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**MCDONALD'S RESTAURANTS LIMITED  
GENDER PAY GAP REPORT 2017**



# FOREWORD

## FROM PAUL POMROY, UK CHIEF EXECUTIVE OFFICER AND HARRIET HOUNSELL, UK CHIEF PEOPLE OFFICER

At McDonald's, a commitment to diversity and inclusion sits at the very heart of our business. Our people make McDonald's what it is. They are a fundamental part of our success, which is why we have worked hard for more than four decades in the UK to create jobs and opportunities that work for our people, irrespective of gender, age or life stage.

Today, our workforce is almost equal parts men and women. We welcome greater transparency on gender pay and are pleased to report that our own figures are significantly below the national average. The proportion of women in senior leadership roles across our business is also 28 per cent higher than it was ten years ago. But we know there is still work to be done.

Real progress will require a concerted effort by all organisations across all sectors. This is not about statistical improvements in the short-term, but about sustainable change in the long-term. For McDonald's, that means delivering a programme of support and initiatives that address the barriers women face in the workplace, challenge underlying societal norms and genuinely help to reduce the gap.



Paul Pomroy,  
UK CEO



Harriet Hounsell,  
UK CPO





### HOW WE CALCULATE THE MEDIAN DIFFERENCE

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



DIFFERENCE = MEDIAN HOURLY PAY GAP



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

### HOW WE CALCULATE THE MEAN DIFFERENCE



= MEAN MALE AVERAGE PAY



= MEAN FEMALE AVERAGE PAY

DIFFERENCE = MEAN HOURLY PAY GAP

## UNDERSTANDING GENDER PAY GAP REPORTING

In April last year, the government introduced gender pay gap reporting for employers with 250 or more staff. All companies that fit this description are now required to share information about their gender pay gap each year, including ordinary pay and bonus pay, and as both a median and a mean figure.

The gender pay gap measures the difference in men and women's average pay across an entire organisation. This is different to equal pay, which

looks at what women and men are paid for the same job, similar jobs or jobs of equal value.

The first deadline for private sector gender pay gap reporting is 4th April 2018 when employers will be required to share calculations based on data from April 2017 or, in the case of bonus pay data, the 12 months ending 5th April 2017.

EY has provided independent assurance over the six statutory disclosures mandated by the Gender Pay Gap Regulations for McDonald's Restaurants Ltd.

## MCDONALD'S RESTAURANTS LTD.

McDonald's has been a part of the UK for almost 45 years. Today, we have more than 1,270 restaurants across the country that are owned and operated by either us or our franchisees, creating jobs and opportunities for people, whatever their experience or background.

There are three component parts to our UK business: our UK head offices, our 320 company-owned restaurants, and our franchised restaurant estate. Here in the UK, around 79 per cent of our restaurants are owned and operated by franchisees, local businessmen and women who have a considerable amount of their own money

invested, employ local people and invest in their communities. As independent employers, our franchisees will each publish individual gender pay figures as required by government.

This report provides figures for McDonald's Restaurants Ltd. which covers the first two components: McDonald's company-owned restaurants and UK head offices. Together these represent a workforce of 35,543, which includes just over 700 people employed in head office roles. We offer a wide range of jobs, from our restaurant crew and managers, through to roles in our marketing, operations and HR functions.

AROUND 79%

OF OUR RESTAURANTS ARE OWNED AND OPERATED BY FRANCHISEES

OUR FRANCHISEES WILL EACH PUBLISH INDIVIDUAL GENDER PAY FIGURES AS REQUIRED BY GOVERNMENT

TODAY, WE HAVE MORE THAN 1,270 RESTAURANTS ACROSS THE COUNTRY

A PART OF THE UK FOR ALMOST 45 YEARS



### THERE ARE THREE COMPONENT PARTS:



OUR UK HEAD OFFICES



OUR 320 COMPANY-OWNED RESTAURANTS



OUR FRANCHISED RESTAURANT ESTATE

MCDONALD'S RESTAURANTS LTD. MCDONALD'S COMPANY-OWNED RESTAURANTS AND UK HEAD OFFICES

REPRESENT A WORKFORCE OF

35,543

WHICH INCLUDES JUST OVER

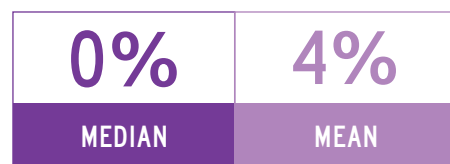
700 PEOPLE

EMPLOYED IN HEAD OFFICE ROLES

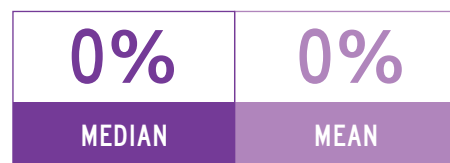


# OUR REPORT

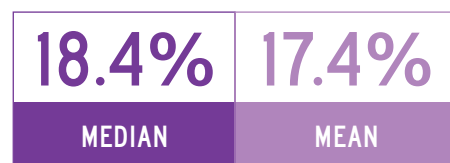
## PAY GAP AT MCDONALD'S RESTAURANTS LTD.



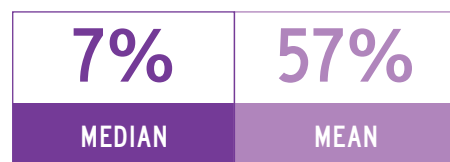
## PAY GAP IN OUR RESTAURANTS



## UK NATIONAL AVERAGE PAY GAP\*



## BONUS PAY GAP AT MCDONALD'S RESTAURANTS LTD.



At McDonald's Restaurants Ltd. we have a median pay gap of 0 per cent and a mean pay gap of 4 per cent.

The median is the middle number in a set of figures. To illustrate, if you were to line up all our female employees in order of how much they are paid, from lowest to the highest, and do the same with our male employees, the man and woman in the middle of each line would be paid exactly the same.

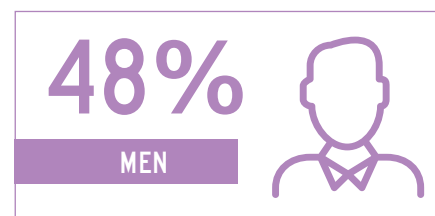
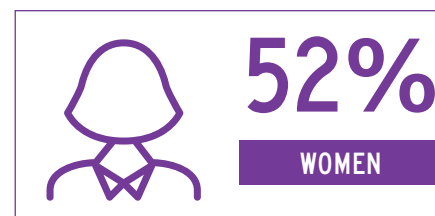
The mean is the average of a set of figures. For example, if you were to calculate the average pay for men across our business, it would be 4 per cent higher than the average pay for women. This is significantly below the national average of 17.4 per cent.

These figures are even lower in our restaurants, where the median pay gap is 0 per cent and the mean pay gap is 0 per cent.

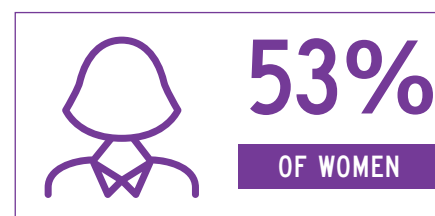
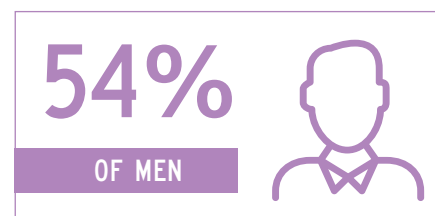
Our restaurant teams are the heart of our business. We employ parents, students and older workers, irrespective of background, and we provide flexible working and family friendly policies to help them work around childcare and other commitments. A decade ago we pioneered the friends and family contract which means family members or friends working in the same restaurant can swap shifts without giving prior notice. Today, our business is almost equal parts men and women (48 per cent men to 52 per cent women).

\*ONS Data 2017

## WE EMPLOY



## BONUS RECEIVED



As well as looking at hourly pay, companies are being asked to share data on the number of men and women who receive a bonus and the median and mean bonus pay gap.

There are a number of bonus schemes at McDonald's Restaurants Ltd. including two for our restaurant staff. Each month we measure our company-owned restaurants based on customer feedback, of which the top 10 per cent award their employees with 50p for each hour they have worked in a two-week period. In addition, all restaurant managers are eligible for a quarterly bonus based on customer experience, sales growth and profitability.

In our head offices, we award bonuses to managers based on a combination of individual and company performance. Our senior leadership (heads of department and above) are also eligible to receive share options and shares from McDonald's Corporation for strong performance and potential as part of the Long-term Incentive scheme of McDonald's Corporation.

The proportion of men and women in our business receiving a bonus is almost the same – 54 per cent of men receive a bonus compared to 53 per cent of women. We have a median bonus gap of 7 per cent and a mean bonus gap of 57 per cent.

This mean bonus gap is partly due to the make-up of our head office management team which has 63 per cent men and 37 per cent women. Our senior managers and leaders are paid performance-related bonuses, and the higher proportion of men at this level has an impact on the overall bonus pay gap. We know we have work to do to close this gap and we are committed to helping more women into senior management roles.



## OUR COMMITMENT TO CLOSING THE GAP

At McDonald's Restaurants Ltd. we are committed to inclusion, diversity and providing opportunities for everyone. From kitchen to counter to head office, our success would not be possible without the hard work of our people, which is why it is so important we invest in and nurture them.

We've been working hard to develop our female talent and leadership since 2005, and have been longstanding members of Inclusive Employers and the BITC Gender Campaign. In that time, we have increased the proportion of women in senior leadership roles from just 5 per cent in 2005 to 33 per cent today. In just the last six months, the number of women in senior roles has increased by 7 per cent at director and 14 per cent at senior manager level.

Now we want to go even further. We are committed to closing the gender pay gap by delivering a range of initiatives to improve how we recruit and develop female talent. By the end of 2020, we want to increase the number of women in head office management positions from 37 per cent to 45 per cent.

For us this is not about short-term statistical gains, it is about making sustainable, long-term change across our business to address the barriers women face in the workplace and challenge underlying societal norms.

Here are the actions we are taking to achieve that goal.

**WE HAVE INCREASED THE PROPORTION OF WOMEN IN SENIOR LEADERSHIP ROLES FROM JUST 5 PER CENT IN 2005 TO 33 PER CENT TODAY. IN JUST THE LAST SIX MONTHS, THE NUMBER OF WOMEN IN SENIOR ROLES HAS INCREASED BY 7 PER CENT AT DIRECTOR AND 14 PER CENT AT SENIOR MANAGER LEVEL.**

### ROLLING OUT UNCONSCIOUS BIAS TRAINING ACROSS OUR BUSINESS

Unconscious bias forms part of our shift manager training programme in restaurants and we also have training materials readily available on our employee intranet. In 2018 we will take this a step further by beginning the rollout of unconscious bias training for managers across our business. These workshops will help managers to understand their own unconscious biases and the impact these may have in the workplace.

### OFFERING AN ENHANCED MATERNITY PACKAGE

We have introduced a suite of policies to ensure that mothers who choose to return to work have a flexible schedule that works for them and their families. This includes mentoring for women in our head office before, during and after their maternity leave to retain talent in our business. In addition, we have enhanced our company maternity pay. The period during which employees receive their full salary has increased from eight weeks to 13, and we have opened the scheme to salaried employees that have worked for us for at least a year.

### CONTINUING OUR WOMEN'S LEADERSHIP DEVELOPMENT PROGRAMME

Our Women's Leadership Development Programme will continue to develop female talent across all parts of the business and create a strong leadership pipeline for the future. Over the course of six months, participants take part in a series of sessions and workshops specially designed to build the confidence and skills they need to be future leaders of the business. More than 80 women have had the opportunity to be a part of this programme over the last eight years, and 43 per cent of those who remain with the business have been promoted since graduating.

### DEVELOPING NETWORKING AND MENTORING OPPORTUNITIES

We carried out research with female employees to understand what we can do as a business to create a culture where women can succeed. They told us they valued access to mentoring and visible role models earlier in their careers. That is why we are encouraging our senior leaders, irrespective of their gender, to sponsor and mentor female employees across our restaurants and head offices. In addition, we are evolving our Women's Leadership Network to provide female employees with support, advice and inspiration.



## STATUTORY DISCLOSURES - MCDONALD'S RESTAURANTS LTD.

Median gender pay gap	0%
Mean gender pay gap	4%
Median bonus pay gap	7%
Mean bonus pay gap	57%
% males/females receiving a bonus payment	54/53%
Upper quartile (male/female %)	53/47%
Upper middle quartile (male/female %)	47/53%
Lower middle quartile (male/female %)	49/51%
Lower quartile (male/female %)	48/52%



### DECLARATION

We confirm the information and data reported is accurate as of the snapshot date 5 April 2017

McDonald's Restaurants Ltd. UK workforce  
% male/female employees = 48/52%



**MCDONALD'S RESTAURANTS LTD.**

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Registered in England and Wales  
Company No: 01002769

EY has provided independent assurance  
(which is outlined [here](#)) over the six statutory  
disclosures mandated by the Gender Pay Gap  
Regulations for McDonald's Restaurants Ltd.