

McDonald's Australia Limited

Modern Slavery Statement



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About this Modern Slavery Statement

This Modern Slavery Statement (**Statement**) is made pursuant to the Modern Slavery Act 2018 (Cth) (**Act**) by McDonald's Australia Limited (ACN 008 496 928) (**McDonald's, we, us, our**) covering the reporting period 1 January 2024 to 31 December 2024.

Acknowledgment of Country

McDonald's 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.

Macca's Story

Where we've come from

McDonald's opened its first restaurant in Australia on Bidjigal Country in the Western Sydney suburb of Yagoona in 1971.

In the fifty-four years since, McDonald's has affectionately become 'Macca's' and grown into the largest quick-service restaurant company in Australia, with more than 1,048 restaurants, over 200 franchisees, more than 115,000 restaurant employees and serving more than two million Aussie customers every day.

Our restaurants operate in metro, regional and rural communities, providing jobs, supporting local communities, and upskilling the next generation.



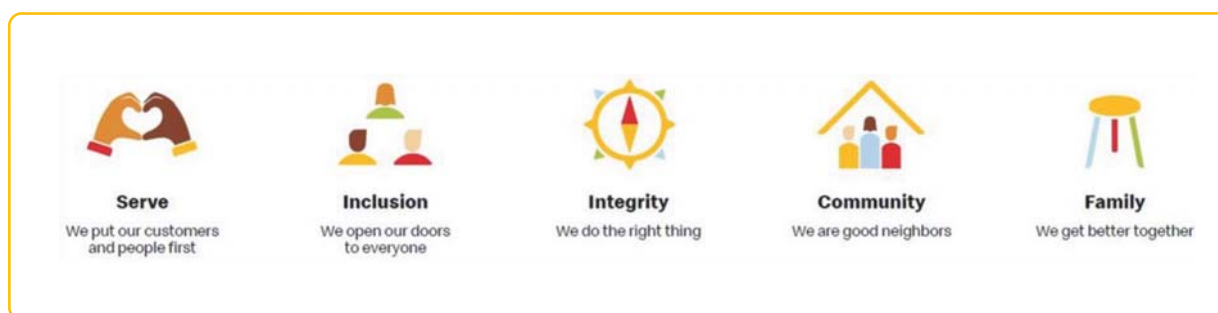
Our vision & values

We are 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 rights and principles in the International Bill of Human Rights, the International Labour Organisation (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.

Our values of *Serve, Inclusion, Integrity, Community and Family* define who we are and how we run our business and restaurants. Our values guide our decisions, big and small, because we know that actions are louder than words.

We want our customers and communities to know they can rely on McDonald's to provide great value, excellent quality food and make a difference where it matters.

We understand that modern slavery practices impact millions of people around the world and human trafficking remains a hidden blight on our global society. Therefore, we are committed to conducting business ethically and in compliance with the law. Inherent in our corporate values is our commitment to doing the right thing.



We are committed to fostering safe, inclusive, and respectful workplaces across our operations. We take our responsibility to respect humans' rights seriously and act diligently to avoid infringing on the rights of others. Where adverse impacts do occur, particularly in relation to vulnerable groups such as migrant workers, unskilled labourers, First Nationals people, women, or children, we are committed to addressing them appropriately and in a timely manner.

This is McDonald's fifth Modern Slavery Statement, and it is published in accordance with the *Modern Slavery Act 2018* (Cth). It outlines the approaches we have taken to identify, prevent, mitigate, and address any modern slavery practices that we may cause, contribute to, or are directly linked to our operations and through our business relationships.

McDonald's will continue to work with our franchisees, suppliers and Global company with the common focus of protecting and promoting human rights of workers in our business and value chain operations.

Our structure, operations, and supply chain

McDonald's is an unlisted Australian public company and operates as a franchise business. Approximately eighty-five percent of McDonald's restaurants in Australia are owned and run by independent local businesspeople, and the remainder are operated by McDonald's. Our franchisees are pillars of their communities, supporting local organisations, charities, and sporting clubs and offering other help during times of crisis.

What makes our system unique is the concept of the three-legged stool. A balanced partnership between franchisees, suppliers, and McDonald's to ensure our ongoing success.

Other parts of the McDonald's business operations include construction, property development, food innovation, marketing, supply chain (procurement of ingredients, packaging, materials and other services), corporate affairs, finance, human resources, and information technology services.

Our Supply Chain

McDonald's has a unique supply chain with both locally and globally managed supply chain partners. Our supply chain model is based on a culture of partnership and collaboration, making it possible for us to serve consistently safe and quality food.

Suppliers are a critical component of our business. We build long-term relationships with our supplier partners and are proud that many of them have worked with us for many decades. These long-term relationships enable us to have open and honest conversations and share best practices.

It is important that our suppliers operate sustainable and profitable businesses and benefit from their partnership with McDonald's. It is equally important to us that we aim to source our products in a responsible and ethical manner.

Within our supply chain, we consider that we have responsibilities to our suppliers and the community in the following three key areas:

1) Economic

McDonald's is committed to supporting Australian producers and manufacturers, to the extent we are able. Where our food comes from and how it is produced matters to our customers, communities, and the environment. We've worked with Australian farmers and



producers for more than 50 years. We and our suppliers purchase much of our produce and products, such as beef, chicken, milk, wheat, eggs, lettuce, tomatoes, and apples from Australia.

Our first preference is always to source food and products from within Australia. Every year we source more than 200 million kilos of Australian produce from thousands of Australian farmers spending more than \$1 billion.

We focus on engaging suppliers that manufacture in Australia and on the development of local manufacturing capability. Some recent examples of where we have transitioned to sourcing from manufacturers located in Australia include chocolate and caramel dessert toppings, shake syrups, sandwich sauces and nugget dipping tubs.

Examples include¹:

- Our Iceberg and Cos lettuces are grown by farmers in New South Wales, Queensland, South Australia and Victoria.
- We use apples in our apple pies that are picked from orchards in regional New South Wales and Victoria.



¹ Our first preference is always to source locally. However, subject to changes due to availability or seasonality, produce may be imported from other countries.

2) Environmental

We work closely with our suppliers to identify practical ways to help reduce the impact on the environment of our food and packaging products.

Together with our franchisees and suppliers, McDonald's is finding ways to assess and reduce emissions, transition to more sustainable packaging materials and identify ways to help promote circular solutions that can reduce waste. Examples include increasing our use of paper packaging relative to packaging made from virgin fossil-fuel based plastic, investing in renewable energy, and partnering to help our suppliers advance sustainable agricultural practices.

Throughout the year, we pursued a range of initiatives to reduce emissions and progress our net zero strategy. This included enhancements to how we design and power our restaurants, as well as support for more sustainable agricultural practices. A key area of focus was working collaboratively with our suppliers and the broader agriculture industry to reduce emissions associated with beef and chicken production. Our Tassie to Townsville

program played a central role in this effort, helping farmers assess their baseline emissions and providing education on emissions reduction opportunities.

We also made progress in our transition to renewable energy. By the end of 2024, over 200 of our restaurants had rooftop solar systems installed. In parallel, our food and packaging suppliers continued to expand their use of renewable energy.

In line with evolving state and territory-based legislation, we continued to implement measures to reduce the environmental impact of our operations. This included the ongoing national rollout of organic waste collection across our company owned restaurants and continued efforts to source all customer packaging (excluding pre-packaged goods) from renewable or reclaimed materials, in accordance with regulatory obligations and broader sustainability objectives.

3) Ethical

We believe that our influence in the marketplace brings with it a responsibility to ask for more than quality and price. We have guidelines and programs in place in relation to certain social responsibility matters as relevant to our business.

The foundation of our social responsibility supplier program is our global Supplier Code of Conduct (**CoC**), which outlines McDonald's minimum requirements in the following areas:

- Human rights
- Workplace Environment
- Environmental
- Business Integrity

This program aims to protect the health, safety and human rights of workers in our supply chain and audits are regularly conducted by our independent third-party auditors from a McDonald's approved audit firm in Australia to ensure our key suppliers are meeting our social responsibility expectations.



Modern slavery risks

Using the Global Slavery Index 2023², we have identified the following modern slavery risks within McDonald's supply chains and operations.

Employees of McDonald's

We recognise that a risk of modern slavery exists in the hospitality industry, which typically employs more potentially vulnerable categories of workers, such as young people and migrants on temporary visas compared to other industries. However, we consider there to be a relatively low risk of modern slavery within our corporate staff and employees in our company-operated restaurants as we have policies, procedures, guidelines and training in place to help mitigate the risks of coercion, forced and/or child labour. We also encourage our franchisees to implement similar policies and procedures for the restaurants they own and operate. Australia is also a country that experiences relatively low levels of modern slavery activity, which further contributes to our finding of low risk for the operations of McDonald's Australia Limited and its franchisees. We take steps to periodically update this risk assessment.



Sector/Industry

The Global Slavery Index 2023 identified the cocoa industry as presenting high risks of modern slavery. McDonald's Australia Limited primarily sources cocoa for use in desserts and McCafe beverages. As such, we recognise that one of our most salient modern slavery risks is associated with procurement for our McCafe operations. One of the steps we take to mitigate this risk is to source coffee from Rainforest Alliance certified farms across Brazil, Honduras, Columbia and Ethiopia.

Geographic

Although McDonald's is committed to supporting Australian producers and manufacturers where possible, we will sometimes source products or equipment from other countries. We acknowledge that by doing so there may be an increased risk of modern slavery in our supply chain, particularly when sourcing from certain countries that present relatively higher risk on this issue. If a particular supplier, facility or country is determined by McDonald's to present too high of a risk of modern slavery, McDonald's will put appropriate prohibitions/restrictions in place to help mitigate such risk.

² <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>



Mitigation of modern slavery risks

In addition to the actions stated above, we continue to build on the following initiatives which we have developed since our first Modern Slavery Statement.

Modern Slavery Questionnaire

McDonald's has developed its own Modern Slavery Questionnaire (**Questionnaire**) which we request suppliers to complete annually. It is an essential tool in our continued efforts to identify and remove Modern Slavery from our supply chain.

We continue to collaborate with our long-term logistics partner Martin Brower to issue Anti-Slavery Compliance Declaration forms to our key suppliers to help assess any modern slavery risks present within our supply chains. In 2024, Martin Brower issued declarations to additional McDonald's suppliers to assist us in assessing this risk compared to the previous year. We aim to increase this each reporting period to cover all key suppliers.

Modern Slavery Risk Checklist

In this reporting period, we continue to use the Modern Slavery Risk Checklist (**Checklist**) based on the following categories of risk as set out in the "Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities".

The aspects the Checklist covers include the following:

- Sector/industry
- Entity
- Product and service
- Country risks

The Checklist helps McDonald's contract managers to properly assess the risk profile of each new supplier they wish to introduce into the McDonald's system and identify those suppliers that warrant further due diligence. This Checklist is easily accessible via McDonald's corporate intranet page.

In this reporting period, we continue to include anti-modern slavery provisions in our supply contracts with key and high-risk suppliers, which require them to provide information about their modern slavery prevention practices and to ensure they maintain their own policies and procedures in relation to practices that help prevent modern slavery.

Supplier Code of Conduct

We continue to work with our suppliers to secure their commitment to our CoC, which sets out our expectations for suppliers on critical topics including modern slavery, human rights, workplace environment, business integrity and environmental management. The CoC forms part of our contractual agreements which suppliers must agree to as part of their onboarding process into the McDonald's system.

The CoC has continued to evolve and strengthen in order to reflect updated international human rights standards, consultation with external experts, a human rights gap analysis and dialogue with suppliers.

McDonald's expects all suppliers and their facilities to meet the standards and promote the principles outlined in the CoC. Fundamental to the CoC 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 CoC.

From an anti-modern slavery practice perspective, the CoC 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-issue identification, passport or work permits as a condition of employment.

Supply Chain Human Rights (SCHR)

Since our first Modern Slavery Statement, McDonald's Supplier Workplace Accountability Program has evolved to the McDonald's Supply Chain Human Rights Program (SCHR) to support adherence to the standards and expectations outlined in our CoC and its aim is to help suppliers understand our expectations, verify adherence and work toward continuous improvement. The SCHR program now incorporates the McDonald's Supplier Workplace Standards and Guidance Document and industry ethical program Sedex. Effective January 31, 2025, McDonald's requires all existing and new facilities engaged in our SCHR program to become Sedex members. The registration for Sedex and linking to McDonald's commenced in Q4 2024.

Human rights due diligence is incorporated into the SCHR program through onsite third-party SMETA 4 Pillar facility audits for certain suppliers. The frequency of the audit is determined by audit outcomes, with frequent facility attendance and re-audits put in place where non-conformances are identified.

In addition to our CoC, McDonald's Supplier Workplace Standards and Guidance Document (**SWSGD**) is shared with all key suppliers of McDonald's and provides detailed guidance on each aspect of the CoC and how suppliers and their supply chains can meet our expectations. For example, the SWSGD clearly explains that all suppliers shall:

- Ensure their hiring process and that of their recruitment agencies provide people employment under voluntary terms.
- Maintain legally accepted age verification records to demonstrate all workers are of legal working age when they commenced work.
- Respect the right to associate, or not, with any group of their choice, as permitted by law, without fear of reprisal, intimidation, or harassment.
- Respect the rights of people to bargain collectively where such rights are established by law or contract.



Other relevant policies and remediation processes

McDonald's continues to improve its existing policies and programs to mitigate human rights risks in our business, which include the following:

Whistleblower Policy

McDonald's is committed to maintaining the highest standards of honesty, openness and accountability both within the organisation and in its business dealings. Our Whistleblower Policy aims to encourage the reporting of misconduct or improper state of affairs in relation to McDonald's. It also establishes reporting and investigation mechanisms to appropriately address any disclosures made by the disclosing persons. Procedures are also in place to help ensure all disclosing personnel feel supported and can raise concerning issues.

Employee Relations Hotline

McDonald's also offers an Employee Relations Hotline, staffed by employee relations advisors between the hours of 8am and 6pm Monday to Friday. Outside of these hours, employees, franchisees, and other stakeholders can contact the Hotline by phone, email and chat function as an additional intake or enquiries and concerns.

Complaints Resolution Process

All of McDonald's employees have access to complaint resolution processes, which allow anyone who believes they are experiencing, or have witnessed, unacceptable workplace behaviour (this includes behaviours such as bullying, harassment, discrimination, victimisation or general treatment) to voice their concerns. To promote an effective and prompt resolution process, our employee grievance system can involve either an informal or formal process, the latter of which involves written complaint submission and formal investigation. The complaint resolution process also forms part of our McDonald's Australia's Respectful Workplace Policy.

McDonald's Corporate Office in Australia

During this reporting period, McDonald's completed the rollout of its Speak Up training to our head office employees, licensees and the leadership team. The training was intended to support a safe, transparent and open work environment and is now available across these groups.

Restaurant Training

A range of programs are now in place across our restaurants to support our commitment to fostering a respectful and inclusive workplace. These include our Respectful Workplace Policy which incorporates our Speak Up Policy and Complaints Resolution Process. Respectful Workplace training is delivered during onboarding and reinforced annually through Restaurant Basics Induction Training sessions. Speak Up posters are displayed on crew notice boards in all restaurants to raise awareness of available reporting channels. In addition, employees have access to an Employee Relations Hotline and Respectful Workplace training is also delivered at Supervisor and Restaurant Manage Summits. We continue to uphold and respect employees' rights to freely associate, or not, with any group of their choice, as permitted by law, without fear or reprisal, intimidation or harassment.



McDonald's Business Integrity Line

Our parent entity, McDonald's Corporation manages a Business Integrity Line, which is available 24 hours per day, seven days per week. The phone line and webform allows reports of any alleged violations of our standards of business conduct or other company policies, including our commitments to human rights and to fostering safe and respectful workplaces. Forexample, a person could report an action they observed that they think was contrary for the following human rights:

- Freedom from slavery and child labour
- Freedom to associate or not associate.
- Equal treatment and opportunity
- A safe and healthy workplace
- Freedom from discrimination and harassment.

Employee Assistance Program

The Employee Assistance Program delivered in partnership with Sonder remains available to McDonald's employees, franchisees and employees of our franchisees. Through the Sonder app, individuals can access immediate safety, medical and mental health support, which is free, confidential and available 24/7 via chat or telephone. This ongoing initiative reflects our continued commitment to supporting the wellbeing and safety of people, who work for McDonald's and its franchisees.



Assessing the effectiveness of our actions

For this reporting period, the Modern Slavery working group at McDonald's regularly reviewed our approach to addressing modern slavery risk to evaluate the ongoing effectiveness of our actions. We have adopted the following key measures of effectiveness as we did for the previous reporting periods, namely:

Method	Measure
Anti-Slavery Compliance Declaration Forms	<p>We considered the number of suppliers (i.e. existing and new suppliers) that have signed and returned Anti-Slavery Compliance Declaration Forms via our logistics partner Martin Brower to indicate that modern slavery risks have been assessed and mitigated within their supply chains and operations.</p> <p>We recognise that there are still opportunities to improve this method by embedding McDonald's own Modern Slavery Questionnaire within our contract management system as a key part of our supplier onboarding and annual assessment process.</p>
Modern Slavery Contractual Provision	<p>We continue to identify opportunities to include anti-modern slavery provisions in our supply contracts. Over time, we have increased the number of contracts that incorporate these provisions, aligning with the risk profile of the suppliers and our broader commitment to responsible sourcing and human rights due diligence.</p>
Code of Conduct and Supply Chain Human Rights Program	<p>We continue to monitor the number of suppliers that with our CoC and SCHR program. We also continue to adopt the same remediation processes in the event a non-conformance is identified, namely the suppliers are required to work with our independent third-party audit firm to complete a corrective and preventative action plan to address the matter identified. The plan must provide specific time frames within which corrective action will be taken, including assigning accountability, identify and analyse root causes, and note any policies and procedures that need to be updated. In addition, the plan must be designed to avoid recurrence. In instances of significant non-conformance, suppliers are subject to a follow-up audit.</p>
Grievance and mechanisms	<p>We have increased awareness of various channels and mechanism for raising grievances and enhanced our workplace policies as set out above.</p>

Internal Consultation

In preparing this Modern Slavery Report, McDonald's consulted with its Supply Chain, People and Culture, Corporate Communications and Legal team, as well as our long-term logistics partner Martin Brower to identify the areas of risk and how best to report ongoing progress. McDonald's does not own or control any other operating entities.

Looking ahead

At McDonald's, we will continue to strengthen our approach to managing the risk of modern-day slavery within our business and supply chains. Our focus for the next reporting period is to:

- Continue to roll out modern slavery prevention provisions in all of our contracts with new suppliers;
- Engage with a greater number of suppliers to drive improvements within our supply chain, including increase the number of modern slavery questionnaires sent and received;
- Increase the number of McDonald's employees trained on modern slavery awareness and risk assessment; and
- Collaborate and seek new opportunities with our parent entity, McDonald's Corporation to collectively enhance our anti-modern slavery programs.

Statement of approval

This statement is prepared pursuant to the *Modern Slavery Act 2018* (Cth) and has been approved by the board of directors of McDonald's Australia Limited on 30-Jun-2025 | 2:08 PM AEST

Signed by:

Joseph Chiczewski

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Joseph Chiczewski

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

