplier Workplace Accountability programme. In addition to the audits described above, McDonald's assesses the potential human rights risks of our supply chains, including modern slavery risks, using desk-based research, supply chain mapping, and stakeholder engagement.

One key indicator of risk is the country of origin from which products or raw materials are sourced for the McDonald's system. Country-level human rights risk analysis is used to help inform the audit cycles for suppliers. Facilities situated in countries that are considered to be at high risk require more regular on-site audits, regardless of the outcome of previous audits.

Additionally, in 2018 McDonald's engaged an external provider to conduct a human rights impact assessment ("**HRIA**") at the farm-level. The assessment enabled us to identify that, of the commodities we source, palm oil, tea, coffee and timber present the greatest risk of exposure to human rights concerns, with occupational health and safety, migrant workers, and decent working time identified as the highest risk areas. In addition to the farm-level commodity assessment, the HRIA also included a stakeholder consultation with key non-governmental organisations to understand how industry experts view the human rights risks associated with the production of the various commodities, as well as their observations on how the risks can best be mitigated.

The HRIA findings, and the corresponding recommendations, help us strengthen human rights management frameworks to better identify, assess, prevent, mitigate and remediate salient human rights issues. For example, as we update our sustainable sourcing policies for specific commodities, we consider these recommendations in informing our human rights due diligence requirements for suppliers. We also use the HRIA findings to raise awareness of human rights risks among our supply chain staff who procure products for the McDonald's system and have taken steps to strengthen risk management procedures and improvement plans.

By identifying the most salient human rights issues within these supply chains, we aim to strengthen our risk management procedures, develop appropriate improvement plans, and increase awareness of these issues within our business. In the spirit of ongoing collaboration, McDonald's also shared the information from the HRIA with other brands that purchase similar commodities, and we are exploring further ways to work with the wider industry.

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

Part of our sustainable sourcing for these six priority products requires our suppliers to purchase sustainably certified products where such certifications exist. As part of the certification process, several of the certification bodies audit for social compliance at the farm-level.

Effective action

Since launching the SWA programme, McDonald's has engaged with thousands of suppliers and facilities on respecting human rights and mitigating risk. We are proud that our suppliers take their commitments seriously and, in some cases, have their own equally robust compliance and reporting programmes that have been evaluated and approved as equivalent to McDonald's SWA programme.

Where a noncompliance is identified through an on-site audit, suppliers work with a third-party audit firm to complete a corrective and preventative action plan to address the noncompliance. The plan must provide specific time frames within which corrective action will be taken, root causes analysed, and policies and procedures updated.

In addition, the plan must be designed to avoid recurrence of the noncompliance and establish specific accountability. In instances of significant non-compliance, suppliers are subject to a follow-up audit to ensure that the non-compliances have been properly addressed.

At the end of 2023, we had over 4,000 facilities participating in the SWA, with 90 active facilities managed by McDonald's UK. The programme audits many different types of facilities and products, such as food, packaging, uniforms and Happy Meal Toys.

In addition to training, auditing, and other aspects of the SWA programme, we require suppliers to establish internal grievance mechanisms and provide their workers with their own robust internal procedures to raise issues. Guided by the United Nations Guiding Principles on

Business and Human Rights, our SWSGD provides a step-by-step best practice process to help suppliers establish an effective grievance mechanism. Our Business Integrity Line, and an email to reach the SWA Global Management team, is open to suppliers and their employees, if they suspect or become aware of any alleged breaches to our Code. Our Code explicitly states that the supplier's reporting programme must protect the worker's confidentiality and must prohibit retaliation in response to reporting issues.

Training on modern slavery and human rights

To help employees of McDonald's Corporation and its majority owned subsidiaries understand human rights, we made training for staff on the Human Rights Policy available in 2019. Available in 15 languages, the training has a section on forced labour that identifies particularly vulnerable groups and outlines McDonald's commitments surrounding ethical recruitment. McDonald's UK employees are also trained regularly on the Standards of Business Conduct and are required to annually certify their understanding of and commitment to upholding the standards. McDonald's Corporation's senior leadership has also received in-person training in partnership with an external human rights consultancy.

Given their important role in working with suppliers, McDonald's UK's supply chain procurement employees undergo in-person and webinar trainings on supporting suppliers in meeting their expectations under the Supplier Code of Conduct and SWA programme. In 2020, McDonald's developed two new online training modules for procurement employees to enhance their understanding of human rights issues in global supply chains. Global training modules focused on: health and safety, involuntary labour (including recruitment and fee reimbursement) and underage labour.

For suppliers, the global SWA programme includes an online training platform where they can access materials that provide guidance on preventing modern slavery. Training modules include: Ensuring Eligibility to Work, Protecting the Rights of Migrant Labour, and Implementing Grievance Mechanisms. For example, the Migrant Labour training aims to educate suppliers on the risks related to modern slavery when sourcing migrant labour and some key actions they can take to ensure they are protecting the rights of migrant workers in their facilities.

Additionally, McDonald's Supplier Workplace Standards and Guidance Document ("**SWSGD**") is shared with all suppliers and provides detailed guidance on each aspect of the Supplier Code of Conduct and how suppliers and their supply chains can meet our expectations. For example, the SWSGD clearly explains that all suppliers should:

- ensure their hiring process, and that of their recruitment agencies, provide people employment under voluntary terms;
- maintain legally accepted age verification records to demonstrate all workers are of legal working age when they started work;
- respect employees' rights to associate, or not, with any group of their choice, as permitted by law, without fear of reprisal, intimidation or harassment; and
- respect the rights of people to bargain collectively where such rights are established by law or contract.

In 2021, McDonald's updated the SWSGD and hosted training sessions on the updated standards. These reached more than 4,000 suppliers and McDonald's staff and featured interviews with external experts.

Since the launch of the SWA programme, McDonald's has engaged with thousands of suppliers and facilities to ensure respect for human rights. We are proud that our suppliers take their commitments seriously and, in some cases, have their own equally robust compliance and reporting programmes that have been evaluated and approved as equivalent to McDonald's SWA programme.

McDonald's also offers optional live training sessions for suppliers with external human rights and supply chain experts. The company has partnered with other brands and external consultancies across the industry to develop and train suppliers. For instance, McDonald's teamed up with other AIM-Progress brands to train suppliers on the importance of responsible sourcing. Through this coalition, suppliers around the world received training on critical human rights issues.

Partnering to improve standards and identify emerging issues

McDonald's is committed to engaging with relevant internal and external stakeholders to continue to advance our approach to human rights.

McDonald's Corporation engages with stakeholders in our system in a variety of ways. For example, company employees provide feedback through multiple reporting mechanisms, including via people managers, human resources and through participation in surveys. Within our supply chain, external monitoring firms conduct on-site audits of supplier facilities through the SWA programme (including on-site interviews) and, at farms through the McCafé® Sustainability Improvement Platform ("**SIP**"), through which we collaborate with coffee producers to design and implement programmes and deliver optional tools and resources that aim to address needs specific to farming communities and improve the performance of the farms. The McCafé SIP programme also includes needs-assessments at farm-level.

Partnerships are an important way for us to learn from others and help create change in the broader community. We engage in two multi-sectoral initiatives that focus on human rights and forced labour prevention: the Leadership Group for Responsible Recruitment (an initiative of the Institute for Human Rights and Business) and the Centre for Sport and Human Rights. We also engage with the Business for Social Responsibility's Human Rights Working Group ("HRWG"), which supports implementation of the UN Guiding Principles on Business and Human Rights in a shared-learning forum of more than 55 companies.

Looking forward

We know that there is no single solution to the challenges of modern slavery and human trafficking, and we must therefore continue to learn and understand the associated risks and warning signs. By working across all elements of our business and supply chain, we can continue to build our knowledge of these issues and take steps to improve our collective

awareness. We will engage these different elements of our organisation, as well as expert third parties, to identify areas for improvement.

Statement approval

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31st December 2023. The Board of McDonald's Restaurants Limited approved this statement on 28th June 2024.

Alistair Macrow

Chief Executive Officer

McDonald's UK