



**McDonald's Restaurants
Limited**

**Modern Slavery Statement
for the 2025 Financial Year**





MCDONALD'S RESTAURANTS LIMITED (MCDONALD'S UK) MODERN SLAVERY STATEMENT FOR THE FINANCIAL YEAR ENDING 2025

STATEMENT OF COMPLIANCE

This statement is published in accordance with section 54 of the UK Modern Slavery Act 2015 for the financial year ending 31 December 2025. It outlines the approaches we have taken to prevent modern slavery in our business and supply chains associated with the UK.

This statement covers McDonald's Restaurants Limited, a private limited company incorporated in England and Wales with company number 01002769. No other group companies are included in this report.

References in this report to "McDonald's" or "Global" policies, procedures and initiatives should be read as referring to McDonald's Corporation. "McDonald's" may also refer to our global brand.

References to "we", "our", "us" and "the Company" refers to McDonald's Restaurants Limited (McDonald's UK) and our employees and, for the avoidance of doubt, does not include our franchisees, suppliers, or their respective employees.



Our Business and Supply Chains



OUR BUSINESS

The McDonald's System

McDonald's is one of the world's leading foodservice retailers. Over 150,000 employees work in McDonald's corporate offices and McDonald's-owned and operated restaurants, and over 2 million people work in McDonald's franchised restaurants. McDonald's, its franchisees and suppliers are collectively referred to as the "System", also known as McDonald's "three-legged stool."

Of the 45,356 McDonald's restaurants globally at year-end 2025, approximately 95% were franchised. Franchisees are our group of independent individuals and entities owning and operating McDonald's restaurants under a variety of structures. McDonald's franchised restaurants are owned and operated under one of the following structures - conventional franchise, developmental license or affiliate. The optimal ownership structure for an individual restaurant, trading area or market (country) is based on a variety of factors, including the availability of individuals with entrepreneurial experience and financial resources, as well as the local legal and regulatory environment in critical areas such as property ownership and franchising.

The McDonald's System relies on strong supplier relationships, prioritising those that meet our expectations of respecting fundamental rights for all people.

McDonald's UK

The Company operates in the UK and is part of the Global McDonald's Group. As of March 2026, the Company and its franchisees operate approximately 1,500 restaurants and employ approximately 150,000 people (including those employed by franchisees). Company employee numbers include those in our corporate and other offices as well as in Company-owned and operated restaurants.

The Company's core business in the UK market is as a franchisor, using primarily the conventional franchise model in addition to one developmental licensee and one affiliate (joint venture) franchisee. We also own and operate approximately 10% of McDonald's restaurants in the UK. The Company's corporate function has approximately 600 employees and operates from five offices across the UK, with the Company's head office located in East Finchley, London. Corporate operations in this market include but are not limited to: supply chain, development, marketing, people, finance, impact, strategy and insights, transformation, legal, national operations and technology functions. In preparing this Statement, information was gathered through engagement with internal departments and data from company systems, and in consultation with our partner Unseen UK – a prominent UK based anti-slavery charity working with a range of stakeholders dedicated to preventing and addressing the harms brought about by modern slavery and human trafficking.

Our Commitments

McDonald's is committed to respecting human rights as set out in the Universal Declaration of Human Rights and to developing and implementing its human rights approach in line with the UN Guiding Principles on Business and Human Rights ("**UNGPs**"). McDonald's respect the rights and principles of the International Bill of Human Rights, the International Labour Organization ("**ILO**") Declaration on Fundamental Principles and Rights at Work, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child and are signatories to the Women's Empowerment Principles.

The focus areas of the current McDonald's Human Rights Policy, which applies to the Company, include: child labour, data privacy, discrimination and harassment, education and employment creation, effective remedy, forced labour, freedom to associate (or not associate) and collectively bargain, inclusion, land rights, nutrition, Occupational Health and Safety ("**OHS**"), working conditions (contracts, hours, overtime, wages) and workplace security. The McDonald's Human Rights Policy specifically prohibits the use of child labour, human trafficking, and forced, bonded, indentured or prison labour. The process of identifying human rights focus areas is a dynamic one



and we respect all human rights referenced in the Universal Declaration, beyond the above focus areas. For more information on our policies and procedures in this area, please see the section below on Policies and Governance.

OUR SUPPLY CHAINS

We understand that through the conduct of their activities, our business partners – including franchisees, contractors and suppliers – have the potential to impact human rights. We strive to work with business partners that share our commitments to human rights, safety, ethics and compliance and we seek to use our business relationships, aligned with the UNGPs, to encourage and support them to act in a manner consistent with the McDonald's Human Rights Policy and this Statement.

The global supply chain

The McDonald's global supply chain begins with thousands of direct suppliers and extends to a complex network of indirect suppliers that source ingredients for menu items, products, and other materials used in McDonald's business. The McDonald's System relies on strong supplier relationships, prioritising those that meet the expectation of respecting fundamental rights for all people. McDonald's expects all suppliers to adhere to the Supplier Code of Conduct and associated guidance, which mandates that suppliers respect human rights and promote their employees' health and safety.

Our supply chain

The Company and its franchisees purchase food, packaging, equipment, and other goods from numerous external suppliers. We engage service providers including in technology, construction, development and logistics. At a high level, our supply chain can be described as follows: the sourcing of food ingredients, packaging, equipment, services and indirect goods from suppliers to support the operations of McDonald's restaurants and corporate offices across the UK. These products are distributed through established logistics networks to company-owned and franchised restaurants nationwide. A number of key suppliers have facilities located in the UK and/or EU and operate mainly in the agriculture, food manufacturing, packaging, logistics and professional services sectors. Our relationships with suppliers and subcontractors are built on a mixture of long-term strategic partnerships, particularly for core food, packaging and logistics services, alongside more limited use of short-term or ad-hoc engagements for certain indirect goods and corporate services. Typically, menu development, brand standards, supplier approval, governance and oversight are conducted centrally by the Company while manufacturing, primary processing, farming, logistics and distribution activities are carried out by third-party suppliers and service providers.

Industry engagement

McDonald's collaborates with several industry groups to promote human rights, such as our active participation in the Consumer Goods Forum Human Rights Coalition, which strives to make human rights due diligence the industry norm in operations and supply chains, connecting the human rights and sustainability agendas.

To enhance the responsiveness of McDonald's supplier programme to emerging human rights issues and risks, McDonald's serves on the Leadership Team of [AIM-Progress](#), a global business initiative focused on responsible sourcing. By partnering with AIM-Progress, McDonald's supports broader adoption of the UNGPs by suppliers across the globe.



Policies and Governance



OUR POLICIES

Strategic direction is set globally with implementation managed locally in the UK, translating McDonald's Corporation's strategy into action in the UK.

Principal Global policies include:

- **Human Rights Policy:** McDonald's Human Rights Policy commits us to respect the rights of all people and communities who produce, serve and enjoy McDonald's food. McDonald's prohibits the use of child labour, human trafficking, and forced, bonded, indentured or prison labour.
- **Supplier Code of Conduct:** McDonald's Supplier Code of Conduct (the "**Code**") sets expectations for suppliers on critical topics including modern slavery, human rights, workplace environment, business integrity and environmental management. Fundamental to the Code is the expectation of ethical employment practices by suppliers and their supply chain, including subcontractors and third-party labour agencies. McDonald's expects its suppliers to hold their own supply chain, including subcontractors and third-party labour agencies, to the same standards contained in the Code. From an anti-modern slavery practice perspective, the Code specifically stipulates that the suppliers must:
 - ensure that underage labour is not used in the production or distribution of their goods or services; not use any form of slavery, including forced, bonded, indentured or involuntary prison labour;
 - create internal programmes for handling reports of workplace grievances; and
 - not retain employees' government-issued identification, passport or work permits as a condition of employment.
- The McDonald's Supplier Workplace Standards & Guidance Document ("**SWSGD**") addresses the need for suppliers to adopt appropriate grievance mechanisms; see section below on Grievance and Reporting Mechanisms for further details.
- **Responsible and Ethical Recruitment Principles:** McDonald's is committed to the principles of responsible and ethical recruitment. The principles aim to prevent the exploitation of migrant workers and ensure responsible recruitment for this population at all McDonald's restaurants. Responsible recruitment requirements are also embedded in McDonald's Supplier Code of Conduct to help ensure migrant workers within the supply chain are safeguarded.
- We believe that no migrant worker should have to pay recruitment fees and related costs to secure their employment. This commitment is informed by the Employer Pays Principle and the ILO's general principles and operational guidelines for fair recruitment.
- **People Brand Standards and the Global Statement of Principles Against Discrimination, Harassment and Retaliation:** These set clear minimum expectations for treating everyone with dignity and respect, prohibiting all harassment, violence, intimidation, and discrimination, and upholding a safe, respectful, and inclusive workplace at all times.

These Global policies are routinely reviewed and updated as needed to reflect latest insights. For governance of these policies, please see the section below on Human Rights Governance.

In the UK, we also maintain additional anti-slavery and human rights policies and procedures supplementing the Global policy framework. These include:

- **Modern Slavery Policy:** outlining our commitment to ensuring our people can and do speak up if they witness something that they believe may indicate an individual is at risk due to exploitation. The policy links to the Company's escalation and remediation framework to support the appropriate handling of concerns raised. This was launched in October 2024.

- **Safe, Respectful and Inclusive (SRI) Policies:** our Anti-Bullying & Harassment, Preventing Sexual Harassment, Social Media, Close Relationships at Work, Diversity & Inclusion, Respect in the Workplace, Young Worker, Managed Moves and Disciplinary policies outline our expectations of how employees behave, and how employees can tell us if they have experienced inappropriate behaviour. These are regularly reviewed, and updated at timely intervals in response to legislation and business changes. These were last updated in 2025.
- **Employee & Customer Safeguarding Policies:** outlining guidance for employees on what to do if they identify behaviour that they believe is a safeguarding concern and how to raise these concerns to ensure they are properly escalated and addressed. These were launched in September 2022.
- **Speak Up Channels:** Company employees and restaurant staff can raise concerns about behaviour or modern slavery concerns in the workplace from other employees and third parties via a number of channels; including raising with their line manager or restaurant manager, reporting to the People Services Helpdesk (PSHD), using the PSHD anonymous reporting form or using our Red Flag chat option, which is available 24/7 in multiple languages and routes directly into the PSHD.

Monitoring and review of policies

Our People function is responsible for the ongoing review of these local policies and procedures, with input from our Legal function as appropriate. The Company may also seek feedback from external stakeholders where needed, for example, our partners, Unseen UK. In particular, the Company undertakes reviews of all local policies in response to legislative or regulatory changes, lessons learned from incidents, shifts in sectoral guidance and/or business needs, and updates policies as appropriate.

Communication of policies

The Global and local policies –including the Code and Responsible and Ethical Recruitment Principles – are effectively cascaded to UK-based employees, suppliers, and service providers and franchisees as follows:

Employees

- Company policies are available to all employees and relevant staff via the McDonald's Intranet or McD Connect, our internal communications platform, Updates to policies are also communicated through People Live Calls and internal comms channels such as Operations Updates or Office Updates.
- The Company's corporate and restaurant employees are required to complete annual mandatory e-learning, for example including on maintaining a Safe Respectful and Inclusive workplace (including a modern slavery module).

Suppliers and service providers

- We embed the Code into our standard contractual arrangements with suppliers and service providers.
- We also provide suppliers with copies of relevant policies.
- Globally managed food and packaging suppliers, many of whom also supply the UK&I market, are given access to training materials, including a webinar and FAQ document on the Code, and training materials related to updated audit and compliance requirements.

Franchisees

- We conducted in-person SRI training for key restaurant employees, including franchisees, restaurant business managers and franchisee consultants, which incorporated content on modern slavery.
- We expect our franchisees to communicate the Speak Up Channels throughout their restaurants, so their staff know where to raise any potential concerns including about Modern Slavery.



Enforcement of policies

Enforcement of these policies for employees is carried out through the Company's disciplinary process. For example, where the Company is made aware of a policy breach, it will undertake an investigation and may initiate a formal disciplinary process, as appropriate.

The Company monitors and enforces compliance of the policies by its suppliers through supplier self-assessments on Human Rights, as discussed further in the section on Managing Risk below. Our Supply Chain function is responsible for oversight of self-assessments on Human Rights, and the management of any resulting non-conformances.

The Company assesses and manages compliance with people policies and standards by our franchisees through Putting People First visits. These visits are completed annually, in restaurant, for all franchised and Company owned restaurants, as further described below under Assessing and Managing Risk.

Updates since last reporting period:

During the most recent reporting period:

- As part of our awareness-raising efforts, we marked Anti-Slavery Week 2025 by working with Unseen to deliver a targeted intranet feature for all employees, highlighting key signs to recognise and how to raise concerns.
- McDonald's updated the Code to include the following significant changes for suppliers:
 - Reduction of the total working hour limits to 60 hours per week.
 - Increased the minimum working age to 15 years of age, or higher if the required by local law.
 - To reflect changes made to the SWSGD (Supplier Workplace Standards & Guidance Document).
- The Company continued its awareness campaign relating to modern slavery including posters displayed in restaurants visible to all restaurant employees to raise awareness of how to report concerns.

HUMAN RIGHTS GOVERNANCE

Global People and Global Supply Chain functions are responsible for McDonald's day-to-day human rights performance. Human rights professionals in the Sustainability & Social Impact team within the Global Impact function play a key coordinating role in and manage a cross-functional Human Rights Working Group ("HRWG") that meets quarterly, as well as on an *ad hoc* basis as needed.

This HRWG also comprises representatives from Supply Chain, Compliance, Franchising, Legal, Marketing, Operations, People, Public Policy, Safety, Security, and is responsible for informing, implementing and championing McDonald's approach to human rights.

The executive sponsors of the HRWG are McDonald's Global Chief Impact Officer, Global Chief People Officer, Global Chief Restaurant Experience Officer, Global Chief Supply Chain Officer and Global Chief Legal Officer. The Global CEO and Global 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 have oversight of human capital management, including human rights.

The work of the HRWG is cascaded to local markets via Impact, People, Supply Chain or leads from other teams depending on the nature of the work and how it will impact market operations.



The HRWG and executive sponsors report to the CEO on human rights risks and share relevant updates to the Board Committees. The Corporate Responsibility Committee assists the Board of Directors in fulfilling its oversight responsibility through monitoring corporate culture, human rights management (including workplace health and safety) and inclusion. The Corporate Responsibility Committee Charter outlines the Committee's principal responsibilities, including reviewing and monitoring McDonald's strategies and efforts to address human rights. As part of this remit, senior management and relevant Board Committees are kept informed of human rights-related assessments, findings and intended disclosures including the identification and management of human rights focus areas.

In the UK, oversight of modern slavery matters is undertaken by the Company's Senior Leadership Team. Relevant information on human rights and modern slavery is shared by relevant business functions to both the Company's Board and the Global Senior Leadership Team. The Company's Supply Chain function manages the Human Rights auditing programme across our Supply Chain, with responsibility and oversight sitting with the Senior Manager, Food Safety and Quality Systems. Any escalations are made to the Supply Chain Director, and ultimately, the Senior Director of Supply Chain.

The Company's People function is responsible for anti-modern slavery actions relating to our employee base, with responsibility and oversight sitting with the Director, Restaurant People Partner and, ultimately, the Chief People Officer. Day-to-day management of contacts to our Speak Up channels are triaged by the PSHD and escalated in line with established processes and advice from the Modern Slavery Response Team.

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

GRIEVANCE AND REPORTING MECHANISMS

McDonald's primary reporting mechanism is the Business Integrity Line. The Business Integrity Line is an anonymous channel staffed 24 hours a day, 365 days a year by a live operator from an independent company. Anyone, including Company employees and employees of business partners (such as suppliers or franchisees), can raise concerns via the Business Integrity Line. Both an online reporting tool and a local freephone telephone number are available.

Regardless of who uses the Business Integrity Line to raise an issue, all contacts received are reviewed by the McDonald's Global Compliance team. Reporters are protected from discrimination and retaliation in accordance with the McDonald's Standards of Business Conduct and Global Statement of Principles Against Discrimination, Harassment and Retaliation.

In addition to training, auditing and other aspects of the Supply Chain Human Rights ("SCHR") programme, McDonald's generally requires suppliers to establish internal grievance mechanisms and provide their workers with their own robust internal procedures to raise issues. Guided by the UNGPs, McDonald's Supplier Workplace Standards & Guidance Document provides a step-by-step best practice process to help suppliers establish an effective grievance mechanism. McDonald's Business Integrity Line, and an email address for the SCHR Global Management team, is open to suppliers and their employees if they suspect or become aware of any alleged breaches to the Supplier Code of Conduct. The Code explicitly states that the supplier's reporting programme must protect the worker's confidentiality and must prohibit retaliation in response to reporting issues.

Alongside global reporting mechanisms, in the UK the Company operates a range of internal reporting routes, known as Speak Up channels. These include the ability for employees to raise concerns or queries directly with their line manager or restaurant manager about an array of topics at any time during working hours.

Employee-related concerns raised through managers can be escalated internally to the People Services Help Desk (PSHD). Employees may also report concerns directly to the PSHD, either through direct contact or via an



anonymous reporting form. All concerns received are assessed by the PSHD and routed to the appropriate team for further investigation or support, as required.

In 2024, to support PSHD team members in responding to modern slavery concerns raised, training was made available to team members, and in addition support resources were designed for specifically for the PSHD team. The PSHD have an established escalation framework for handling concerns.

In addition, employees have access to the Red Flag live chat to raise concerns. This platform allows employees to report issues in their chosen language, with translation provided through the system, and offers a dedicated channel for crew employees. All issues raised through Red Flag are escalated to the PSHD.

Members of the public may also raise complaints with restaurant managers or our customer service team where appropriate.



Assessing and Managing Risk

ASSESSING RISK

Human Rights focus areas

McDonald's conducted the following assessments to identify human rights focus areas, including forced labour, child labour, discrimination and harassment, working conditions and freedom of association and collective bargaining:

1. A global human rights assessment
2. A human rights impact assessment at farm level
3. Additional materiality assessments
4. Media monitoring
5. Tracking emerging trends
6. Consultation with SMEs across the business
7. Engagement with external human rights experts, suppliers and other stakeholders.

Global Human Rights impact assessment

The process for conducting the global human rights assessment included engagement with more than 80 SMEs across the McDonald's System including multiple markets, a review of relevant policies and protocols, a focused assessment on responsible recruitment, a benchmarking assessment and a focus area assessment across potential human rights impacts.

When identifying human rights focus areas, McDonald's considered a wide range of potential impacts by looking at relevant business activities and those rightsholders who may be impacted. Rightsholder groups in scope included but were not limited to corporate-level employees, restaurant workers, delivery drivers, supply chain workers (inclusive of transportation and logistics, on-site contractors), guests and local communities. Also in scope were specific populations with potential for increased vulnerability, including women, migrants, ethnic and religious minorities and people living with disabilities. Within scope of all assessment activities, McDonald's seeks to prioritise rightsholders who could be most impacted by McDonald's and its business partners' activities.

Assessing risk in our business and franchises

Through training offered to our franchisees and our initiatives to raise awareness of modern slavery risks, we have set out clearly our expectation that our franchisees implement equivalent mitigations in their organisations. We provide franchisees with the resources to be able to support this recommendation.

Throughout 2025, an independent third party completed annual in-restaurant visits across all franchised and Company owned restaurants to assess compliance with relevant people policies and standards and employee experience. These are known as Putting People First visits. Results of the visits were communicated to franchisees (with respect to a franchised restaurant) or the relevant Company employee (with respect to a Company owned and operated restaurant). If an opportunity for improvement or concern was identified as a result of a visit, the Company's expectation was for this to be addressed. In 2026, we introduced the requirement for remediation visits, which should be conducted within 30 days of the initial visit where an opportunity for improvement or concern was identified. This remediation visit is completed by the Company to ensure the matter has been addressed.

Whilst the Code sets out expectations for all suppliers and service providers at Global and local level on critical topics including Modern Slavery, the Supply Chain Human Rights (SCHR) Programme is focused entirely on the well-being of the people working in facilities in our supply chain that manufacture or distribute a final product for McDonald's, or where McDonald's trademark is used, including food and packaging. We require all such facilities ("**Supply Chain Facilities**") to engage in the SCHR programme process.

The onboarding process for new Supply Chain Facilities includes a mandatory self-assessment questionnaire, to evaluate their approach to labour standards, human rights and modern slavery risks. This is also completed annually



for existing Supply Chain Facilities. Based on their responses and other risk factors, Supply Chain Facilities may be subject to additional third-party audits, including on-site audits and more detailed checks where warranted.

Risk assessment findings and corresponding recommendations enable us to strengthen our management frameworks and better identify, assess, prevent, mitigate and remediate key human rights issues. For example, as McDonald's updates its sustainable sourcing policies for specific commodities, these recommendations inform the human rights due diligence requirements for relevant suppliers.

Responsible sourcing

McDonald's approaches responsible sourcing holistically, understanding that the business can impact the livelihoods of people. To enable the McDonald's supplier programme to anticipate and respond to emerging human rights issues and risks, McDonald's participates in various industry initiatives. See the section on Partnerships and Collaboration for further details.

McDonald's takes a risk-based approach towards high-risk regions or commodities. This includes priority commodities such as fibre for guest packaging, palm oil, fish and coffee through standards and third-party certification schemes that respect human rights and communities, alongside environmental standards, through their audit or certification processes.

Evolving our approach

McDonald's evaluated its approach to the allocation of resources for continued effective mitigation of supply chain human rights risks, against a backdrop of increasing human rights legislation, due diligence requirements and scrutiny. Further to this evaluation, McDonald's transitioned from its own proprietary audit programme to the Sedex Members Ethical Trade Audit ("**SMETA**"), managed by the Supplier Ethical Data Exchange ("**Sedex**"). In the UK, the Company also participates in this programme.

By moving from our proprietary audit checklist to an industry tool like SMETA, McDonald's can put more focus on value-add drivers of improvement like stakeholder engagement, training and cross-functional opportunities to collaborate with other stakeholders to enact change.

In 2024, McDonald's benchmarked current efforts using the Sedex SMETA audit to ensure alignment. During 2025, McDonald's supported all suppliers, who are in scope of the SCHR programme, not already on the Sedex platform with this transition.

MANAGING RISK

Managing Risk in our business

McDonald's is committed to the principles of responsible and ethical recruitment and has in place various measures - at global and local levels - to prevent worker exploitation. While we believe in creating work opportunities for young workers, we also recognise the risk of child labour and other risks impacting young workers. In response, we have adopted measures to mitigate such risks, including having a minimum age requirement for employment and a Young Worker Policy. The Company will not employ workers below the school leaver age determined by each of the devolved nations. The same expectation applies to suppliers as reflected in the Supplier Code of Conduct. If a supplier detects underage labour, they must take immediate remedial action in partnership with a specialist underage labour prevention and remediation service provider.

In addition, as part of the Company's commitment to responsible and ethical recruitment and prevention of the exploitation of migrant workers, the Company only advertises roles in the UK and typically only recruits from the UK labour market. This may include individuals who have emigrated to the UK, with valid "Right to Work" permissions in the UK. In addition, the Company may occasionally sponsor Corporate employees in obtaining "Right to Work" permissions. The Company recruits restaurant staff directly but may on occasion use a recruitment agency for Corporate recruitment purposes (which has been vetted using appropriate supplier due diligence). The Company has in place safeguards to ensure candidates attend interviews independently (for example the Company generally does not permit candidates to be accompanied by external interpreters, unless reasonable adjustments are required).

Once employed, the Company also continues to take various steps to mitigate the potential risk of exploitation including providing employees with written contracts in advance of their first day; carrying out duplicate bank account checks to verify that employees are being paid into their own personal accounts and monitoring of working hours. In line with our Company's policies, our expectation is that all of our employees retain their personal identification documents at all times.

More broadly, McDonald's has several internal mechanisms to track and assess performance across human rights focus areas in restaurants, which include but are not limited to the Operations PACE Running Great Restaurants visits and Putting People First visits as part of Operations PACE (see below), listening to employee feedback and guest-facing surveys. These tools are periodically complemented with third-party services and other methods for heightened human rights due diligence.

To monitor and support franchisees in complying with McDonald's standards, McDonald's and the Company have several procedures and teams in place, including:

- Business Reviews: carried out with each franchisee on an annual or biannual basis.
- Operations Performance & Customer Excellence ("Operations PACE") process: an "always on" consulting platform that identifies people management as one of three core areas to be assessed.
- A network of Franchise Business Consultants that supports franchisees on an ongoing basis to run successful operations and evaluate performance against our standards.

McDonald's recognises that at times franchisees may fall short of fully meeting our standards. McDonald's takes its responsibilities as a franchisor seriously, and we work with franchisees to support improvement and identify any additional support required. Where improvements are needed, franchisees must develop the right action plan. Where a franchisee fails to comply with the prescribed standards, we take appropriate action tailored to the circumstances.

In addition to our review processes with franchisees, our existing procedures include several ways that an individual can report an incident or raise a concern.

Managing Risk in our Supply Chain

McDonald's suppliers take their commitments seriously and, in some cases, have their own robust compliance and reporting programmes, in addition to Sedex. More broadly, McDonald's supply chain due diligence includes auditing, self-assessments and corrective action plans, where required.

Third-party supplier auditing

As part of the Sedex programme, Supply Chain Facilities must first complete the Sedex Self-Assessment Questionnaire (SAQ). The SAQ is used for risk assessment and to determine whether an on-site audit is required.

Where on-site audits are to be conducted, the SCHR programme engages several experienced social compliance auditing firms around the world to conduct SMETA third-party audits of facilities. 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. The third-party audits are carried out within our Supply Chain Facilities in the UK and are designed to better protect workers from unsafe conditions, overwork, discrimination, low pay and forced labour. Sedex SMETA audits conducted on behalf of McDonald's are semi-announced, in that auditors will communicate a two-month window during which the visit will take place. McDonald's has found this to be the most effective approach for supporting supplier readiness while maintaining benefits of unannounced audits. All audits include worker interviews in line with the SMETA process. The scope of the audit includes sub-contracted workers on site. The results from the audits are used to understand and make improvements to working conditions and environmental performance.

Taking effective action

Following audits, we review the findings and assess whether any intervention is needed. 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-compliance has been properly addressed. Termination of the relationship is considered only as a last resort and is a complex decision.

Please see section above on Grievance and Reporting Mechanisms for further information on how we ensure suppliers have in place robust procedures for workers to raise issues.

McDonald's also has strict sustainable sourcing policies in place that specify requirements to source via established schemes in certain markets, such as the Roundtable on Sustainable Palm Oil, Rainforest Alliance, Fairtrade International, Forest Stewardship Council® and the Programme for the Endorsement of Forest Certification.

Our progress this year

Over the reporting year, our understanding of the risks in our operations and supply chain has continued to evolve through ongoing, structured engagement with key suppliers. This has included supplier business and service reviews, site visits, contract reviews, and the enhancement of due diligence processes.

We have continued to subscribe to Unseen UK's Business Portal, a key tool alerting members to potential instances of exploitation identified within their operations and supply chain. The Business Portal acts as an early warning system, allowing the Company to respond to reports of potential modern slavery to the UK Modern Slavery and Exploitation Helpline, and to monitor developing trends impacting the hospitality industry through increased supply chain transparency and risk awareness. All cases raised through the Portal are assessed with the expert support of



our anti-slavery partners Unseen UK, enabling the Company to respond swiftly while adopting a person-centred approach to best protect vulnerable people. We continue to expand our supplier coverage within the Business Portal to further improve our visibility and risk identification across the business.

In parallel, we have advanced supplier capability and engagement through moving to a new shared online platform to monitor compliance and non-conformance with the SCHR programme. The platform also provides enhanced guidance and training materials for suppliers, supporting them to better identify, manage, and mitigate modern slavery risks within their own operations and supply chains. We keep these measures under review and will continue to evolve our approach as needed.

See also the section on Monitoring, Reporting and Measuring Effectiveness for further information on our outcomes during the year.



Training, Awareness and Partnerships



TRAINING AND AWARENESS

We recognise that training and awareness are critical to identifying and preventing modern slavery risks. It plays an important role in supporting employees, franchisees and our supply chain to understand their responsibilities.

Employees and Franchisees

To enhance employees' understanding of human rights risks, online training on its Human Rights Policy is available to employees in 13 languages. The training includes a section on forced labour that identifies particularly vulnerable groups and outlines McDonald's commitments surrounding ethical recruitment.

All McDonald's restaurants – whether owned and operated or franchised – are subject to the same People Brand Standards and owned and operated restaurants are additionally subject to the Global Statement of Principles Against Discrimination, Harassment and Retaliation. The Company is responsible for ensuring that Company-owned restaurants implement these standards, and we provide franchisees with a suite of optional tools, resources, policies and training to help them meet the same expectations.

Franchisees have shared examples of how the People Brand Standards programme has strengthened their knowledge and understanding, and how it has enhanced their ability to act and respond in real-life scenarios when needed.

Additional local training has been provided during the year. We delivered an in-person training programme that builds awareness of workplace risks, including modern slavery, and strengthens capability to identify concerns, support individuals and escalate issues appropriately for key employees across the Company and franchise organisations. This included Business Managers, People Experience Officers, and franchisee-nominated roles such as Franchisees, People Managers and Supervisors.

The programme included a dedicated modern slavery module, developed in collaboration with Unseen. This module provided an overview of what modern slavery is, the key indicators to look out for, the broader context and risk landscape, how to support potential victims, and how to raise concerns through appropriate channels. In total, 1,853 manager level employees and franchisees completed the in-person training.

We will continue to educate our workforce, and support our franchisees in educating theirs, with training on preventing modern slavery. We delivered this with bespoke in-person training sessions and globally led e-learning modules, complemented by videos designed to raise awareness about modern slavery.

The Company is committed to embedding awareness of the risk of modern slavery across the workforce and the role everyone can play in preventing it.

Supply Chain

We require that our supply chain procurement employees undergo training on human rights issues in global supply chains to be better equipped to support suppliers in meeting their expectations under the SMETA programme. Global training modules are focused on health and safety, involuntary labour (including recruitment and fee reimbursement) and underage labour.

The SMETA programme includes an online training platform where suppliers can access guidance materials on preventing modern slavery. Training modules cover topics such as "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 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.

In addition, key members of our Supply Chain function received training on the SCHR Programme and compliance auditing. This training will be made available to all members of the Supply Chain function in 2026.



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

PARTNERSHIPS AND COLLABORATION

McDonald's engages with relevant internal and external stakeholders to inform its approach to human rights in a variety of ways. For example, employees provide feedback through multiple reporting mechanisms, including via people managers, human resources and participation in surveys.

Partnerships are an important way for us to learn from others and create change in the broader community. To drive progress, McDonald's collaborates with several industry groups to promote human rights, such as our active participation in, and as Co-Chairs of, the Consumer Goods Forum Human Rights Coalition, which strives to make human rights due diligence the industry norm in operations and supply chains, connecting the people and planet agendas. Additionally, McDonald's has supported the development of the "Converged Human Rights and Environmental Due Diligence Assessment Tool" as members of the Consumer Goods Forum and AIM-Progress with the Fair Labor Association and Proforest. This open-source tool is designed to support businesses to identify, prevent and address potential human rights and environmental risks throughout business operations and supply chains.

McDonald's is a strategic partner of the Centre for Sport and Human Rights and a participant in the Centre's Responsible Sport Council. The Centre brings stakeholders together to understand and address shared human rights challenges, advancing a vision of responsible sport that fully respects and promotes human rights by generating awareness, building capacity and delivering value-added impact. Sponsors of sport and sporting events are recognized as critical stakeholders in the global sports ecosystem. Participating helps McDonald's understand and identify measures McDonald's can implement to help in preventing human rights violations linked to sport and major events.

McDonald's is also a member of the Leadership Group for Responsible Recruitment, a collaborative effort to drive positive change in the way migrant workers are recruited. It provides a forum for us to learn and collaborate while inspiring broader, systemic change for the recruitment and employment of migrant workers.

At a national level, in 2024, we entered into partnership with leading anti-slavery charity, Unseen UK, to develop and implement initiatives to support us to better detect and prevent modern slavery across our business and supply chain. We continued this partnership throughout 2025. Unseen UK supported the Company in providing guidance on training and awareness raising, case escalation, the Business Portal (see further details under Assessing and Managing Risk) and regular consultancy on strategy and policy review.



Monitoring, Reporting and Measuring Effectiveness



MEASURING EFFECTIVENESS

In the UK, key effectiveness indicators monitored in the reporting period included: monitoring completion rates of mandatory training, monitoring the use of various Speak Up channels, receiving reports from Unseen UK, and completion rates of audits and scoring.

In the McDonald's Human Rights Policy, McDonald's commits to regularly reviewing its approach to respecting human rights. McDonald's identifies shared opportunities to collaborate with others, including partner companies, civil society organisations and public authorities, to address challenging issues, and track and publicly report on progress on human rights management on a regular basis including to the extent required by law. McDonald's periodically assesses the effectiveness of existing grievance and complaints channels for identifying and addressing human rights issues. This applies to all rightsholders including workers, guests, communities and others.

As outlined above, McDonald's SCHR programme is designed to support suppliers in meeting our standards. McDonald's prioritise continuous improvement, capacity building and corrective actions and 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. The plan must provide specific time frames within which corrective action will be taken, root causes analysed and policies and procedures updated.

STATEMENT OF APPROVAL

This statement is made pursuant to *section 54 of the UK Modern Slavery Act 2015* and constitutes our modern slavery statement for the financial year ending 31 December 2025. The Board of McDonald's Restaurants Limited approved this statement on 26 June 2026.

Lauren Schultz

CEO, McDonald's UK&I