

Explicitly Transparent. Profoundly Inclusive.

McDonald's 2021-2022

Global Diversity, Equity and Inclusion Report





Explicitly Transparent. Profoundly Inclusive.

We know that to create meaningful change, we must be able to measure our improvements, hold ourselves accountable and continue to push ourselves. In our first Global Diversity, Equity and Inclusion report, we showcase our strategy, discuss our goals and transparently report our progress. We share a variety of employee, Franchisee, supplier, customer and community stories that demonstrate what DEI means to our business. And we strive to continue to harness the full might of our scale and influence to help change ourselves and the way we do business, to help set standards for our people, our industry and our entire society.





Contents

Hover over the icons below or click from the menu above to learn more about our progress through reflections on achievements made in partnership with our key stakeholder groups.



About the Illustrator

Ana Jaks is a freelance illustrator currently based in Bristol, UK, whose love for shape, color, pattern and inclusivity is reflected throughout her work. Easily adaptable, Ana has worked successfully across a diverse range of projects, from editorial to murals. Her specialty and love lie in visual identity work. In June 2018, Ana became an award-winning illustrator after receiving the New Talent Award in the Site-Specific category of the AOI World Illustration Awards for a visual identity project she did with Facebook. Ana is part of the LGBTQIA+ community and is neurodiverse (ADHD diagnosed); any projects involving these two things are of high interest to her. Learn more about Ana at <https://anajaks.co.uk>.





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Message From Our CEO

This past April, the McDonald's System came together for the first time in four years at our Worldwide Convention – a coming together of cultures, communities and perspectives. Throughout the week, we asked ourselves, as we have done throughout our history: How can we ensure the McDonald's brand remains a place that's relevant and inclusive for everyone that touches the Arches?

The answer: It lies in the founding principles of our business model – our core values, the backbone of our brand.

Our values – **Serve. Inclusion. Integrity. Community. Family.** – guide each decision we make and every experience we create. They impact us all – from the customers and communities we serve, to our Franchisees and restaurant teams, suppliers and company employees, as well as our Board of Directors. When each and every one of us live our values, it paves the way for **equity of opportunity** across our System and far beyond. For when we live our values, we are sure to succeed.

Few brands on the planet are better positioned to make a difference than McDonald's. We feed more communities and reach more markets than any other restaurant brand in the world.

Serving Up Greater Access to Opportunity

When we say our aspiration is to make diversity, equity, and inclusion as evident and familiar as our Golden Arches, we mean that in a way that we're providing greater access to equity, growth, and opportunity than any other brand.

As you will read in our inaugural Global Diversity, Equity and Inclusion Report, we have made meaningful progress across the McDonald's System – and this is just the beginning.

We continue to invest in bold programs and implement standards that foster a culture of care, dismantling barriers to opportunity across our global System and in the communities we serve.

We have set aspirational goals to increase the representation of women and underrepresented talent among leadership, and we have developed strategies and committed resources to support our efforts to reach those goals. We've linked the compensation of our most senior leaders – myself included – to these efforts, to hold ourselves accountable. We've similarly set goals to support even more diverse-owned businesses throughout the ecosystem and seek to endeavor on a DEI journey with our suppliers through our Mutual Commitment to Diversity, Equity, and Inclusion – ensuring the businesses we work with share our values. And through our new McDonald's Community Fund, we are centralizing our philanthropic investments to ensure that all of our giving reaches organizations that strongly align with our values.

This is how we can strengthen our impact and best fulfill our responsibility to the people who count on us when they need support the most.

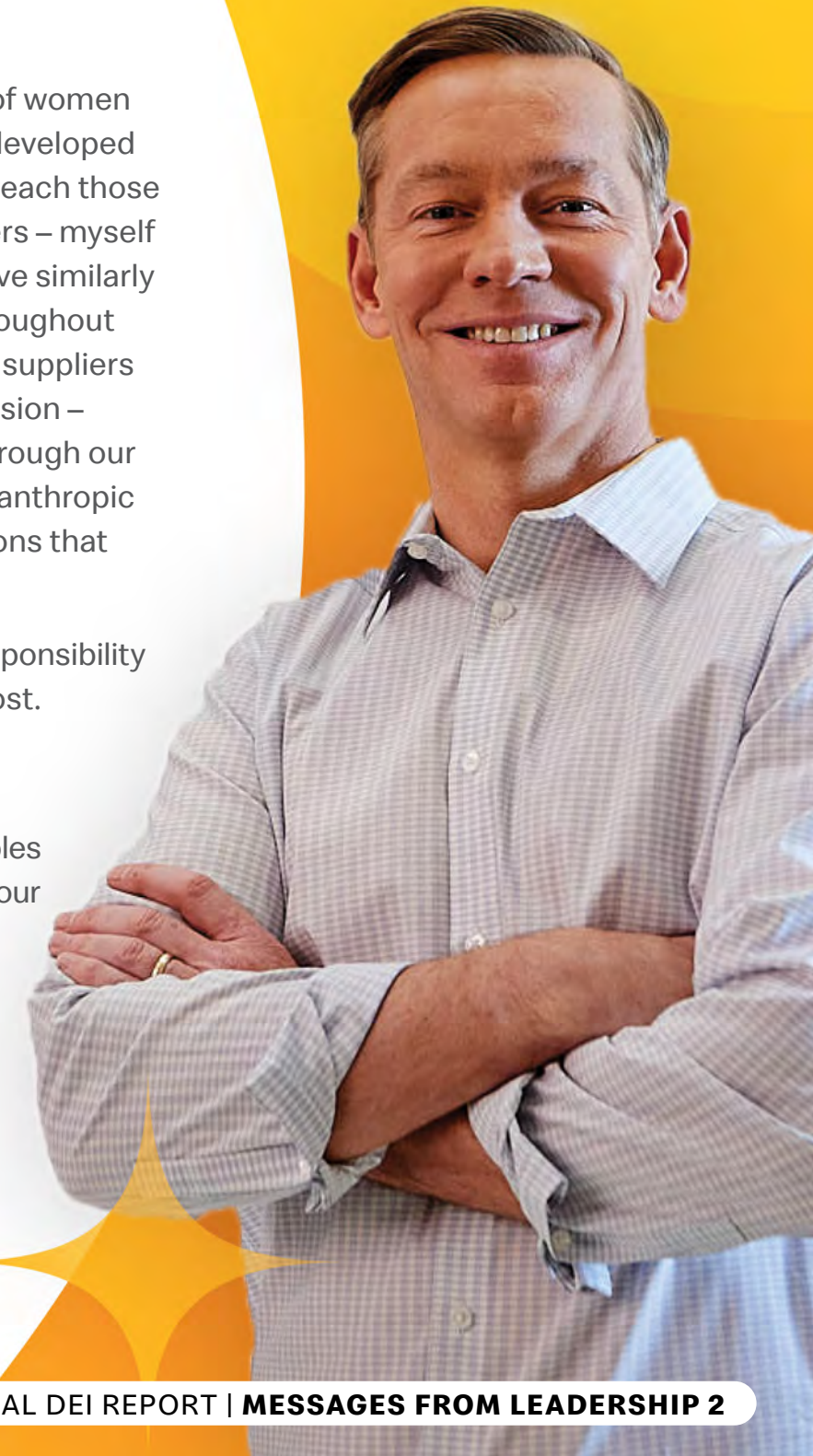
The Best is Yet to Come

As we look ahead, we remain committed to advancing the principles of inclusion and diversity into all that we do, with the full might of our System; we remain committed to transparently communicating our progress and aspirations, holding ourselves accountable for our efforts; and we will continually seek out every opportunity to emphasize that diversity, equity and inclusion is—and must remain—central to who we are as brand McDonald's.

There's more work ahead, but it's work we welcome. And we hope you will join us on this journey.

Chris Kempczinski

Chief Executive Officer





Message From Our Global Chief Diversity, Equity and Inclusion Officer

Let's Be the Change

When my kids are ready to start their first job, I want them to enter a workforce that gives them and every earner an opportunity and a voice – no matter who they are, what their background is or where they are in their careers. When they shop at their favorite brands, I want them to have a rewarding, inclusive customer service experience. And when they visit their favorite website or social media app, I want them to see creators and influencers that look like them.

I'm inspired by the societal evolution to create workplaces that allow employees to bring their whole selves to work. But to make real progress, these ambitions must be matched with action. That work starts by investing in the people we want to hire, the customers we serve, the suppliers we do business with and the communities we invest in to operate our business.

It's a charge to which I am proud to have devoted my life's work – not only as the Global Chief Diversity, Equity and Inclusion Officer at McDonald's – but as someone who has persisted in overcoming societal and economic barriers to get to where I am today.

After years of investments, organizations with the best intentions see themselves falling behind – committed to creating change in their industries, but without a cohesive, holistic plan. As every business leader knows, it's impossible to achieve important goals without clear targets. Therefore, diversity, equity and inclusion must not be a standalone effort – but interwoven into your business strategy as a measurement for overall business success.

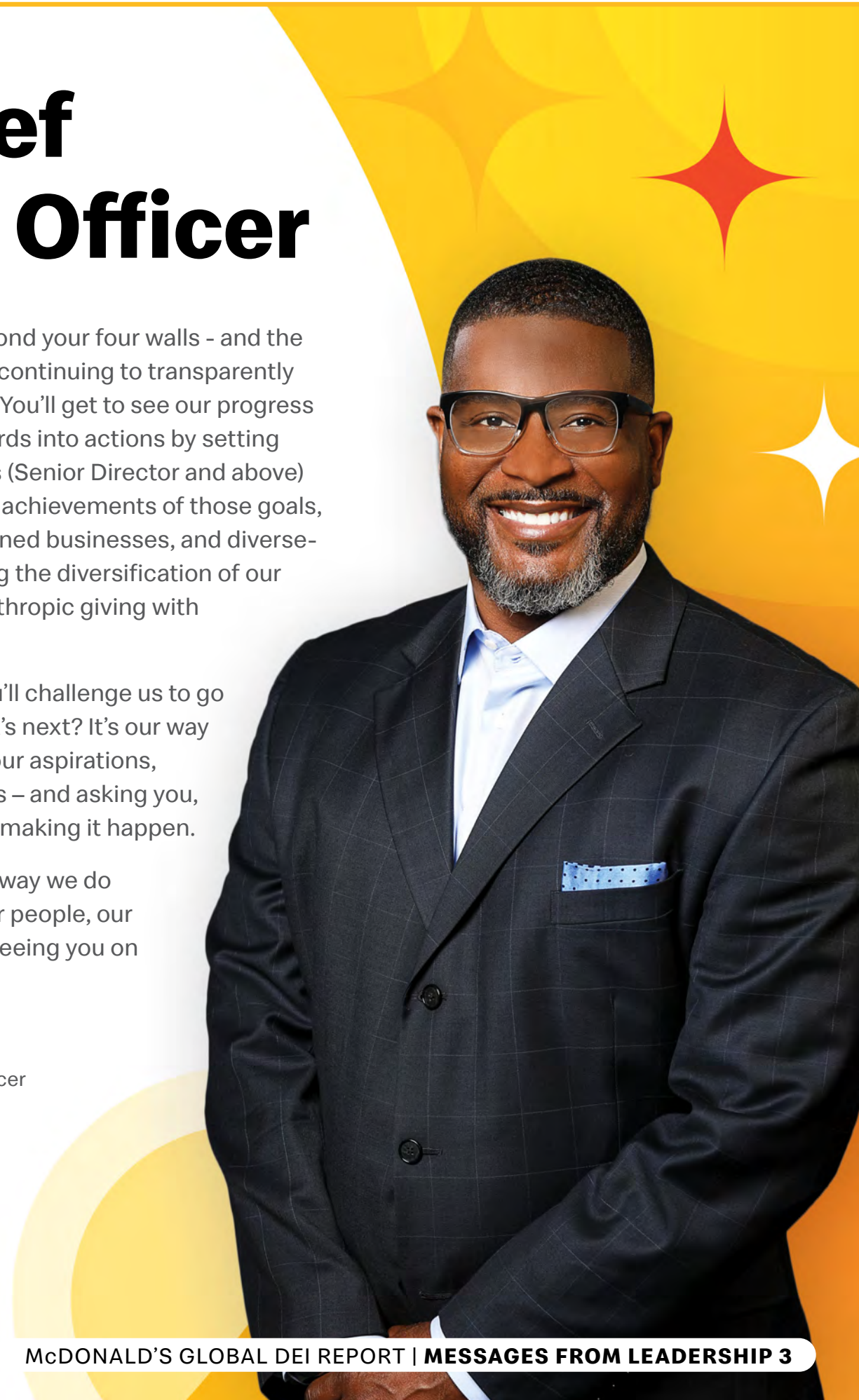
It's important to amplify aspirations beyond your four walls – and the report you're about to read is our way of continuing to transparently share more about our global DEI efforts. You'll get to see our progress on important first steps – like turning words into actions by setting representation goals for leadership roles (Senior Director and above) and enhancing our efforts to supporting achievements of those goals, increasing our investment in diverse-owned businesses, and diverse-owned marketing companies, supporting the diversification of our Franchisee base, and aligning our philanthropic giving with our Values.

But, I hope after you read this report, you'll challenge us to go further – to join me in the question: what's next? It's our way of being more inclusive as we proclaim our aspirations, achievements and forward-looking goals – and asking you, as the public, to hold us accountable for making it happen.

Together, let's do more than change the way we do business. Let's help set standards for our people, our society and our world. I look forward to seeing you on the journey!

Reginald J. Miller

Global Chief Diversity, Equity and Inclusion Officer
McDonald's Corporation





Introduction

Our Commitment to Diversity, Equity and Inclusion: Enduring and Ever Evolving

At McDonald's, our strategy for the future is built on a simple idea: **When we live our values, we succeed.** They guide the way we lead our business and work with our Franchisees and our suppliers. Our values shape how we build community trust so that we not only feed our customers but stand with them in times of celebration and crisis.

But there's one value – Inclusion – that is so foundational it makes all of the other values possible. At its core, **Inclusion is about accepting, respecting and embracing the contributions of everyone in our McFamily.** It's central to our Accelerating the Arches business strategy because we are at our best when we all feel valued, know that we belong and can be confident that our voice matters. It's about doing everything we can to make our customers, employees and community members feel welcome whenever they come through our doors. And it means we speak up when injustice happens inside or outside our walls.

While we're proud of our progress, the reality is that we have more to do on our journey. For decades, we've set our ambitions high and our determination to exceed our customers' expectations even higher. We'll continue to do all we can to create a culture where everyone on both sides of the counter feels included, accepted and celebrated. Know that these aren't just words on our website but what we expect from each other every day. We must hold each other accountable for meeting that expectation, just as we would for any other important business goal.

Whether it's providing an update of our publicly stated representation goals (and progress towards these goals) or the work we're doing to achieve higher levels of employee engagement, **our charge is to be explicitly transparent and profoundly inclusive in all we do.** Count on us – as you have over the years – to honor our words and serve as leaders for meaningful change.



Our Values

Serve

We put our customers and people first

Inclusion

We open doors to everyone

Integrity

We do the right thing

Community

We are good neighbors

Family

We get better together



Global DEI Strategic Pillars

1 Represent the diverse communities in which we operate

2 Accelerate cultures of inclusion and belonging

3 Dismantle barriers to economic opportunity





Strengthening DEI Through Systemwide Representation

This Diversity Snapshot is another step on our accountability and transparency journey – as we continue to publish our data on employee, Board and Franchisee representation, supplier diversity spend, and our investment in diverse-owned media and production houses and content creators.

Since 2020, we have made progress and continue to enhance our processes for collecting data and reporting. We know our actions are even more powerful when they are underpinned by clearly measuring and transparently reporting our progress, which is why we plan to publish this data annually and continue to evolve and enhance our data collection processes over time.

You can access a full version of our [Diversity Snapshot](#), read more about our [Diversity, Equity and Inclusion strategy](#), and learn about McDonald's strategy, goals, progress and definitions on the [Purpose & Impact](#) page of our corporate website.

1 As of June 2020, McDonald's Registered Applicant process for new Franchisees includes voluntary self-identification, which has strengthened our data collection efforts. 2020 and 2021 data for existing Franchisees continues to reflect information obtained through affinity group membership, informal identification and voluntary self-disclosure outside of the Registered Applicant process. More information regarding the Registered Applicant process can be found in Franchising FAQs.

All data is reported as of December 31 of the stated calendar year. Footnotes can be found [here](#).

Board Diversity

50%

For the last three years our Board of Directors has had 6 of the 12 Directors identifying either as **White or Caucasian Women (3), Black (2), or Hispanic (1).**

Franchisee Diversity (U.S. System)

29%

Women Franchisees

31%

Approved Owner/Operators (Franchisees) identify as either

Asian	Black	Hispanic ¹
7%	12%	12%





Employee Diversity

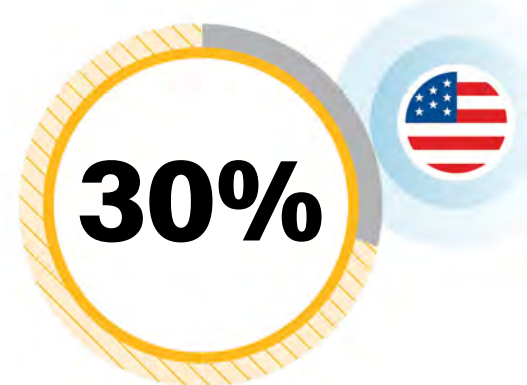
Our recent progress shows we continue to pursue our goals to increase the representation of women at all levels.

Our corporate staff representation of **women globally at the Senior Director and above levels has increased.**



This increase came as a result of the launch of the Global Diversity, Equity and Inclusion Strategy in 2020 and was primarily driven by an increase in promotions and external hires and a decrease in turnover.

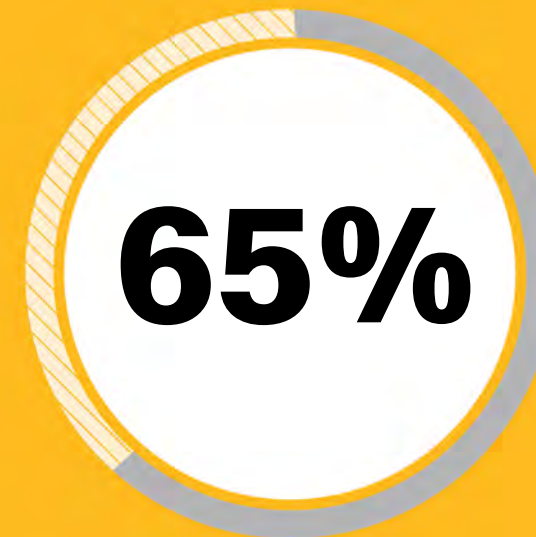
This strategy was also integral to the increase of Senior Directors and above for our U.S. corporate **Underrepresented Groups*, which has progressed each of the last two years to**



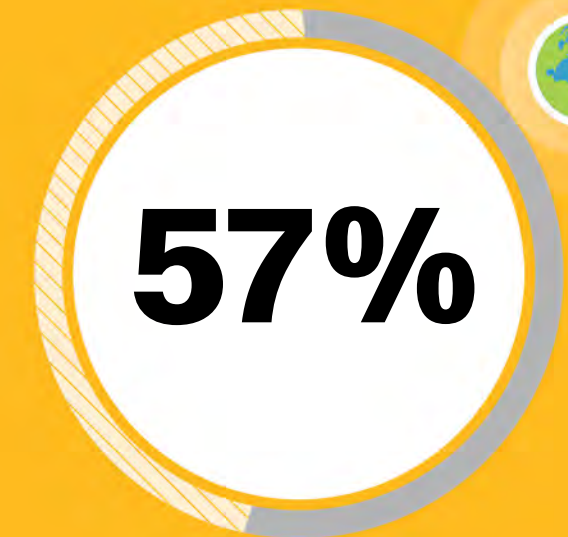
**In the United States, the term "Underrepresented Groups" generally means people who identify as women of all backgrounds and identities, people who identify as Black, Indigenous, Asian or Pacific Islander, or otherwise as people of color, people of Hispanic or Latino/a/x descent, people with disabilities, LGBTQ+ people, people from religious minorities, or people having a combination of these identities or attributes. For purposes of McDonald's Human Capital Metrics and Equal Pay reporting, Underrepresented Groups is defined as Black, Indigenous, Asian or Pacific Islander, people of Hispanic or Latino/a/x descent or people having a combination of these identities or attributes.*

All data is reported as of December 31 of the stated calendar year. Footnotes can be found [here](#).

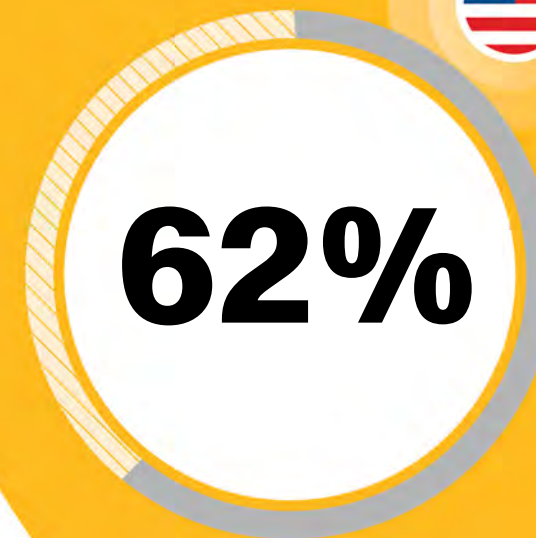
Employee and gender diversity also extends to our Company-owned restaurants globally.



**Women managers
(71% in the U.S.)**



**Women restaurant staff
(60% in the U.S.)**



**U.S. managers from
Underrepresented Groups**



Equal Pay for Equal Work

A rewarding employee experience includes equal pay for equal work. We took the necessary steps to close gaps identified in our 2021 pay gap analysis which included women at the staff and Company-owned restaurant levels in Company-owned and operated markets.

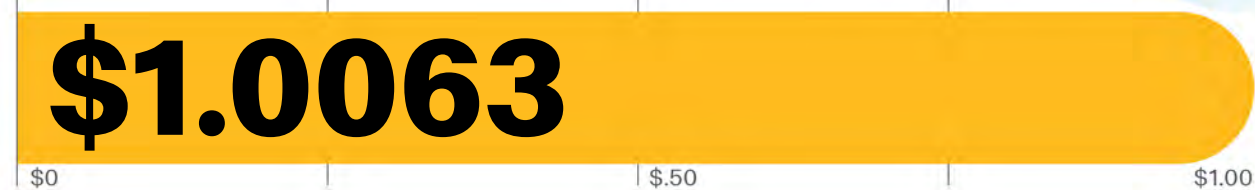
Our 2021 analysis showed **women globally** in Company-owned and operated markets were paid on average



for every \$1 paid to men for comparable work.

We took the necessary steps to close the pay gap in 2022.

Underrepresented Groups in the U.S. were paid on average

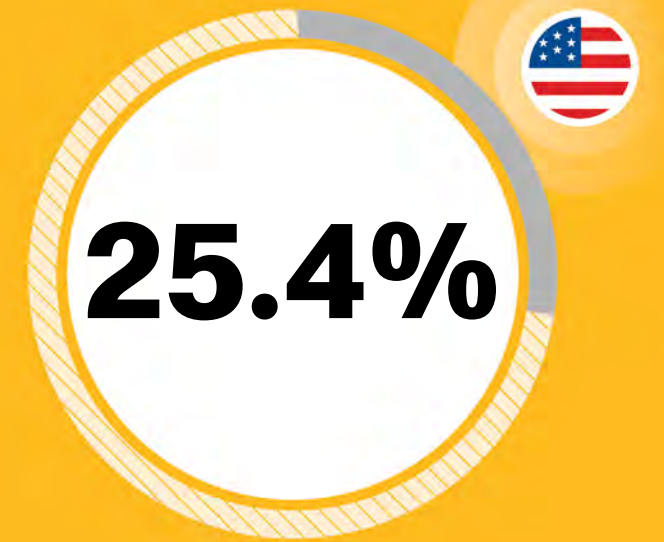


for every \$1 paid to other groups for comparable work.

All data is reported as of December 31 of the stated calendar year. Footnotes can be found [here](#).

Supplier Diversity is also a critical part of our efforts to be more inclusive across our business.

In 2021, we set a goal to increase U.S. Systemwide spend with diverse-owned suppliers to 25%, or \$4 billion, by the end of 2025 (up from 24.2% in 2020). By the end of 2021, our diverse-owned supplier spend reached



25% goal, target year 2025

Included in and to support continued achievement of this goal, McDonald's USA and U.S. Franchisees increased investments in diverse-owned media and production houses and content creators to 7.7% - putting us on track to achieve our original investment ambition of 10% by the end of 2024.

We know there's more work to be done in this space and we're confident we can have an even greater impact, which is why we're raising our diverse-owned media investment ambition from 10% to 15% by the end of 2024.



You can access a full version of our 2021 Diversity Snapshot [here](#).



Stories That Shape Us

Employees

None of Us Is as Good as All of Us

Since the beginning, McDonald's has worked to put our people first in everything we do – and fostering diversity, equity and inclusion is a critical part of that. When we hear a team member say, “I work at McDonald's,” we want them to say it with pride. That is why we are striving to ensure our global workforce knows they are a part of our McFamily, where all different backgrounds come together to feel valued, know that they belong, and can be confident that their voice matters. Our ambition: to build a culture of care so strong that both our people and our business thrive.

Guided by our values, decisions we make reflect our steadfast commitment to bring that ambition to fruition. And we are proud of the progress we've made. We've worked hard to build our talent pipeline, educate our workforce and increase leadership accountability by focusing on a broad range of efforts – from advancing equal pay to enhancing inclusive policies. Our efforts are meant to ensure that **all of our people** around the world feel supported, have equitable access to opportunity and feel empowered to realize their full potential.

But we know this is an ongoing journey – not a destination. Guided by our philosophy that “none of us is as good as all of us,” we will continue to work together, as one McFamily, to harness the full might of our scale and influence to do things better tomorrow than we did them today.

Tiffanie Boyd

Senior Vice President, Chief People Officer
McDonald's USA





Advancing Gender Parity

Our 2021 pay gap analysis showed **women globally** in Company-owned and operated markets were paid on average

\$.9985

for every \$1 paid to men for comparable work, and we took the necessary steps to close that gap in 2022.



Our 2021 pay gap analysis showed **Underrepresented Groups** in the U.S. were paid on average

\$1.0063

for every \$1 paid to other groups for comparable work.

Making McDonald's an inclusive brand is a core value because it isn't just the responsibility of one person or one team. It depends on all of us.

Our work around gender equality dates to 1961, when Kate Bagley graduated from Hamburger University Class 3 and was the first woman to have sole ownership of a franchise, running it with her daughter to support her five children. Her legacy around women entrepreneurship continues today – with women being 28.5% of our operators and owning 30% of the restaurants. We continue to focus on increasing the representation of women across the McDonald's System worldwide and are committed to leading change for women and Underrepresented Groups by continuing to hire, promote and retain diverse, world-class talent.

**Outside of the U.S. Market, McDonald's operates differently through International Operated Markets (IOMs) comprised of markets or countries in which McDonald's operates Company-owned and operated restaurants and franchised restaurants. Additionally, there are International Developmental Licensees (IDL), which are granted franchises and develop and operate McDonald's restaurants in Africa, Asia, Middle East, Europe and Latin America.*

We're offering the most competitive learning and development programming among our peers and creating formal mentoring and sponsorship programs to accelerate success in our workforce.

We solidified these commitments when McDonald's proudly signed the UN Women's Empowerment Principles on International Women's Day 2019 to empower women in the workplace, marketplace and community. In 2021, McDonald's also joined the Catalyst Gender and Diversity KPI Alliance, a group of DEI advocates, corporations, academics and trade organizations that support adopting and using a set of key performance indicators to measure gender and diversity in their organizations.

To increase employee engagement with and develop and retain women at all levels Company-wide, we collected quantitative and qualitative data. The results informed a cross-functional effort to improve engagement and experience and helped us to identify pay gaps for women across the U.S. and our International Operated Markets (IOMs).

McDonald's is working overtime to help ensure all our staff and Company-owned restaurant employees are paid equally for equal work. In 2021, we disclosed our U.S. and global pay gap publicly for the first time, detailing that women on average were paid 99.85% of what men were paid for comparable work. In March 2022, we proudly announced that we closed identified pay gaps for women across the U.S. and our IOMs. We made important and necessary progress and we believe that greater transparency is key to accountability and continuous improvement.





“You’ve seen us make big, bold commitments to diversity, equity and inclusion across all three legs of the stool. We’ve taken meaningful actions to foster a culture where everyone feels welcomed.”

HEIDI CAPOZZI Executive Vice President and Global Chief People Officer



McDonald's France Strengthening Its Commitment to Gender Equality

Determined to drive change, McDonald's France is focusing on four principles:

- 1. Striving to achieve a gender representation aspirational goal of 45%/55% for managers and directors**
- 2. Improving quality of life at work and preventing all forms of discrimination in the workplace**
- 3. Promoting education, training and professional development of women**
- 4. Implementing business development, supply chain and marketing practices that empower women**

Working with gender equality experts, McDonald's France developed a roadmap designed to support measurable actions. One of these actions included all restaurant supervisors taking gender equality training and employees having access to a free, anonymous support number if they have any concerns.



McDonald's Morocco Closing the Gender Gap

Nationwide, the female employment rate in Morocco is just over 20%, but in McDonald's Morocco, women account for 38% of the workforce. McDonald's Morocco is further closing that employment gap by increasing the representation of women at all levels of the business, but especially within leadership. The Women's Leadership Network plays a critical role in advocating for women's empowerment across the Company by analyzing the root causes of the gender employment gap and creating a network for women to have a leading voice in addressing those underlying issues head on. The network comprises strong female leaders and allies across the Company working to drive change both inside and outside McDonald's.

Left: Members of the Moroccan team (right to left): Ouassila El Bakkali: Communication manager/Marketing Department, Fatima Zohra Sabouni: HR Specialist/HR Department, Amiri Hakima: Restaurant Admin Specialist/Restaurant, El Hassani Amina: Restaurant Admin Specialist/Restaurant.





Opening Up a World of Opportunity

People with disabilities represent at least 15% of the world's population and are the third-largest market segment in the U.S. However, only approximately 19% of persons with a disability in the U.S. are employed. At McDonald's, we believe we have an opportunity to invest in this untapped talent pool to amplify our DEI ambitions and dismantle barriers to employment. We know that building a disability-inclusive workplace will add additional points of view to our workforce and help us better understand an essential segment of our market. With this in mind, we launched a Disability Inclusion Strategy to attract, retain and advance more people with disabilities in our U.S. corporate offices. At the beginning of 2022, we partnered with our Talent Acquisition team on disability-inclusive hiring practices and tools. Additionally, we became a member of Disability: IN's Inclusion Works to amplify our disability inclusion best practices and launch vital Systemwide initiatives.

“Let's Talk...”

Through our culture of continuous feedback, we heard from our employees that there was a desire to learn as a community and have more two-way dialogue about subjects that help foster an inclusive and safe workplace for everyone. So, in 2021, we kicked off a new engagement series in the U.S. called “Let's Talk” which gives employees the opportunity to listen, learn and discuss topics of importance that impact how we work and the experiences we have in our daily lives. Our goal is to help employees learn about various topics that may be new or unfamiliar, foster more open and courageous dialogue with one another, and promote a speak-up culture. These highly rated sessions have included informational presentations and candid discussions about race in the workplace, LGBTQ+ inclusion and privilege.

All employees who participated in post-event surveys rated the following a 4 or higher on a scale of 1-5:

- Session was helpful in learning more about the topic at hand.
- Felt prepared to have more conversations about the topic in the workplace.
- Would recommend participation in a future session to a colleague.



Above: Disability Inclusion Group (DIG) members engaging in a Master-in-Minutes session during Global Accessibility Awareness Day 2021.

Below: Tiffanie Boyd talking to a group of McDonald's employees on Race in the Workplace.





Fostering Inclusion Through Employee Business Networks

Our employee business networks (EBNs) are employee-led communities serving to promote an inclusive work environment, support career development and help grow our business through targeted feedback channels. The structure of each community is designed to provide a source of mentors, role models and sponsors and to give members access to senior leadership, get advice on career planning, and provide opportunities that help support its members for advancement within our Company.

U.S. EBNs*

APMEN (Asia Pacific Middle East Network)

Year founded: 2003 | Number of members: 355

Mission: Inspire and support the development of our Asian-Middle Eastern talent to perform at its fullest potential to support the business and strengthen the McDonald's brand.

Right: Members of APMEN participating in a Dragon Boat Race.



DIG (Disability Inclusion Group)

Year founded: 2021 | Number of members: 161

Mission: Create spaces of seamless representation and belonging within the McDonald's community through the lens of the Social Model of Disability.

Right: Kelsey Hall, Co-lead of DIG, presenting during American Sign Language Week.



HEBN (Hispanic Employee Business Network)

Year founded: 1980s | Number of members: 538

Mission: The HEBN welcomes everyone committed to elevating the development, opportunities and impact of Hispanic employees nationally.

Right: HEBN members meet with McDonald's Hispanic Operators Association (MHOA) at the Global Headquarters.



*Membership numbers displayed are as of December 31, 2021.



U.S. EBNs*

MA2C (McDonald's African American Council)

Year founded: 1970s | **Number of members:** 574

Mission: World-class employee network that supports diversity and fosters the inclusion and advancement of employees that identify as of Black or African descent. We drive business results to elevate the brand, talent and business contributions of our employees.

Right: MA2C breakfast at Worldwide Convention 2022.

PRIDE Network

Year founded: 2005 | **Number of members:** 356

Mission: The McDonald's EBN for Lesbian, Gay, Bisexual, Transgender and Queer employees, along with allies, fosters an inclusive environment for LGBTQ+ employees by building awareness and driving positive change.

Right: Members of the McDonald's PRIDE Network participating in Chicago's PRIDE Parade.

VEBN (Veteran Employee Business Network)

Year founded: 2013 | **Number of members:** 134

Mission: Recognize, cultivate and elevate the exceptional characteristics of McDonald's veterans, their families, colleagues and supporting communities.

Right: Members of the McDonald's Dallas Field Office VEBN participating in Houston's Veteran's Day Parade.

WPBN (Working Parents Business Network)

Year founded: Originally founded in 2005 as the Working Moms Business Network; transitioned to the Working Parents Business Network in 2016

Number of members: 559

Mission: Committed to supporting McDonald's employees who are moms, dads, grandparents or other family members – all who play the primary role in raising children and caregiving for others.

Right: Working Parents Network bringing their children to spend a day at McDonald's Global Headquarters.

YPN (Young Professionals Network)

Year founded: 2008 | **Number of members:** 437

Mission: As a passionate group of professionals, our network strives to develop future leaders while providing a fresh perspective that helps drive the business and energizes the brand.

Right: Members of YPN during McDonald's Hackathon.

*Membership numbers displayed are as of December 31, 2021.





GWLN (Global Women's Leadership Network)

Year Founded: 2005

Mission: To advance and promote a culture where women at all levels have an equal opportunity to develop, advance and succeed in every market across the world.

The Global Women's Leadership Network (GWLN) brings together leaders from around the world to align around and activate initiatives that advance women throughout our System. GWLN also provides a network for women to support one another and share best practices. In 2019, we had 35 GLWN chapters, and by the end of 2021, we doubled that number to 70 GWLN chapters worldwide, from Jordan to the Netherlands to the Philippines and South Africa.

United States

In 2021, GWLN U.S. piloted the Mentoring Circles Platform to build a pipeline of women leaders and support network building. As of June 2022, this facilitator led initiative has grown to 31 circles, led by 43 Senior Women and 265 members. Additionally, during Women's History Month 2021, GWLN hosted five virtual events for McDonald's U.S. employees, Franchisees and suppliers. This included a "Women of Color: Speakers Series," a first for the Company, featuring gender, Asian, Black and Hispanic women experts who discussed empowerment, community vision and allyship. It garnered 1,100 participants, with 98% saying they would recommend it to others.

Latin America

In 2021, Arcos Dorados, McDonald's largest Latin America licensee, received recognition for their DEI work, including the Chilean "The Equipares Employment Equity Seal" for excellence in gender equality management systems and workplace equality; "The Equity Silver Seal award Equipares" from Colombia and the United Nations; and the "Sello Paulista de Diversidade" from São Paulo for gender and equity programs.

Left: Marlene Fernandez, Corporate Vice President of Government Relations, McDonald's Latin America (Arcos Dorados) receiving The Equipares Employment Equity Seal.

Additionally, they earned recognition from Argentina for their work on sexual diversity and Brazil for their work with people with disabilities. Arcos Dorados also signed agreements with the United Nations program "ONU Mujeres" in Brazil, Argentina, Uruguay, Mexico, Costa Rica, Panama, Venezuela and Puerto Rico. The Latin America Women's Leadership Network and the Diversity and Inclusion Committee played significant roles in these honors, promoting gender equality and supporting the audit process.

Japan

The Japan Women's Leadership Network (JWLN) was established in 2008 initially to provide opportunities for employees to learn about DEI and to increase networking among female employees. Today, under the umbrella of "JWLN Open Door Team," the group supports efforts to promote gender diversity and advancement opportunities for women across McDonald's in Japan and build an organization where women and other diverse talents can play an active role. The network's interactive "Open Door!" Session for leaders and employees about enhancing DEI has been recognized in the past with a Catalyst Special Award.

South Africa

In South Africa, the Women's Leadership Network (WLN) is helping to drive diversity, equity and inclusion across the business in many ways. Two vital initiatives are leading the way in terms of progress. South Africa has launched the Women in Conversation program, which is a webcast that celebrates women's achievements, advocates for women's empowerment, and encourages women to own their unique voices. Additionally, the flagship restaurant located in Sammy Marks Square is a restaurant built by and dedicated to women. The construction team included women architects, project managers and facility managers – and the restaurant opened with an all-women operations team.

Right: Relopile Dlalisa; Greg Solomon (McDonald's SA CEO and WLN Sponsor) Boipelo Nkadimeng; Deborah Arendse; Amanda Le Roux





Stories That Shape Us

Franchisees

Entrepreneurs and Community Leaders

McDonald's is known for its groundbreaking franchising system across the world. To consistently be a world-class franchising organization, McDonald's must have a relentless focus on raising the bar to ensure we have the best Franchisees that represent the diverse communities in which we operate. The success of our business model has been achieved with our Franchisees and operating partners. For each of them, it goes beyond a financial investment, but rather an entrepreneurial dream to be the local face of one of the most iconic brands in their local communities. Their stories are profiles of courage, community engagement and economic empowerment. And they do so much more than run restaurants – they are job creators, civic leaders and mentors who constantly seek ways to be more deeply rooted in their neighborhoods.

As we look to the future, our goal is to recruit and grow our business with the very best local Franchisees from all backgrounds. We know there's tremendous power in the diversity of talent and ownership relevant to each and every market we operate in. Our growth must also be underpinned and inspired by our value of Inclusion. For McDonald's, that means providing opportunities to both current and new Franchisees that reflect the diversity of our customers. Specifically, it's also about removing barriers to entry for candidates that may be from Underrepresented Groups.

We are proud to stand with our Franchisees. As we progress on our DEI journey together, we will remain consistent to our core – with a focus on our customers and an unyielding commitment to our local communities. It's what makes our global system successful and will always set our Franchisees apart.

Andrew Gregory

Senior Vice President, Global Franchising Officer
McDonald's Corporation





Now Serving: Economic Opportunity

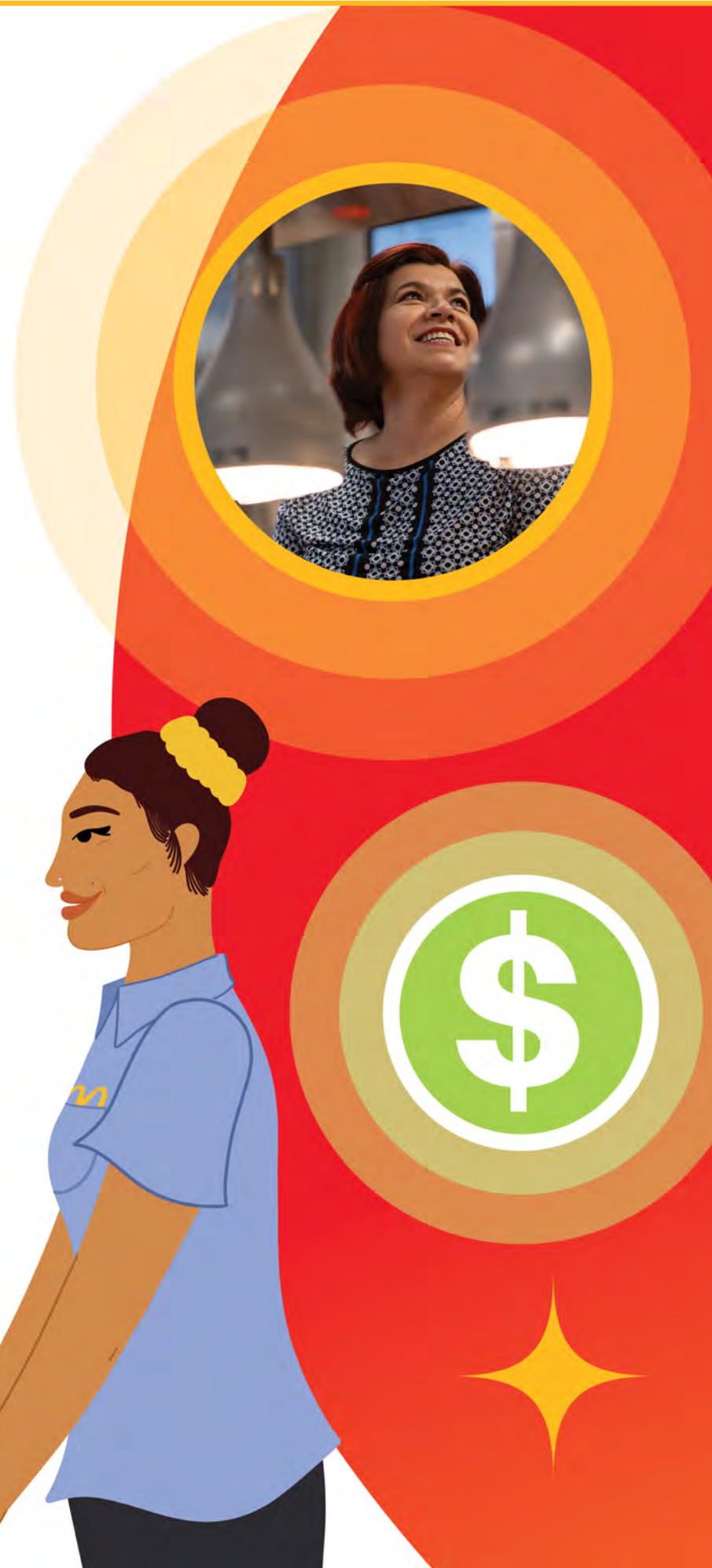
Whether Franchisees are operating restaurants in Dubai or Denver, our franchising model is here to support the great entrepreneurs in our communities and help set them up for long-term success. We are always looking for talented, energetic individuals who dream of becoming an integral part of the community as an employer, service provider and local business leader. But we know that up-front costs to owning a franchise may be a barrier to entry for many would-be entrepreneurs who lack the capital, especially those from Underrepresented Groups.

In December 2021, we announced a global effort to increase demographic representation of our Franchisee base through reduced up-front equity requirements and by providing increased access to financing solutions for eligible candidates. By partnering with a network of banking partners to increase access to a menu of financing options and expanding our Franchisee recruiting and training efforts for all backgrounds, including Underrepresented Groups, we will provide life-changing opportunities for aspiring entrepreneurs.

This effort will be tailored to each market worldwide, with a goal of increasing ownership opportunities in terms of individual restaurants owned as well as the number of qualified Franchisees overall.

In the U.S., we plan to provide cross-functional resources and mentoring from experienced franchise owners. Similar learning and development programs are available to new Franchisees in our International Operated Markets, such as those in France, Italy and Spain that have built relationships with local business schools to create a curriculum covering a range of relevant topics.

Our goal is to develop, encourage and energize new Franchisees as their business grows, while enabling us to become even more relevant and accessible to the customers and communities we serve.



As of year-end 2021

31%

of all U.S. Franchisees were Asian, Black or Hispanic.

Women accounted for

29%

of all U.S. Franchisees.

McDonald's has committed

\$250M

in the U.S. over five years to provide alternatives to traditional financing to help candidates who may face socioeconomic barriers join the McDonald's System.



Franchisee Spotlight

Michelle Ho Pura - Macau

Michelle Ho Pura fell in love with the service industry while traveling as a child. She studied at Cornell University's School of Hotel Administration and got firsthand training at various hotels and hospitality companies worldwide. The family business eventually called Michelle home to Macau, and she assumed her father's role as CEO of Golden Burger Group, the franchise Company responsible for McDonald's Macau, Zhuhai and Zhongshan. Since then, she's embedded inclusion across her organization. Michelle not only has a 50:50 ratio of women to men in department heads, she also strives to provide opportunities for persons with disabilities. "Members of our crew who have disabilities have grown from being shy and scared to confident," says Michelle. "We also see our customers' acceptance increase and perceptions change toward these people. Employees of ours won the Outstanding Disabled Employee Award in 2012 and 2018 from the Macau Government Labor Department and our Company was recognized as Distinguished Employer for the Disabled in 2017, 2019 and 2021."

Below: Michelle Ho Pura.



Clementina Garza - United States

Clementina "Clemy" Garza operates nine McDonald's restaurants with her father, Julian, in New Mexico. She is truly an outstanding leader who received a McDonald's Outstanding Operations Contributor Award a mere 12 months after being approved as Franchisee. Clemy's commitment to leadership extends well beyond the walls of her restaurants. She's making a difference in the communities she serves through sponsorships, fundraisers and donations, but her main passion is education. Under the umbrella of McDonald's Archways to Opportunity™, Clemy supports local McDonald's employees who want to learn English or earn an accredited high school diploma or college degree. Additionally, she makes educational opportunities more accessible by creating spaces in her restaurants for employees to study, hiring an Education Coordinator to help participants explore educational and career opportunities, and financing laptops for eligible employees. "As a Franchisee, I help remove barriers that may get in the way of my employees being their best selves and achieving their goals. It's what I'm most proud of and look forward to every day," says Clemy.

Top right: (left to right): Julian Garza, father of Clemy and co-Franchisee, Claudia Mendoza, English Under the Arches and college graduate, Clemy Garza.



Ian Stephenson - United Kingdom

As a teenager working at his local McDonald's, Ian Stephenson never dreamed that he would one day own a restaurant in his hometown of South London, let alone 11 of them. Before becoming a Franchisee, Ian worked abroad at McDonald's in Jamaica and then in senior roles at McDonald's Corporate, including as Director of Franchises across Southeast England. When the opportunity presented itself in 2018, he bought two restaurants. He says the secret to his success is being a people person, serving customers and working alongside his crew. "The most powerful thing we can do in an organization is allow people to be the best version of themselves and take the time to listen. Allow your team to make mistakes and do what they believe is best for the business. This approach allows me to proudly say that my team has achieved benchmark business results."

Right: Ian Stephenson.





Archways to Opportunity™

We know that every one of our employees is unique and their reasons for joining McDonald's are as different as the dreams they have for their careers. To help individuals who work at a Company-owned and independently franchised restaurant, we created Archways to Opportunity, a comprehensive education strategy with multiple programs that give people an opportunity to grow and learn – no matter where they are on their journey. Here are just a few ways Archways to Opportunity can help employees on the path to success:

- **Improve English skills**
- **Earn a high school diploma**
- **Work toward a college degree**
- **Get help making an education and career plan with advisors**

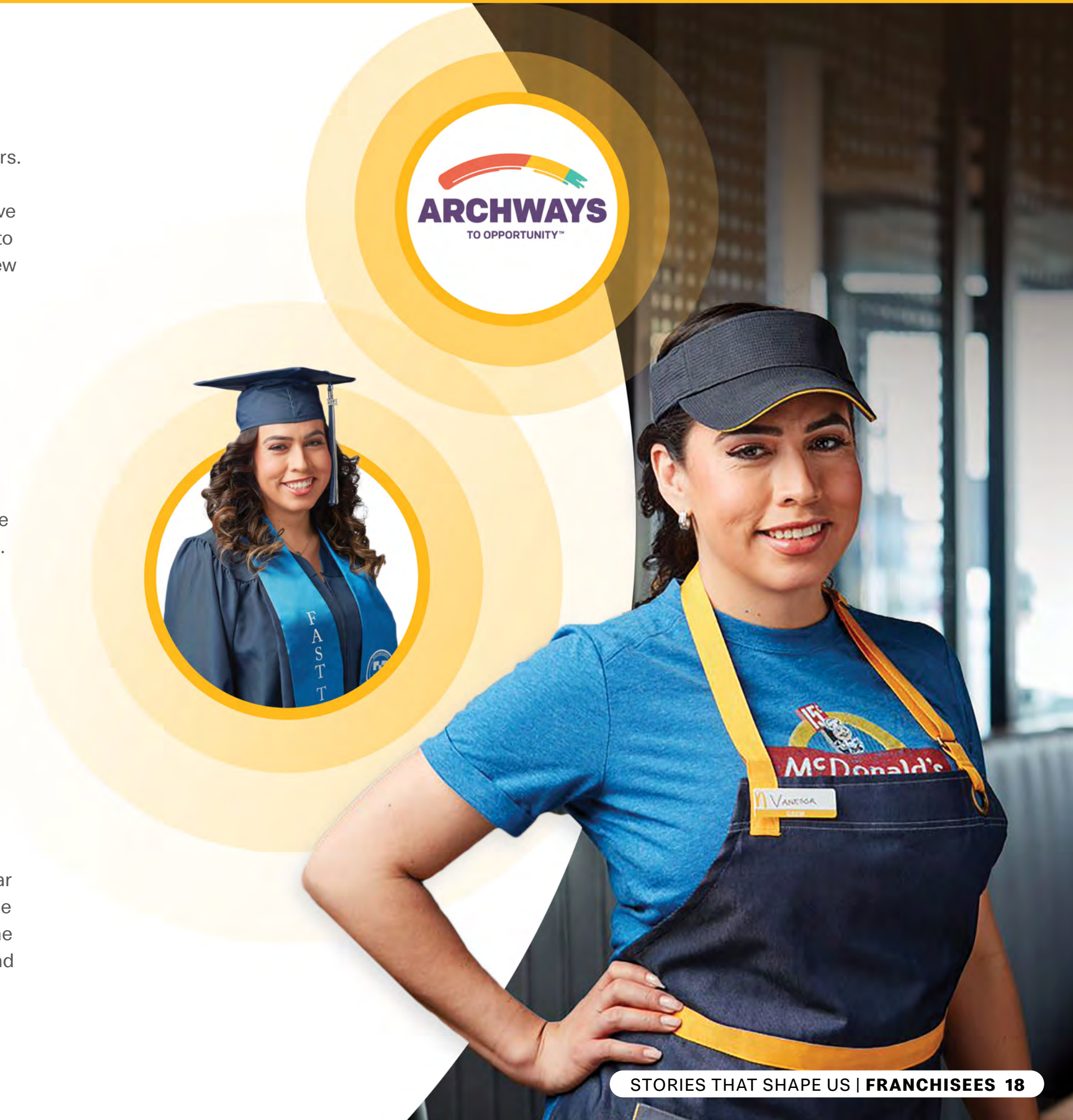
(Advising is extended to immediate family of eligible employees of participating restaurants.)

Through McDonald's Archways to Opportunity program, we've increased access to education for more than 72,000 restaurant employees across the System and awarded \$165M+ in high school and college tuition assistance.

Vanessa Jimenez

If there was ever a model for achieving the American Dream, it's Vanessa Jimenez. She moved from Michoacán, Mexico, to the U.S. at the age of thirteen and didn't speak any English. When she turned eighteen, she got a job at McDonald's, and enrolled at Harper College to take English classes to communicate with customers better. As her English grew stronger, she felt ready to pursue her GED. Along the way, she rose through the ranks at McDonald's: trainer, shift manager, first assistant and general manager. In 2017, Jimenez began working for a McDonald's Franchisee, Bear Family Restaurants, as general manager, where she learned about Archways to Opportunity and decided to use it to pay for college. Her grades were stellar – she made the Dean's List and the President's List – and in May of 2021, she earned her associate degree in business administration. And she's not done with her education yet. Next, she plans to pursue her bachelor's degree, and maybe then her master's, all with the help of Archways.

Right: Vanessa in her graduation gown and in her McDonald's uniform.





How Franchisees Partner to Strengthen Our McFamily

Our diverse range of Franchisee association groups in the U.S. provide global forums for Franchisees to network, support and learn from one another, share best practices and advocate for the communities they serve.

AMOA (Asian McDonald's Operator Association)

Mission: To provide an effective communication link between Asian McDonald's Franchisees and Corporate to gain fair and equal opportunities to conduct their businesses and promote growth. AMOA provides advice and support to the Asian McDonald's Franchisees Systemwide to achieve and maximize sales, profits and operations excellence.

History: AMOA was incorporated in 1996 with Ted Tongson, CC Yin and Vasant Chapatuala. It began with ~24 Franchisees in Hawaii and California.

799 traditional restaurants owned*

Member Profile: CC & Regina Yin

Born in China, CC Yin fled to Taiwan during World War II and immigrated to the U.S. in the 1960s with \$100 in his pocket. He worked as a structural civil engineer and his wife, Regina, as a social worker before they became McDonald's Franchisees in Solano County, California. They've earned a reputation for supporting their local communities, most recently donating millions of PPE items to frontline workers during the pandemic. CC and Regina also cofounded the APAPA (Asian Pacific Islander American Public Affairs) organization. With 30 chapters countrywide, APAPA's mission is to increase Asian American civic engagement and political leadership.

Right: Regina and CC Yin.



MHOA (McDonald's Hispanic Operators Association)

Mission: Advocacy for MHOA, Hispanic Consumer Market and McDonald's Hispanic employees

History: In 1977, the McDonald's Hispanic Operators Association was founded by Henry Garcia, Jose Canchola and eight other Hispanic Franchisees as a national partnership with the corporation. The organization has positioned its membership as a direct link to our customers to serve the unique needs of their market – both in the restaurant and in the community.

1,554 traditional restaurants owned*

Member Profile: Carlos Mateos Sr.

A Cuban American, Carlos came to the U.S. when he was six years old. After a career in law enforcement, he and his wife turned their home into a neighborhood daycare center. When he heard that a fellow officer was becoming a McDonald's Franchisee, Carlos was determined to do the same. With an entrepreneurial mindset and perseverance, he created a legacy operation of more than 40 McDonald's restaurants in the Washington, D.C. area. Reflecting on his journey, Carlos says it's hard to believe where he is in his life. As the son of refugees and an immigrant himself, owning some of the most prominent locations in the nation's capital can sometimes feel surreal.

“Being an immigrant, if you had asked me 25 to 30 years ago if I ever dreamt of accomplishing what I've accomplished... no, absolutely not.”

CARLOS MATEOS SR. Franchisee, Washington, DC

Right: Carlos Mateos Sr. and his son, Carlos Mateos Jr.

**as of December 31, 2021*





WON (Women's Operator Network)

Mission: Collaborating and advocating for the financial success, growth and professional leadership of its members.

History: WON was formed in 1989 with its first President, Darlene McKeller, and a nine-member board. McDonald's Corporate employee Monica Boyles helped gather female Franchisees from different markets to found the WON.

3,743 traditional restaurants owned*

Member Profile: Kerri Harper-Howie & Nicole Harper Rawlins

Kerri Harper-Howie and Nicole Harper Rawlins are central to one of McDonald's legacy Franchisee stories. In 1984, their mother, Patricia Williams, opened her first McDonald's franchise restaurant. Today, Kerri and Nicole own every McDonald's in the city of Compton, California (a/k/a the launchpad for two other famous sisters, Venus and Serena Williams). Early on, Kerri built a successful career as a labor attorney, while Nicole had a career in social services. Once they decided to become McDonald's Franchisees, Kerri and Nicole completed a training program for children of McDonald's Franchisees called the Next Generation program. Eventually, they took over Patricia's restaurants and purchased new ones, owning a total of 18 by 2018. Today, Kerri and Nicole uplift their community by making their stores family-friendly and accessible. They also offer scholarships to local students and fund various local and national charities through their nonprofit, the Williams/Enearu Organization. "Owning restaurants in predominantly African American and Latino communities, we find ourselves in the position to give people their first job and money for college," Kerri says. "She [Patricia Williams] came from such humble roots and she built an empire."

Below: Kerri Harper-Howie (left) and Nicole Harper Rawlins (right).



NBMOA (National Black McDonald's Operators Association)

Mission: Working together for the financial and operational betterment of every member, Black business partners, Black employees, McDonald's Corporation and African American Society as a whole.

History: Deep into the Civil Rights movement, following the assassination of Dr. Martin Luther King, Jr., McDonald's recognized the critical role Black leaders had in their communities. In 1968, Herman Petty, of Chicago, opened his first restaurant in the inner city of Chicago, becoming the first Black Operator of a McDonald's franchise. By the end of 1969, there were 12 African American-owned and -operated McDonald's restaurants across the U.S. To help these Franchisees overcome the obstacles they faced and share best practices, in 1972, they formed the National Black McDonald's Operators Association (NBMOA).

1,399 traditional restaurants owned*

Member Profile: Angela Majors

As a teenager in the mid-eighties, Angela Majors began working at a McDonald's in DeSoto, Texas. Working alongside friends, Angela says it was the job to have. While attending school, Angela accepted a role as a swing manager at the first McDonald's restaurant to open in South Dallas. In 1992, while attending the University of Houston, she was asked by one Franchisee to work full-time at a new McDonald's he and his wife were opening. Angela took the leap and later became the Franchisee's first woman restaurant manager, winning an Outstanding Restaurant Manager award. Angela went on to help rebuild and open numerous restaurants, becoming Director of Operations for eight locations. In 2008, she became a Franchisee in Beaumont, Texas. Throughout her career, Angela has lived McDonald's value of inclusion. From organizing parties where her diverse crew shared their traditional foods to delivering countless training classes, Angela nurtured her teams and earned numerous accolades along the way. Today, Angela is a board member of the Ronald McDonald House Charities of Greater Houston/Galveston Inc. Also, she is an active supporter of the Girl Scouts, local schools, the fire and police departments, and much more.

** as of December 31, 2021*



Angela Majors.



MOOPN (McDonald's Owner Operator PRIDE Network)

Mission: McDonald's Owner Operator PRIDE Network is a self-help organization that celebrates diversity and inclusion and acts as a resource for the success of Gay, Lesbian, Bisexual and Transgender Franchisees and the McDonald's System.

Member Profile: Martha Ball

Martha Ball began her career under the Arches working as a crew member. She learned McDonald's operations and franchising approach firsthand working at McDonald's Corporation for 34 years. In 2016, Martha followed her entrepreneurial spirit, purchasing McDonald's restaurants in the Oklahoma City area.

Today, with her partner Ursula Comire, she owns eight restaurants employing over 300 team members serving more than three million guests. Martha has a deep commitment to the communities in which she operates. The mayor of Edmond appointed her to serve on the Edmond Economic Development Board and she actively supports the Ronald McDonald House of OKC, Bella SPCA and the Oklahoma Humane Society. Martha also supports her fellow Franchisees as Chair of the McDonald's Owner Operator PRIDE Network (MOOPN), a member of the Women's Operator Network (WON), President of the McDonald's Franchisee Southern Plains Co-op, Dallas Field Office FAC chair, and a member of Government Relations and Place Team. For the past three years, Martha has also served on the National Franchisee Leadership Alliance (NFLA) executive team. She's proud of the work the team has done to grow the business during a pandemic and increase Owner/Operator equity.



Martha Ball.





Stories That Shape Us

Suppliers

A Key Ingredient to Our Success

It's a privilege and an enormous responsibility to serve 68 million people every day, and we could not do it without our global network of suppliers. Their hard work, ingenuity and commitment to our brand enable us to deliver on our mission to make delicious feel-good moments easy for everyone – even when it's not easy. Suppliers have been with McDonald's from the start, empowering us to keep the Arches shining and exceeding customer expectations.

McDonald's partners with suppliers who share our values and deep commitment to DEI, giving us the chance to support Underrepresented Groups and strengthen the economic viability of communities worldwide. At McDonald's, this approach helps enhance innovation by adding a broader range of points of view, experiences and backgrounds. And, as a result, we have the opportunity to gain insights into our customers and communities and access to innovative products and processes. It's not only the right thing to do for the communities we serve, but also a smart business move.

Marion Gross

Senior Vice President and Chief Supply Chain Officer, North America, McDonald's USA

Incoming Executive Vice President, Global Chief Supply Chain Officer, McDonald's Corporation

“Working with McDonald's starts with being part of a family of other suppliers, Franchisees and McDonald's employees. For the last 60+ years, Baldinger Bakery has lived Ray Kroc's adage, ‘None of us are as good as all of us.’ McDonald's gave my father, a small Jewish baker that had never made a hamburger bun before, the opportunity to learn, grow and serve. The System's strength has always been listening and empowering all voices.”

STEVE BALDINGER Baldinger Bakery (pictured left in photo with his father)





Feeding and Fostering the Communities We Serve Worldwide

McDonald's large, global supply chain gives us the responsibility and an opportunity to do business with a diverse range of suppliers who share our values and commitment to DEI. More than words, we set a measurable goal that by the end 2025, McDonald's expects that approximately 25% of U.S. Systemwide spend will come from diverse-owned suppliers: businesses that are 51% owned and controlled by women and/or Black, Hispanic, Asian, Indigenous, Veteran, LGBTQ+ and disabled persons. We're proud to share that we met this goal in 2021, well ahead of schedule. At the end of 2021, McDonald's reached its goal of increasing U.S. Systemwide spend with diverse-owned suppliers to 25%, reaching 25.4%. We'll continue to focus on our engagement with diverse-owned suppliers and measure our results annually.

We also know that we have the opportunity to use our scale and influence to help accelerate change, not just in our business but also in those with which we work. When we lead the way, we know others will follow.

“Empower”ing the Legal Industry

Recognizing that we have the opportunity to create change in industries outside of Quick Service Restaurant (QSR), we are doing our part to promote a diverse and inclusive legal profession. McDonald's created the EMPOWER Award, an annual honor meant to recognize legal service providers that go beyond words and demonstrate, through action and innovation, that diversity matters to their organizations. Our selection criteria for this award focuses on: **(1)** the staffing of McDonald's matters with diverse attorneys; **(2)** allocation of origination credit for McDonald's matters among diverse attorneys; **(3)** the demonstration of an innovative and genuine commitment to the recruitment, hiring, retention, succession planning and promotion of diverse talent; and **(4)** the demonstration of action in alignment with core values.

2021 Winners: Proskauer Rose LLP and FordHarrison LLP

2022 Winners: Riley Safer Holmes & Cancila LLP and Bryan Cave Leighton Paisner LLP

All of these firms embody McDonald's core values and show an innovative and genuine commitment to create and drive meaningful change.



McDonald's reached its goal of increasing U.S. Systemwide spend with **diverse-owned suppliers**, recording a

25.4%

or

\$4 Billion
spend in 2021



Mutual Commitment to Diversity, Equity and Inclusion

McDonald's is one of the world's largest fast-food restaurant chains and one of the best-known brand names. But even we can't do it alone. That's why last July, we invited our suppliers to commit to building within their own organizations the talent pipelines, infrastructure and culture that support increased representation and inclusion, and help close equity gaps.

With more than 39,000 McDonald's brand restaurants, our supplier network is vast, and we know that we can accomplish so much more collectively. Our Mutual Commitment to Diversity, Equity and Inclusion Pledge invites participants to commit to greater action and intentionality on the behaviors, mindsets and operations that help advance DEI.

We're grateful for the 362 suppliers who signed the pledge as of June 2022 - and we appreciate the leadership and partnership of the 34 early adopters during the Mutual Commitment pledge launch.

“At Accenture, we are guided by our belief that people want to work for – and with – companies that create value and lead with values. Our unwavering commitment to inclusion, diversity and equity unleashes innovation and creates a culture where everyone feels they belong and can succeed personally and professionally. We are proud to be one of the first signers of McDonald's DEI pledge, and as our relationship grows, we will continue working together and sharing what we learn to increase opportunity for all.”

BETH MARRION Senior Managing Director and Accenture Account Lead for McDonald's (top)
NEDRA DICKSON Managing Director Global Supplier Inclusion & Diversity - Supply Chain, Accenture (bottom)



Areas of Focus of the MCDEI Journey

1. Recruitment, representation and retention – to create safe and inclusive workplaces for employees and contractors.
2. Implementing overall DEI strategy and representation – to create safe and inclusive workplaces for employees and contractors.
3. Increasing overall suppliers partners – to demonstrate maturity, progress and performance of a supplier diversity strategy.
4. Invest in new partnerships and programs to make a measurable difference – to take action to build local community.

Mutual Commitment to DEI Early Adopters

- Accenture
- Admerasia
- Advertising Production Resources, Inc.
- Alma, Analytic Partners, Inc.
- Canvas Worldwide
- Cargill
- Capgemini
- Crea
- Baker McKenzie
- Burrell Communications
- CPH Inc.
- Ecolab
- Elkay Interior Systems (EIS)
- Everbrite LLC
- Euromonitor International
- Fair Oak Foods LLC
- Flavor Reddy Foods LLC
- FordHarrison LLP
- Greenberg Traurig LLP
- Halverson Group
- HAVI/The Marketing Store
- IW Group Inc.
- Kantar
- Lopez Negrete Communications
- Medallia
- Narrative Media Group
- New Horizons Baking Company
- Omnicom Group
- Perrino & Associates
- Schreiber Foods
- TSMGI
- Tyson Foods
- Voxpopme
- Wieden+Kennedy



Stories That Shape Us

Customers

Every Customer Matters

We've entered a customer revolution where it's no longer enough for brands to make the best or even the most affordable products. Brands must create the best experience – for *everyone*, every time.

From our service channels to our menus around the world, each time we engage with a customer, it's an opportunity to turn a simple touchpoint into a *meaningful* and memorable experience. It's an opportunity for them to feel seen, understood and valued.

This is the power of brand McDonald's.

Central to the evolution of our global marketing strategy is putting inclusion front and center, from the creative partners we work with to the diverse media companies in which we invest, to the groundbreaking studies we fund. This is all in an effort to get closer to our customers and our communities – to tap into “fan truths”. And to ensure that no matter a customer's gender, race, culture, identity, sexual orientation, age, religion, ability, language, experience or expression, they can see themselves in our brand.

We know that to be an upstanding member of a community and to call ourselves a family, we cannot – and will not – leave anyone behind.

Morgan Flatley

Senior Vice President, Global Chief Marketing Officer
McDonald's Corporation





Inclusion as Evident as the Arches

We have the privilege of serving 68 million customers every day at more than 39,000 locations across more than 120 countries. They're all distinctively unique and everyone has their own order. So, whether you're in India enjoying a McAloo Tikki or in Spain sipping Gazpacho soup – you'll find our offerings are not only delicious but are culturally relevant based on our customers' preferences and taste.

No matter where our customers are in the world, from our app, in our drive-thru or inside the restaurant, they have high expectations of McDonald's. That means creating an environment where each customer feels seen, considered and assured we're here to exceed their expectations. This ambition extends beyond our restaurants to our advertising campaigns, sustainable packaging, and partnerships and activations in the community.

As we continue to deliver on our brand promise to make delicious, feel-good moments for everyone, we'll lead with customer insights to provide a feel-good experience every single time.



A Mother's Love Will Always Be Enough

Mother's Day in the Philippines is the equivalent of the Super Bowl in the U.S. when it comes to advertising. For McDonald's, this provides an opportunity to spotlight single moms – a demographic that has been growing but remains underrepresented in the Philippines' pop culture. We understand the overwhelming responsibility of being a mother and how it can even be more daunting to parent alone. However, for a child, what matters most are the simple moments knowing they're loved. In "The Story of Us," McDonald's captures a heartwarming, feel-good moment between a mom and her child over a shared meal.



Everyone Has a McDonald's Order

Our customers' orders are as unique as they are. That was one of the underlying themes of one of our most popular campaigns, Famous Orders. Research tells us that a critical component of our customer demographic, multicultural youth (18-24), dislike ads. To engage this audience, we prioritized people over platforms and leveraged social media, while emphasizing the individualism of this market segment. What started as our 2020 Super Bowl commercial featuring celebrity orders quickly escalated into a year of celebrating the favorite orders of some of our most famous customers, from Kim Kardashian's McNuggets with honey to Patrick Mahomes' love for ketchup. Everyone Has a McDonald's Order highlights our goal of enabling customers to order our core menu items in the way they uniquely want to enjoy them. By featuring a lineup of diverse cultural icons, it allowed us to highlight concepts of individuality and inclusion to transcend our differences and show we all have one thing in common, that everyone has a McDonald's order. In doing so, we successfully reversed a consumer decline with multicultural youth, garnering positive penetration 11 out of 12 months of the campaign, from the launch of The Travis Scott Meal (September 2020) to The Saweetie Meal (August 2021).



Big Feelings for Small Prices

COVID-19 impacted many of our daily lifestyles throughout the world – notably, there was an increase in financial hardships. We set out to build muscle memory around our reframed approach to Brand Affordability to remind our customers that McDonald's is an affordable option all day, every day. Our platform, "Big Feelings for Small Prices," was inspired by moments and fan truths geared towards multicultural youth showcasing special and specific McDonald's products. This ongoing platform emphasized our Inclusion value by featuring friends using American Sign Language and from the deaf community to describe their passion for McDonald's Hash Browns.





Diverse Media Deepens Our Impact



We announce new goals in May of 2021 to continue to support the success of diverse-owned companies. As of the end of 2021, McDonald's USA and U.S. Franchisees increased investments in diverse-owned media and production houses and content creators to 7.7% - putting us on track to achieve our original investment ambition of 10% by the end of 2024. We know there's more work to be done in this space and we're confident we can have an even greater impact, which is why we're raising our diverse-owned media investment ambition from 10% to 15% by the end of 2024.

We also announced multi-year agreements to support this investment and its long-lasting, barrier-breaking impact. This longer-term commitment will bolster individual businesses, strengthen the broader marketing supply chain, and support inclusive, authentic storytelling between the McDonald's brand and diverse customers.

To drive enduring change, we formed an advisory board of internal and external marketing, advertising and DEI subject matter experts. Together, these individuals will collaborate with McDonald's to uncover the biggest barriers to economic opportunity facing diverse-owned media and production houses, as well as content creators, putting our collective efforts behind new programs and initiatives to eliminate those barriers.

McDonald's USA and U.S. Franchisees increased investments in diverse-owned media and production houses and content creators to

7.7%

as of the end of 2021.

Targeted Brand Initiatives

McDonald's USA continues to demonstrate acceptance and inclusion of all our customers by designing insights-driven campaigns that create strong cultural connections across key consumer segments.

African-American Consumer Marketing

For more than 20 consecutive years, McDonald's has served as a key sponsor of the ESSENCE Festival of Culture, putting us at the center of Black culture and providing a unique opportunity to help the next generation of Black women in ways that celebrate, uplift and empower through business, education and family connections.

Asian Consumer Market

This year, Humberto Leon combined his cultural traditions with his love for the Golden Arches and created McDonald's Hall of Zodiacs: 2022 Lunar New Year with Humberto Leon. Set in the metaverse, this immersive, interactive experience allows fans to virtually visit a gallery hosting Humberto's work.

Hispanic Consumer Market

Faced with a worrisome lack of enthusiasm among current and prospective Hispanic customers – especially those under 24 – McDonald's USA turned to global music sensation J Balvin to prove that it was in step with the optimism inherent in Latino culture, seeing great GMA activity and social engagement along the way.

LGBTQ+

In Where My Truth Belongs and in every McDonald's restaurant, our goal is to stand with the LGBTQ+ community in its many forms. We're making feel-good moments easy for everyone because we want every customer to feel included and authentically seen.

Right: La La Anthony hosting a panel discussion with Jade Colin, Tanya Hill-Holliday, Nicole Waters, Dana Chanel, and Jewel Burks-Solomon during an ESSENCE Festival of Culture in 2019.





Breaking Down Barriers to Accessibility

As part of our Inclusion value, we work to continue to improve accessible experiences and open our doors to everyone.



Welcoming and Enabling Everyone

There's a perception about people with disabilities having special needs; the fact is, we all have special needs under different circumstances. Our goal is to create a workforce that represents and a restaurant model that welcomes and includes everyone. Everyone. McDonald's Argentina has been employing people with disabilities for over 20 years. They are breaking down barriers to accessibility; taking steps to ensure that everyone who serves and everyone who is served in our restaurants has the same opportunities and feels that they are welcomed and belong. They strive to normalize inclusive employment and empower everyone because none of us is as good as all of us.



Tapping into Technology

Last year, partnering with the National Federation of the Blind, we added advanced technology enhancements to improve the ordering experience for customers who are blind or have low vision. These features include screen reader software and a tactile navigation keypad. By inserting headphones into the audio jack on the tactile navigation pad, customers can independently place their orders with audio navigation via a screen reader. We've introduced this technology across the U.S. at Company-owned locations. Additionally, we're incorporating these upgrades into kiosks installed in any U.S. restaurant after July 1, 2021, including new kiosks sold to franchised restaurants. Our kiosks include additional accessibility features such as screen magnification, "reach mode," which improves screen reachability, and a "press for assistance" button labeled in Braille. Extra floor space for wheelchair users is provided around the kiosks, as well.

"For me as a person with a disability, accessibility isn't an abstract idea that's nice to have. It is real and absolutely necessary. I was fortunate to have the opportunity to work on the Audio Nav project, which allows more people with disabilities to independently use the kiosk."

VANH VUE Accessibility Analyst at McDonald's



Vanh placing a McDonald's order while using Audio Nav in the kiosk.



Stories That Shape Us

Communities

Our Commitment to Community Impact

With more than 39,000 locations, we have a presence in more communities – and more diverse communities – than most brands, and when our neighbors need us, we show up. Our commitment to communities is central to our history and purpose, which is why we are always working to make an impactful difference and tackle challenges that come our way together with local partners. McDonald's has built trusted relationships through our restaurants for over 67 years by making and keeping commitments to our neighbors, and we will continue supporting our people, communities and the planet for years to come.

Our sustainability and ESG (environmental, social, governance) strategy is as important to us locally as it is globally, focusing on four impact areas that matter most to those we serve every day – Jobs, Inclusion and Empowerment; Community Connection; Food Quality and Sourcing; and Our Planet. Together with our partners, we have an opportunity to make progress against some of the most pressing social and environmental challenges facing our world and communities today, which is why our philanthropic contributions and local volunteering programs are connected at the heart of these efforts. Few companies in the world have the influence, scale and network to help accelerate meaningful change like ours, and we're working diligently to build a more diverse, equitable and inclusive business so we can be good neighbors locally and positively impact where we live, work and serve.

Guided by our values, including our deep commitment to DEI, we continue to listen and learn about our role as a community partner, and our responsibility to respond to needs in locally relevant ways. As we look to the future, we're using the strength of our global System and local connections to break down barriers to opportunity and lift up those who need it most.

Jenny McColloch

Vice President, Chief Sustainability Officer
McDonald's Corporation





Our Responsibility to Fostering Inclusion in Every Community

We believe there's a difference between being in a community and being part of one. We're inspired by how people come together to support their communities, but they can't afford to go it alone.

The combination of our global footprint and local impact gives us a unique opportunity – and we believe, the responsibility – to help enable actionable change. We're heading in the right direction, aiming to make a real difference in the lives of those we serve.

We work with Franchisees and restaurant crews who live and work nearby – a true hometown advantage. We encourage, support and take pride in their outreach and life-changing efforts. Our U.S. Matching Gifts program supports employee charitable giving. In 2021, we updated the Matching Gifts criteria to improve inclusivity and consistent eligibility for organizations serving diverse communities. Leveraging our size, scale and legacy, McDonald's is building strong community connections and investing financially and also through education, mentoring and volunteerism. Along our DEI journey, we continually seek new ways to remove barriers and stand up for the people who live and work in the places we call home.

Right: Joe Erlinger, McDonald's USA President, participating in the Chicago Field Office BMOA Annual Turkey Giveaway.





Being Present Is Not Enough: Community Investment

We know we're more likely to create sustainable change through dedicated partnerships, so we make community investments in organizations supporting the fight for equity.



Raising Up the Communities We Serve

For refugees, the challenges of settling into a new community are daunting. From learning a new language to earning a living, embracing a new community and culture is not easy. To break down barriers to success, McDonald's Germany is welcoming refugees and giving them an uncomplicated way to gain a foothold in their community with jobs in our restaurants and free German language courses. McDonald's Germany Chief People Officer, Sandra Mühlhause said, "We don't see immigration as a challenge, but rather as an opportunity for society and our Company. McDonald's stands for tolerance and an open, welcoming culture. We are delighted to offer refugees a warm welcome in our restaurants – both in front of and behind the counter."



Advocating for Justice

Across the U.S., McDonald's attorneys, paralegals and administrative assistants are volunteering their time and expertise to promote human rights and open access to justice. As part of McDonald's award-winning, nationally recognized pro bono program, our legal team is helping to make a difference in the communities we serve. Their work spans across many disciplines and subject matters; for instance, through Equip for Equality, our volunteers help parents advocate for disabled children's rights. We also have a partnership with the National Immigrant Justice Center (NIJC) which allows for our volunteers to advocate on behalf of immigrants, refugees and asylum seekers. And, through a 20-year partnership with Street Law, we continue to encourage Proviso East High School students in Maywood, Illinois, to think about the idea of law as a career. This is only a small sampling of the pro bono work performed by our legal professionals.

Left: (from left to right) Mahrukh Hussain, Cariann Beaudoi, Val Mathelier, Jim Tu, and Sharon Lepping-Pool participating in a panel discussion during a Street Law session for Proviso East High School.



Preparing Today's Youth for Tomorrow

We launched our Youth Opportunity program in partnership with International Youth Foundation (IYF) in 2018. Our global goal is to reduce barriers to employment for two million young people by 2025 through pre-employment job readiness training, employment opportunities and workplace development programs.

There is no universal definition for what or who is an "Opportunity Youth." The barriers to education and employment success for young people vary from market to market depending on local cultural, demographic and political landscapes. Therefore, each McDonald's market has developed their own definition of Opportunity Youth to inform local program design and measurement.

As of March 2022, approximately

1.3 million

young people have participated in training programs in their communities and/or have been hired in McDonald's or participating Franchisee restaurants.¹

Passport to Success

In the U.S., McDonald's works with IYF and nine local community-based organizations (CBOs) to deliver a life skills training called Passport to Success to young people ages 16-24 from households with incomes at 200% of the federal poverty line (FPL) or less. As of March 2022, the program has served 7,089 Black youth and 2,890 Latinx youth, representing approximately 62% and 25%, respectively, of program youth. During the COVID-19 pandemic, McDonald's supported and extended IYF's development of a digital, game-based life skills curriculum called Passport to Success Explorer worldwide.

¹ This figure is based on actual and, in some cases, extrapolated data for the following participating markets: Argentina, Australia, Brazil, Canada, China, Colombia, Hong Kong, Italy, Japan, Jordan, Korea, Mexico, Portugal, Spain, Switzerland, U.K. & U.S. McDonald's collects data from McOpCo and Franchisees who choose to provide access to their data but extrapolates where it does not have access to the underlying data globally.





Celebrating 30 Years of Scholarship for Indigenous People

In Aotearoa New Zealand the indigenous Māori are overrepresented in key inequity measures, including education. The Te Tai Tokerau is an area of New Zealand's far north, with a Māori population above the national average. Barriers stood in the way of talented young Māori from Tai Tokerau pursuing tertiary education. In the early '90s, McDonald's New Zealand Managing Director, Alan Dunne, created a scholarship (karahipi) for young Māori to study at the Auckland University of Technology. Thirty years later, over 150 Māori have received a McDonald's Te Tai Tokerau Scholarship.



Helping Children Reach Their Full Potential

Our commitment to DEI means finding more ways to be there for the people who live and work in the places we call home. Last September, McDonald's UK announced a partnership with BBC Children in Need to help the young people in their communities reach their full potential. Together with Franchisees, customers and employees, McDonald's UK is committed to raising a minimum of £10 million over the next five years, enabling BBC Children in Need to fund more youth work projects and youth workers and improving the outcomes for young people in communities across the U.K. at a time when it's needed most.



A Slam Dunk for Student Athletes

Student athletes rarely make the jump from college glory days to professional sports careers. To help create post-collegiate career opportunities, we granted \$1 million to the McLendon Foundation Minority Leadership Initiative in August 2021. This innovative coach-driven program uses sports training methodologies to provide a pathway for diverse college graduates to jump-start their careers outside of professional sports. As a program sponsor, McDonald's is fueling the futures of these young talents with practical experiences and opportunities to build their professional networks through education, leadership and mentorship. We also introduced these future leaders to a broad spectrum of McDonald's career opportunities, helping to build a more robust diverse talent pipeline to establish the next generation of Company superstars.

Left: U.S. Chief Field People Officer Shammara Howell and Global Chief DEI Officer Reggie Miller speak about the importance of mentorship with University of Kentucky Coach John Calapari and Harvard University Coach Tommy Amaker, co-chairs of the McLendon Leadership Institute.



Our Path Forward

Thank you for taking the time to review our first Global Diversity, Equity and Inclusion Report – our inaugural effort to provide a transparent view of our journey through the past year.

Despite an unprecedented convergence of world events – new COVID-19 variants, economic and labor challenges and supply chain disruptions – 2021 was an inspiring year for the global McDonald's System.

Guided by our values, we had bold plans in place with clear accountability that challenged us to stay focused on our ambitions, and the progress we made toward living up to our DEI commitments was both tangible and significant. We made advancements in supplier diversity, including increased spending with diverse-owned media, and led powerfully inclusive engagement initiatives with our people – all with a core purpose of feeding and fostering communities.

In 2022, we're doubling down on our commitment to represent the diverse communities in which we operate, accelerate cultures of inclusion and belonging, and dismantle barriers to economic opportunity. We're doing more every day to provide safe and respectful spaces for people on both sides of the counter. And we're continuing to stand up – and show up – in the communities we serve.

Our markets are in different places in their DEI journey, and we embrace that; there's no end date on progress. But we share a universal belief that making DEI part of our everyday conversations is critical to how we move forward. We must ensure the debate about DEI continues in a positive and proactive way. That means finding opportunities to use our voices to make sure we don't shy away from honest and open conversations. We've accomplished a lot this past year, but we know we have an opportunity to achieve more in the year ahead.

For decades, the world has counted on us: friends meet around our tables, champions celebrate their victories with us, and children join their families for a meal. Our customers know that no matter who they are or where they're from, they are welcome under the Arches. Our commitment is that we'll continue to advance this work, inclusively and of hope, unity and family – now and into the future.

Ian Borden

President, McDonald's International
Incoming Chief Financial Officer (top)

Joe Erlinger

President, McDonald's USA (bottom)





Learn More About DEI@McDonald's

To learn more about McDonald's DEI journey, please visit our DEI Website (corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/jobs-inclusion-and-empowerment/diversity-and-inclusion.html) and follow us on Twitter (@mcdonalds), Instagram (@mcdonaldscorp) and Facebook (facebook.com/McDonalds).

