

Modern Slavery Statement

McDonald's Australia Limited



Statement of Compliance

This statement is published in accordance section 13 of the Commonwealth Modern Slavery Act 2018 for the calendar year 1 January 2025 to 31 December 2025. It outlines the approaches we have taken to prevent modern slavery in our business and supply chains associated with Australia.

This statement covers McDonald's Australia Limited, a wholly-owned subsidiary incorporated in Australia (ACN 008 496 928). No other group companies are included in this report; McDonald's Australia Limited does not have any subsidiaries.

References in this report to "McDonald's" or "Global" policies, procedures and initiatives should be read as referring to McDonald's Corporation. "McDonald's" may also refer to our global brand. References to "we", "our", "us" and "the Company" refers to McDonald's Australia Limited and our employees and, for the avoidance of doubt, does not include our franchisees, suppliers or their respective employees.

Acknowledgment of Country

McDonald's Australia Limited acknowledges the Traditional Custodians of the lands on which we operate throughout Australia. We pay our respects to Elders of Aboriginal and Torres Strait Islander communities past and present and extend that respect to all members of those communities.



Our Business and Supply Chains

Our Business

The McDonald's System

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

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

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

McDonald's Australia

The Company operates in Australia through a structure that includes a network of Company-owned restaurants and franchised restaurants operated by independent licensees. The Company (together with its franchisees) currently operates approximately 1070 restaurants, currently employs more than 115,000 restaurant staff (including those employed by franchisees), and during the last calendar year, served 513,441,246 guests in Australia. Company employee numbers include those in our corporate and other offices as well as in Company-owned and operated restaurants.

The Company's core business in the Australian market is as a franchisor using a traditional owner-operator franchise model, where independent licensees operate individual restaurants under long-term agreements. We also own and operate approximately 15% of restaurants.

The Company's corporate function had approximately 483 people as of 31 December 2025, and operates from 6 Australian offices in New South Wales, Victoria, Queensland, South Australia and Western Australia with our headquarters in Thornleigh, New South Wales. Corporate operations in this market include supply chain (procurement of ingredients, packaging, materials, quality assurance and other services), construction and property development, food innovation, marketing, people, finance, corporate affairs, information technology services and legal. In preparing this Statement, information was gathered through engagement with internal departments at a local and global level (including supply chain, corporate affairs, impact, people and legal), and in consultation with key stakeholders such as one of our key distribution partners.

Our Commitments

McDonald's is committed to respecting human rights as set out in the Universal Declaration of Human Rights and to developing and implementing its human rights approach in line with the UN Guiding Principles on Business and Human Rights ("**UNGPs**"). We respect the rights and principles of the

International Bill of Human Rights, the International Labour Organization ("**ILO**") Declaration on Fundamental Principles and Rights at Work, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child and are signatories to the Women's Empowerment Principles.

The focus areas of the current McDonald's Human Rights Policy, which applies to the Company, include: child labour, data privacy, discrimination and harassment, education and employment creation, effective remedy, forced labour, freedom to associate (or not associate) and collectively bargain, inclusion, land rights, nutrition, Occupational Health and Safety ("**OHS**"), working conditions (contracts, hours, overtime, wages) and workplace security. The process of identifying human rights focus areas is a dynamic one and we respect all human rights referenced in the Universal Declaration, beyond the above focus areas. For more information on our policies and procedures in this area, please see the section below on Policies and Governance.

Our Supply Chain

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

The Global Supply Chain

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

Our Supply Chain

In Australia, we are served by approximately 110 food, beverage and packaging suppliers. The Company and its franchisees purchase food, packaging, equipment, and other goods from numerous independent suppliers. We also engage with service providers including, notably, in construction and logistics.

At a high level, our supply chain can be described as follows: a unique supply chain with both locally and globally managed supply chain partners. Our key suppliers are located both locally in Australia and globally and from industries such as food and beverage, agriculture, manufacturing, clothing and technology. Our relationships with suppliers and subcontractors are built on a mixture of long-term partnerships and different contract types, such as Business Relationship Agreements, which we seek to enter into with long-standing suppliers. Business Relationship Agreements operate until terminated by a party, meaning often, they are in place for long periods of time. Typically, most of our supply chain activities are conducted directly by our long-term distribution partner.

We have worked to understand our supply chain and have further work to do to fully understand the identity of suppliers below direct "Tier 1" suppliers. To support our supply chain mapping, we have engaged with various external, market-specific stakeholders. Digital systems that enable accurate data collection of our suppliers (including their locations and manufacturing facilities) are integrated to ensure only approved

suppliers are engaged through this section of the supply chain. We seek to understand areas of higher risk from a modern slavery perspective as part of our supply chain mapping.

Our understanding of our own operations and supply chain continues to evolve. Since the publication of our last Statement, we have introduced a new digital contractor management system that holds compliance information from our suppliers. This allows us to ensure compliance and that any required renewals are managed in a more efficient and visible way. We have also introduced digital systems to manage product and menu data, as well as a digital inventory system for our restaurants. Over the next reporting period, we aim to continue to digitise our supply chain that will give us greater visibility from end to end, which will include having better access to data provided by our suppliers.

Industry Engagement

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

To help ensure McDonald's supplier program addresses emerging human rights issues and risks, McDonald's participates in initiatives such as [AIM-Progress](#), a global business initiative focused on responsible sourcing, where McDonald's serves on the Leadership Team. By partnering with AIM-Progress, McDonald's intends to support broader adoption of the UNGPs by suppliers across the globe.



Policies and Governance

Our Policies

As part of the McDonald's global group, setting strategic direction and high-level policies in matters that affect the whole system happens at Global level. We manage modern slavery risks on a local level, translating McDonald's Corporation's strategy into action in Australia.

Principal Global policies include:

- **Human Rights Policy:** McDonald's Human Rights Policy commits us to respect the rights of all people and communities who produce, serve and enjoy McDonald's food. McDonald's prohibits the use of child labour, human trafficking, and forced, bonded, indentured or prison labour.
- **Supplier Code of Conduct:** McDonald's Supplier Code of Conduct (the "**Code**") sets expectations for suppliers on critical topics including modern slavery, human rights, workplace environment, business integrity and environmental management. Fundamental to the Code is the expectation of ethical employment practices by suppliers and their supply chain, including subcontractors and third-party labour agencies. We expect our suppliers to hold their own supply chain, including subcontractors and third-party labour agencies, to the same standards contained in the Code. From an anti-modern slavery practice perspective, the Code specifically stipulates that the suppliers must:
 - ensure that underage labour is not used in the production or distribution of their goods or services; not use any form of slavery, including forced, bonded, indentured or involuntary prison labour;
 - create internal programs for handling reports of workplace grievances; and
 - not retain employees' government-issued identification, passport or work permits as a condition of employment.

The McDonald's Supplier Workplace Standards and Guidance Document ("**SWSGD**") addresses the need for suppliers to adopt appropriate grievance mechanisms; see section below on Grievance and Reporting Mechanisms for further details.

- **Responsible and Ethical Recruitment Principles:** McDonald's is committed to the principles of responsible and ethical recruitment. The Principles aim to prevent the exploitation of migrant workers and ensure responsible recruitment for this population at all McDonald's restaurants. Responsible recruitment requirements are also embedded in McDonald's Supplier Code of Conduct to help ensure migrant workers within the supply chain are safeguarded. We believe that no migrant worker should have to pay recruitment fees and related costs to secure their employment. This commitment is informed by the Employer Pays Principle and the ILO's general principles and operational guidelines for fair recruitment.
- **People Brand Standards and Global Statement of Principles Against Discrimination, Harassment and Retaliation:** These set clear minimum expectations for treating everyone with dignity and respect, prohibiting all harassment, violence, intimidation, and discrimination, and upholding a safe, respectful, and inclusive workplace at all times.

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

The Company maintains a Contract Policy that supports anti-slavery and human rights, supplementing the Global policy framework. The Contract Policy stipulates key expectations that McDonald's has for all contracts with suppliers, including adherence to the Code and a requirement that all Australian suppliers

comply with Australian employment laws, in addition to our global employment requirements. The Contract Policy is overseen by Legal and was last updated in February 2025.

To ensure all relevant Global policies—including the Code and Responsible and Ethical Recruitment Principles—are effectively cascaded to Australia-based employees, franchisees, suppliers, and labour providers, the Company utilises mechanisms such as structured onboarding and access control processes to help mitigate risks associated with identity fraud, unauthorised work, and modern slavery within corporate operations. For example, all new corporate starters are required to complete employment and work rights verification checks prior to commencement. These controls ensure that only verified individuals with valid work rights are granted access to McDonald's premises and systems, strengthening oversight of workforce access and reducing the risk of exploitation or unauthorised labour practices within the corporate part of the Company.

Company policies are available to all employees and relevant staff:

- **For corporate employees** – via McDonald's+Me, our global human resources information system ("HRIS"). This platform provides corporate employees with direct access to key employment, ethical and workplace policies, including those relating to human rights and standards of conduct.
- **For restaurant workers** – via McD Connect, our restaurant social platform. Restaurant workers must engage in annual compliance training covering Safe, Respectful, and Inclusive Workplace expectations, reinforcing appropriate behaviours and escalation pathways.

Where applicable, policies are made available or translated into multiple languages to ensure accessibility for all colleagues, including migrant workers.

The Company communicates, monitors, and enforces policies to and with suppliers through training, webinars, a supplier self-assessment and periodic audits. McDonald's also maintains a whistle-blower hotline, accessible by any employee of a supplier within the McDonald's system. Any reports to this hotline are independently investigated and in the event of any findings, appropriate action is taken with the supplier. All suppliers are provided with a copy of the Code and commit to follow the Code when signing our standard contractual terms. In the event that we become aware of suppliers breaching the Code or other related commitments to fully respect human rights, we will take action to address such breaches. For further details on how we tackle failure of suppliers to adhere to our standards, please see section below on Managing Risk.

During the most recent reporting period, the Company considered how it can better collaborate with and collect information from suppliers and plans to further enhance our approach by delivering our Modern Slavery Questionnaire through a digital survey platform accessible to suppliers. This approach will enable broader and more efficient data collection across key business areas, including supply chain, technology, and construction.

Human Rights Governance

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

McDonald's internal Human Rights Working Group is a cross-functional team comprising team members from Supply Chain, Compliance, Franchising, Legal, Marketing, Operations, People, Public Policy, Safety,

Security, Sustainability and Social Impact, and is responsible for informing, implementing and championing McDonald's approach to human rights.

The executive sponsors of the Human Rights Working Group are McDonald's Global Chief Impact Officer, Global Chief People Officer, Global Chief Restaurant Experience Officer, Global Chief Supply Chain Officer and Global Chief Legal Officer. The CEO and Senior Leadership team have oversight of human rights policies, commitments and management, as well as of Enterprise Risk Management, which may include specific human rights issues. The Board Committees have oversight of human capital management, including human rights.

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

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

In the Australia, ultimate responsibility for modern slavery matters rests with the Board of Directors. The Leadership Team comprising of Directors and Senior Directors of supply chain, corporate affairs, legal and people departments report relevant information on human rights to the Board of Directors. Day-to-day, issues relating to modern slavery are managed by each respective department engaging external suppliers to McDonald's.

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

Grievance and Reporting Mechanisms

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

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

In addition to training, auditing and other aspects of the Supply Chain Human Rights program, McDonald's generally requires suppliers to establish internal grievance mechanisms and provide their workers with

their own robust internal procedures to raise issues. Guided by the UNGPs, McDonald's Supplier Workplace Standards and Guidance Document provides a step-by-step best practice process to help suppliers establish an effective grievance mechanism. McDonald's Business Integrity Line, and an email to reach the SCHR Global Management team, is open to suppliers and their employees if they suspect or become aware of any alleged breaches to the Code. The Code explicitly states that the supplier's reporting program must protect the worker's confidentiality and must prohibit retaliation in response to reporting issues.

Alongside global reporting mechanisms, the Company maintains company-level grievance and reporting mechanisms that operate independently of business reporting lines to enable concerns, including potential modern slavery risks, to be raised safely and confidentially. This includes the Speak Up framework, supported by the Speak Up Policy, which is accessible to employees and, where appropriate, external stakeholders, with reports able to be made confidentially and, where permitted by law, anonymously. Matters raised are typically reviewed by an appointed Investigator in partnership with Local Experience teams, with relevant information assessed through McDonald's+Me and supporting case management tools, and input from Discipline Management where applicable. Investigations are prepared and conducted with support from Legal, Workplace Investigation Teams, and Labour Relations as required, with findings documented and a recommended course of action developed. Recommendations are reviewed by relevant leaders or stakeholders, with escalation to People Partners or senior leaders where necessary, and cases progress through formal resolution or discipline pathways as appropriate.

For restaurant workers, the Speak Up framework escalates to the Employee Relations Hotline. All inquiries submitted to the Employee Relations team are dealt with confidentially, unless for legal reasons, a disclosure of personal information is compelled. All matters raised are reviewed by the appointed Employee Relations Advisor and/or Employee Relations Consultant who assess and develop a recommended course of action. Any serious breaches /complaints are raised with the Workplace Relations Leadership team with escalation to People Partners where necessary.

All stages of the processes outlined above are documented to ensure transparency, accountability and effective resolution, supporting early identification and management of risks, including those related to modern slavery.



Assessing and Managing Risk

Assessing Risk

Human Rights Focus Areas

McDonald's conducted due diligence (including assessments) to identify human rights focus areas, including forced labour, child labour, discrimination and harassment, working conditions and freedom of association and collective bargaining.

The human rights focus areas were identified using:

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

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

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

Human Rights Impact Assessment

In 2018, McDonald's engaged an external provider to conduct a Human Rights Impact Assessment ("**HRIA**") at the farm level. The assessment enabled us to identify that, of all the commodities we source, palm oil, tea, coffee and timber present the greatest risk of exposure to human rights concerns, with OHS, migrant workers and decent working time identified as the most salient risks.

The farm-level commodity assessment also included a stakeholder consultation with key NGOs to understand how industry experts view the human rights risks associated with the production of various commodities and how those risks can best be mitigated.

Since 2018, we have refreshed these findings for key commodities and updated recommendations through stakeholder engagement, including third party experts, in 2020 and 2021. Active engagement in industry groups and certification schemes keeps us informed of the latest risk trends and mitigation measures across priority commodities and geographies.

Supplier Onboarding

All new and existing suppliers complete an onboarding process that includes a modern slavery risk assessment and an annual self-assessment questionnaire to evaluate their approach to labour standards, human rights and modern slavery risks. Based on responses and other risk factors, suppliers may be subject to additional third-party audits, including on-site audits and more detailed checks where warranted.

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

Responsible Sourcing

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

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

In Our Business

We recognise that there is a risk of modern slavery that exists in the hospitality industry which employs potentially vulnerable categories of workers such as young people and migrants on temporary visas. McDonald's makes available resources and guidance relevant to the employment of migrant workers. Where franchisees employ migrant workers, we may assess compliance with our policies by conducting restaurant visits. Please see section on Policies for further detail on measures to help prevent the exploitation of migrant workers.

McDonald's believes in creating work opportunities for young workers. We recognise the risk of child labour extends across our System. In response, we have adopted measures to mitigate such risks, including encouraging our franchisees to implement policies, procedures and guidelines concerning forced and/or child labour for the restaurants they own and operate.

However, we consider there to be a low risk of modern slavery within our corporate staff and employees in our restaurants as we have proper policies, contracts and procedures in place, as detailed in this Statement, to prevent the risks of coercion, forced and/or child labour.

Evolving Our Approach

McDonald's is evaluating its approach to the allocation of resources for continued effective mitigation of supply chain human rights risks, against a backdrop of increasing human rights legislation, due diligence requirements and scrutiny. McDonald's is transitioning suppliers to SEDEX Members Ethical Trade Audit (SMETA) audits to help enhance McDonald's human rights due diligence approach and reduce audit duplication and fatigue for suppliers.

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

In 2024, McDonald's benchmarked current efforts using the Sedex SMETA audit to ensure alignment. During 2025, we supported all suppliers not already on the Sedex platform with this transition.

Managing Risk

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

Supplier Due Diligence

In Australia, in the calendar year ending 31 December 2025, the Company was supplied by 110 food, beverage and packaging suppliers. When onboarding prospective suppliers, they must complete a verification process to show they meet our expectations. This includes the completion of a rigorous annual self-assessment questionnaire to appraise their current systems and practices, in which they produce a report indicating areas for improvement. Based on the self-assessment questionnaire and other risk factors, prospective suppliers may be asked to complete an on-site 4-pillar audit. In Australia, the supply chain team manages compliance with the Supply Chain Human Rights program, supported by our third-party program management company.

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

Third Party Supplier Auditing

Over the course of 2024, McDonald's transitioned from its own proprietary audit programme, the Supply Workplace Accountability Programme ("**SWA**"), to the Sedex Members Ethical Trade Audit ("**SMETA**"), managed by the Supplier Ethical Data Exchange ("**Sedex**"). In Australia, the Company also participates in this programme.

The SCHR programme engages several experienced social compliance auditing firms around the world to conduct SMETA third-party audits of facilities, worker housing and cafeterias. These audits investigate such concerns as recruitment fees, discrimination, wrongful confiscation of personal documents and other human rights considerations that McDonald's seeks to eliminate from its supply chain. We typically carry out 39-40 third party audits each year, which are conducted with limited prior notice to suppliers. Audits usually involve worker interviews, inspections of facilities, review of policies and procedures and extends to all sub-contracted labour and any employee working under a VISA.

The aim in moving to this audit protocol, which closely aligns with the Code, is to help facilitate better collaboration across brands on issues we can't solve alone – such as forced labour and child labour. It also helps us to reallocate our internal resources to focus on our highest areas of risk and support better remediation and continuous improvement.

Taking Effective Action

Following on from audits, we will review the findings and decide whether any intervention is needed. Where non-compliance is identified through an on-site audit, suppliers work with a third-party audit firm to complete a corrective and preventative action plan to address the non-compliance.

The plan must provide specific time frames within which corrective action will be taken, root causes analysed and policies and procedures updated. In addition, the plan must be designed to avoid recurrence of the non-compliance and establish specific accountability. In instances of significant non-compliance, suppliers are subject to a follow-up audit to ensure that the non-compliance has been properly addressed. Termination of the relationship is considered only as a last resort and is a complex decision based on a number of factors.

McDonald's SCHR programme is designed to support suppliers in meeting our standards. We prioritise continuous improvement, capacity building and corrective actions. However, in certain circumstances, such as instances of significant non-compliance with the Code, McDonald's may remove a supplier from the supply chain.

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

In Our Business

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

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

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

Through delivering the Business Review process and ongoing dialogue with franchisees, we help protect the McDonald's brand by supporting franchisees to operate in accordance with our expectations. In addition to the Business Review process, we complete routine visits to certain franchisee restaurants to assess and support restaurant performance, including supporting the sharing of people strategy best practices.

There are times when franchisees may be considered to not have fully complied with our standards. We take our responsibilities as a franchisor seriously, and we work with franchisees to help them improve and identify what, if any, additional support is required. Where improvements are needed, franchisees must develop the right action steps for improvement. In situations where a franchisee fails to comply with the prescribed standards, we take appropriate action tailored to the circumstances.

In addition to our review processes with franchisees, our existing procedures include several ways that an individual can report an incident or raise a concern. We require all restaurants to maintain their own reporting process within their own restaurants.

Our Progress This Year

In the course of the last calendar year, we have consistently applied the processes and procedures described above. We keep these measures under review and will continue to evolve our approach as needed.

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



Training, Awareness and Partnerships

Training and Employee Awareness

To help employees of McDonald's understand human rights risks, online training on its Human Rights Policy is available to employees in 13 languages. The training includes a section on forced labour that identifies particularly vulnerable groups and outlines McDonald's commitments surrounding ethical recruitment. All McDonald's corporate employees are also trained annually on the Standards of Business Conduct and are required to certify annually their understanding of and commitment to upholding the standards.

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

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

Given their important role in working with suppliers, we aim to ensure that all supply chain procurement and quality assurance employees undergo in-person and online training on human rights issues in global supply chains to support suppliers in meeting their expectations under the SMETA programme. Global training modules are focused on health and safety, involuntary labour (including recruitment and fee reimbursement) and underage labour.

The SMETA programme includes an online training platform where suppliers can access guidance materials on preventing modern slavery. Training modules cover topics such as "Ensuring Eligibility to Work", "Protecting the Rights of Migrant Labour" and "Implementing Grievance Mechanisms". For example, the Migrant Labour training aims to educate suppliers on the risks related to modern slavery when sourcing migrant labour and some key actions they can take to ensure they are protecting the rights of migrant workers in their facilities. Additionally, McDonald's SWSGD is shared with all suppliers and provides detailed guidance on each aspect of the Code and how suppliers and their supply chains can meet our expectations.

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

Additional local training has been provided during the year. In addition to mandatory compliance training, McDonald's Australia offers additional training and resources focused on diversity, equity and inclusion, supporting awareness of respectful workplace behaviours and inclusive practices. Employees can also revisit their required training, including the Standards of Business Conduct and Safe, Respectful and Inclusive Workplace training, at any time through the online learning platform.

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

The Company aims to ensure that all its employees are aware of the risk of modern slavery and the part they can play in preventing it.

Partnerships and Collaboration

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

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

We are an Engaged Organisation of the Centre for Sport and Human Rights. The centre is a human rights organisation with a mission to advance a world of responsible sport that fully respects and promotes human rights by generating awareness around key human rights issues, building capacity and delivering value-added impact. In this multistakeholder forum, sponsors of sporting events are recognized as critical stakeholders in the sports ecosystem. Our participation helps us understand and implement measures to do our part in preventing human rights violations linked to sport and major events.

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



Monitoring, Reporting and Measuring Effectiveness

Measuring Effectiveness

Global Monitoring

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

As outlined above, McDonald's SCHR programme is designed to support suppliers in meeting our standards. We prioritise continuous improvement, capacity building and corrective actions and where non-compliance is identified through an on-site audit, suppliers work with a third-party audit firm to complete a corrective and preventative action plan. The plan must provide specific time frames within which corrective action will be taken, root causes analysed and policies and procedures updated.

McDonald's Australia

In Australia, we assess the effectiveness of our modern slavery, forced labour and child labour response through audits and our Modern Slavery Questionnaire.

Key effectiveness indicators monitored in the reporting period include a number of supplier audits completed, SMETA audit ratings and corrective action reports as an outcome of these audits. With the transition to SMETA audit, best practices have been shared with suppliers to ensure a cycle of continuous improvement. The most significant learning for our supplier base, is to ensure the good practices in place, are effectively documented in policies and procedures to ensure consistent application of standards.

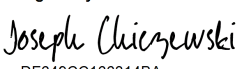
Since the last reporting period, we are currently undertaking the following to strengthen our compliance with our modern slavery obligations:

1. Reviewing the annual self-assessment questionnaire to ensure the correct information is being requested of prospective suppliers in order for McDonald's to make a more accurate assessment of systems and practices.
2. Taking steps to incorporate the annual self-assessment questionnaire into our Contractor Management portal to streamline the assessment process and to improve access for internal departments at McDonald's to the questionnaire.

The digital report platform for audit results is currently being enhanced to enable improvements in reporting, early identification of emerging trends and macro reporting for the Australian market as well as individual reporting on suppliers.

Statement of Approval

This statement is made pursuant to section 13 of the Commonwealth Modern Slavery Act 2018 and constitutes our modern slavery statement for the reporting period 1 January 2025 to 31 December 2025. The Board of McDonald's Australia Limited approved this statement on 25 June 2026

Signed by:

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Joseph Chiczewski

Chief Executive Officer/Managing Director of McDonald's Australia Limited