P A Crocker Ltd UK Modern Slavery Statement 2023

At P A Crocker Ltd, we conduct our activities in a manner that respects human rights as set out in The United Nations Universal Declaration of Human Rights. We do not use any form of slave, forced, bonded, indentured or involuntary prison labour. We do not engage in human trafficking or exploitation, or import goods tainted by slavery or human trafficking. We support fundamental human rights for all people. We will not employ underage children or forced labourers. We prohibit physical punishment or abuse. We respect the right of employees to associate or not to associate with any group, as permitted by and in accordance with applicable laws and regulations.

We strive to foster safe, inclusive, and respectful workplaces wherever we do business and respect the fundamental rights of P A Crocker 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 P A Crocker'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.

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. Modern slavery is unacceptable within our business and supply chains. of these stakeholders.

Our business and supply chain

P A Crocker Ltd t/a McDonald's is proud to have run its business in the UK for 34 years and we employ over 2,700 people from all ages and backgrounds. Our Head Office is in Margate, CT9 1JT.

We are a franchisee of McDonald's and are passionate about running a business which invests in their local communities and local people.

We follow and support the McDonald's UK and their supply chain which is provided as part of McDonald's franchise and as such the supply chain is managed by McDonald's UK. We have an agreement for purchasing food, beverages and packaging from suppliers recommended by MRL. They also have an approved supplier list for equipment purchasing and servicing. **Therefore, all information regarding the Supply chain is provided by McDonald's UK and is available on their UK website**. 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).

P A Crocker Ltd – 21 restaurants

Across the following areas:
Ashford
Canterbury
Chestfield
Dover
Folkestone
Gillingham
Swale
Snodland
Thanet

Our supply chains (provided by McDonald's UK)

McDonald's has a complex global supply chain with thousands of direct suppliers who employ over a million people in more than 100 countries.

Suppliers are a critical component of McDonald's business. We build long-term relationships with our supplier partners and 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.

We know that a large part of the success of the McDonald's system lies in our trusted relationships with our supplier partners. In the contracts underpinning these

relationships, we ask 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.

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

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

P A Crocker Ltd supports the goals of the Modern Slavery Act and takes seriously its 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

P A Crocker Ltd is committed to preventing forced labour and upholding responsible and ethical recruitment standards.

When recruiting, we obtain documentation that ensures that every potential employee has the correct permission to work in the UK before the interview is held. It is checked and then a copy is uploaded onto our HR system. We use the Three step defence:

OBTAIN original documents in correct combination have been presented

CHECK documents are seen and verified at the interview before any job offer is made

COPY held on file and signed and dated to show who completed check and when the document was verified

The Responsible and Ethical Recruitment Principles outline our commitment to working toward five global standards. These standards are to apply to migrant labour recruiting practices and UK McDonald's continues to review and consider how these practices can be implemented at a local level:

- 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.
- We 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.
- We 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 other 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.

In line with the UN Guiding Principles, McDonald's Corporation undertakes risk-based due diligence to identify, address and mitigate adverse impacts. Wherever practical, P A Crocker Ltd hires workers directly. Where this is not possible, we will aim to select agencies that operate responsibly and abide by the same Responsible and Ethical Recruitment Principles outlined here. Furthermore, we intend to adopt practices and procedures to address hidden recruitment fees so that such fees are not paid by migrant workers, and that migrant workers are hired in accordance with Responsible and Ethical Recruitment Principles.

Our People

At P A Crocker Ltd, we are committed to inclusion, diversity and providing opportunities for everyone. From kitchen to counter to main office, our success would not be possible without the hard work of our people, which is why it is so important we invest in and develop them. We believe in developing a culture in which our people are treated with dignity and respect at all times.

For example, our Gender Pay Report , using data taken on 05.04.23 as required by the UK Government, showed that our median pay gap was -2.45% per cent and our mean pay gap was -0.67% per cent. We are proud of these results, but will continue to push ourselves to ensure we remain a diverse and fair place to work.

We aim to create an environment of open and honest communication with everyone having the opportunity to have their say. We know that a motivated and engaged team of people in our restaurant is vital when building a great place to work.

One key component of building a great workplace culture is ensuring that our people are able to speak freely and openly about any concerns or worries. We are always identifying ways to improve the communication with our people. Current examples include:

· **Love to Listen**: feedback from our people is a really important way of understanding how they feel about coming to work. We send out an employee survey four times a year to understand their views and concerns. Each restaurant and head office department then writes up an action plan to address the main items and improve the working environment.

· **Listening Sessions**: our people can speak individually or in groups about their experiences or concerns in their restaurants. These sessions follow a process which ensure that any concerns are rectified via an action plan drawn up after the sessions.

. **Open Door Policy:** Our policy is displayed in all restaurants and is clear and transparent. It offers options of different people for staff to speak to if they have any issues.

. **Speak Up:** Our policy is displayed in all restaurants and is clear and transparent. It states that there is no please for harassment of any kind and encourages staff to speak up – offering a number of channels for them to do this.

We also have a **Support Helpdesk and People Managers** who are on hand to support our people wherever they are in the business. These people can answer day-to-day questions and escalate any serious issues that are raised.

Human Rights

In 2018, McDonald's Corporation published a global Human Rights Policy, which reinforces McDonald's commitment to respect and promote human rights. The Policy was developed with input from expert third parties and is guided by the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the principles set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Where McDonald's may impact the human

rights of particularly vulnerable groups, we are also guided by other international standards that elaborate on their rights. This Policy applies to P A Crocker Ltd.

We strive to foster safe, inclusive, and respectful workplaces wherever we do business and respect the fundamental rights of P A Crocker Ltd employees. P A Crocker Ltd are trained annually on the Standards of SRI.

Franchisee Employees may raise human rights issues, or report potential or actual human rights issues through a number of reporting channels, including contacting Human Resources or the Global Compliance Office.

Assessing and Mitigating Risk in our Supply Chain (information supplied by McDonald's UK)

Supplier Code of Conduct & Supply Workplace Accountability Programme

The Supplier Code of Conduct ("**Code**") applies to McDonald's suppliers globally. It sets out our expectations for suppliers on critical topics including human rights, workplace environment, business integrity and environmental management. We expect supplier self-managed excellence in these four areas through the implementation of their own management systems.

McDonald's provides a Supplier Workplace Standards and Guidance Document to assist suppliers in meeting the standards. McDonald's launched the first Supplier Code of Conduct in 1993 and has evolved and strengthened it over time to reflect updated international human rights standards, consultations with external experts, a human rights gap analysis, and dialogue with suppliers.

We have supply chain standards that address:

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

McDonald's expects all suppliers to meet the standards, and ensure that their facilities meet the standards, and promote the principles outlined in the Code. We also expect our suppliers to hold their own supply chain, including subcontractors and third-party labour agencies, to the same standards contained in the Supplier Code of Conduct. 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. As of the end of 2022, we had over 4,600 facilities participating in the SWA programme. The programme audits many different types of facilities and products, such as food, packaging, uniforms and Happy Meal Toys.

The SWA programme is built on a model of continuous improvement and education. It includes guidance to suppliers on complying with our standards, including our expectation that our suppliers hold their own supply chains to the same high standards. We provide suppliers with training to understand the SWA requirements and how to comply with our standards. Suppliers can also choose to undergo online training to understand the expectations of SWA. Suppliers are required to complete a rigorous self-assessment questionnaire that appraises the supplier's current practices and management systems. After completing the self-assessment questionnaire, suppliers receive a report indicating areas of opportunity.

The SWA programme also includes on-site announced and unannounced audits conducted by third-party auditing firms to assess compliance with the Code. McDonald's works with third-party auditing firms that have expert knowledge, local insight and an understanding of local languages and cultures. On-site audits are physical inspections of the facility and include visits to housing and cafeterias for workers. Auditors also conduct private worker interviews and review facility records and business practices to assess compliance with the Code.

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.

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 analyses are 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 the SWA programme began, McDonald’s has provided optional training for suppliers and engaged with thousands of suppliers and facilities. Over time, suppliers have taken on increased ownership over compliance processes — there are nine supplier-led compliance and reporting programmes — and we have been pleased to see an improvement in compliance overall.

Where non-compliance 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 non-compliance.

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 non-compliance 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.

The SWA programme is designed to support suppliers in meeting our standards. However, there are circumstances under which McDonald's will remove a supplier from the supply chain to address instances of significant non-compliance with the Supplier Code of Conduct.

In addition to training, auditing, and other aspects of the SWA programme, McDonald’s requires that suppliers implement their own internal reporting mechanisms to ensure their employees have a confidential, safe, and timely way to report workplace concerns without the fear of retaliation.

The Code stipulates that suppliers must create internal grievance mechanisms and programmes for handling reports of workplace grievances, including anonymous reports. The Supplier Guidance Document provides a step-by-step best practice process to help suppliers establish an effective grievance mechanism, guided by the UN Guiding Principles on Business and Human Rights.

In addition, McDonald's Business Integrity Line and an email address are open to third parties, including suppliers and their employees, to raise concerns with breaches of the Code.

Training on modern slavery and human rights (provided by McDonald’s UK)

Given their important role in working with suppliers, McDonald's UK 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 Code 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. We have seen an improvement in compliance overall since the SWA programme began and, as of the end of 2022, more than 4,600 facilities are actively participating in the 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, including:

- training on responsible recruitment for suppliers in the Middle East in 2022;
- training on forced and child labour, wages and working hours, and health and safety for suppliers in Brazil in 2019;
- sessions on health and safety, forced labour, working hours and social insurance for Chinese suppliers in 2018; and
- training suppliers in Malaysia on forced labour, grievance mechanisms, and managing migrant labour in 2017.

Partnering to improve standards and identify emerging issues (provided by McDonald's UK)

McDonald's is committed to engaging with 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, within our Company, McDonald's 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 farm, 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 the farm-level.

McDonald's Corporation seeks feedback from human rights experts and advocates. In 2019, McDonald's convened a multi-stakeholder roundtable of human rights experts and advocates on the sidelines of the UN Forum on Business and Human Rights. The group included stakeholders from civil society, academia, the public sector, peer companies and international organisations. The group received an update on McDonald's supply chain human rights activities and provided feedback and advice on how to advance the SWA programme.

We believe that real, systemic change throughout the supply chain requires partnership with industry. We recently joined two multi-sectoral initiatives that focus on human rights and forced labour prevention: the Leadership Group for Responsible Recruitment and the Centre for Sport and Human Rights. McDonald's has also been a

member of the ICTI Care Programme for Happy Meals toys since 2016, bringing together industry partners to support a sustainable supply chain for the toy and entertainment industry. To ensure our supplier programme addresses emerging human rights issues and risks, we also participate in initiatives such as AIM-PROGRESS, a business initiative focused on responsible sourcing, and Business for Social Responsibility's Human Rights Working Group, which supports implementation of the UN Guiding Principles on Business and Human Rights in a shared-learning forum of more than 40 companies.

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 31 December 2023.

This statement was approved by Paul Crocker on 20.05.24



Paul Crocker
Franchisee