



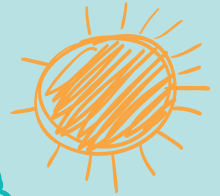
Saudi Arabia

Ajyalona
Our Commitment



McDonald's Saudi Arabia

Corporate Responsibility and Community Service 2019





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About Ajyalona

McDonald's Saudi Arabia was one of the first organizations to adopt the concept of corporate social responsibility within the Kingdom. This began when some 25 years ago the company founders planted the seed that would grow into Ajyalona (Our Generations), McDonald's Saudi Arabia's all-encompassing community service platform.

It is thanks to their vision, commitment and industry that Ajyalona has grown into one of the country's most enduring, successful and comprehensive CSR programs, which benefits thousands of individuals and community groups.

From little seeds mighty trees may grow – and Ajyalona has developed into a mighty tree from the carefully nurtured seed planted in our early days, a tree whose branches touch everything that McDonald's Saudi Arabia believes and does.

As we look back on 25 years of committed community service we are justly proud of the service we have offered to our beloved country and the sustainability programs that extend to all our stakeholder groups, customers and team members.

1. Supporting Humanitarian Service



2. Promoting an active and balanced lifestyle



3. Empowering Saudi youth



About us

Riyadh International Catering Corporation, a 100 percent Saudi-owned company launched the McDonald's brand in Saudi Arabia in 1993, and remains the McDonald's development license in the central, eastern and northern regions of the Kingdom.

Today, the company is one of the largest quick service restaurant companies in the Arab world with more than 170 branches and 4704 employees.



Since 1993, the company has invested more than SAR15 million in community service initiatives.

We've only printed a limited number of this report to save paper, but the full publication can be accessed by scanning the code below on your smart device.



Scan the QR code to receive the report on your smartphone

This is our first social responsibility and community service report – although we've been very active in the community ever since we opened our first branch in the Kingdom in 1993.

In the following pages you can learn about everything we've done to serve our community, our corporate social responsibility (CSR) commitments, strategy and history from our establishment right up to 2019.

In this report:

- 04 President's foreword
- 05 Pioneers in community service
- 06 Supporting humanitarian causes**
- 07 Case Study: Down Syndrome
- 10 Bandar Al Humaidi's story
- 12 Promoting an active and balanced lifestyle**
- 13 Case Study: Mawahib Talent program
- 14 Empowering Saudi youth**
- 17 Acknowledgements



Foreword

Our commitment to continuous giving



Today we are celebrating the opening of the first McDonald's branch in Saudi Arabia 25 years ago, a period in which we have reputation for community initiatives under the umbrella of Ajyalona.

Ajyalona is organized along three tracks: supporting humanitarian causes, promoting an active and balanced lifestyle, and empowering Saudi youth and Nationalization of workforce, which have contributed significantly to community development across many sectors of society.

McDonald's Saudi Arabia has always been renowned for the creativity of its approaches to employment and CSR, from the idea of proceeds from children's stories being used to support charities, launch sports programs, boost career aspirations of young Saudis and create employment opportunities for Down Syndrome youth. Without doubt, many of these initiatives will be familiar to many – after all, McDonald's Saudi Arabia has been an acknowledged pioneer in community service since our inception and continue to view CSR as fundamental part of our future success.

I am immensely proud to have been part of McDonald's Saudi Arabia for nearly three decades, more than half of my life. During that time, I have experienced the wisdom, sincerity and altruism of all McDonald's family members in their commitment to serving the Kingdom.

I would like to emphasize my optimism for the future in McDonald's giving. Our is a brand that has the love and respect of millions, thanks to more than a quarter of a

century of CSR initiatives. It is indeed a worthy occasion to reflect on an extensive journey, and document it in an annual report detailing our innovation and originality in the development of the community service sector.

Within the Kingdom, this charitable and humanitarian sector has further expanded thanks to Saudi Vision 2030 objectives, under the guidance of our leadership the Custodian of the Two Holy Mosques King Salman bin Abdulaziz and HRH Crown Prince Mohammed bin Salman, which are guiding the sustainable development and economic and social transformation of the country as a whole.

In conclusion, we hope that we have succeeded in serving our country and continue to do so with even more initiatives and innovative ideas designed to benefit the communities in which we operate.

Sincerely,

Mishaal bin Khalid F. Al-Saud

President, Riyadh International Catering Corporation

Supporting Humanitarian Causes

McDonald's Saudi Arabia has introduced many creative initiatives that have had delivered significant community benefits throughout the country.

These include:

2002	Ramadan Charity Campaign - donation to a Charity Organization for people with special needs.
2003	Ramadan Charity Campaign - donation to an association for cancer patients.
2003-16	Grassroot Football Tournaments.
2003-present	Visiting hospitalized children and offering them entertainment and gifts.
2004-present	Ramadan Charity Campaign - donation to orphans charities.
2006-16	McDonald's Kids Marathon.
2008	Charity Committee for Football Tournament designed for orphaned children.
2009-14	Water Sports Festival at Al Qadisiyah Club.
2010-present	World Cup Players Escort Program.
2014-16	McDonald's Family Festival.
2015-17	McDonald's Mawahib Football Talent Program.
2016	Eastern Province Border Guards Football Tournament.
2016	Supporting Down Syndrome charity associations.
2018	Recruiting 10 Down Syndrome employees to a total of 12 Down Syndrome working at RICC.
2018	Presenting two Down Syndrome Charity Associations with proceeds totaling to SAR 1.7 million.
2019	Total number of Down Syndrome employees is 30.
2019	Presenting two Down Syndrome Charity Associations with proceeds totaling to SAR 1.9 million.

Initiative 1

Supporting Humanitarian Causes

The 25th anniversary of McDonald's launch in Saudi Arabia comes at a historic juncture, as we celebrate the past and prepare ourselves for what is to come.

Our community service achievements are numerous and can be seen in practical initiatives on the ground throughout the country. The examples presented here are just a taste of an extensive journey which has paved a route of social responsibility and community service over more than a quarter of a century of continuous work.



McDonald's Saudi Arabia also seeks to build strategic partnerships with humanitarian organizations and charitable institutions to support their development efforts.

We have always been very active in community service leadership, one of the most important components of Ajyalona, focused on drawing a smile on everyone's face. Many of our regular and frequent initiatives continue to resonate with the people – such as visiting hospitalized children, blood donation campaigns, school visits, environmental campaigns, beach cleaning, al Hakawati program and others.

During 2016 we reoriented our CSR strategy towards more focused outcomes in order to deliver greater benefits to specific groups. This entailed focusing our humanitarian support to one cause and that is the Down Syndrome Community.

The following pages detail our strategy to employ young people with Down syndrome, including a story full of hope of our new employee Bandar Al Humaidi.

An Ambitious Country and a Responsible Citizen

We are committed to the goals and vision of Vision 2030, as well as to United Nations goals of sustainable development, and have developed a CSR strategy to keep up with these important national and international plans.

According to Vision 2030, the contribution of the non-profit sector at the moment will not exceed 0.3 percent of GDP. This contribution is modest if compared to the global average of 6 percent. Among the objectives of Vision 2030 in this area are:

1. Increasing non-profit sector contribution to GDP from less than 1 percent to 5 percent.
2. Reaching one million volunteers in the non-profit sector each year (from 11,000 currently).
3. Raising the proportion of households' savings of total income from 6 to 10 percent.

Case Study: Supporting Youth with Down Syndrome

McDonald's Saudi Arabia's ambitious journey in supporting people with Down Syndrome began in 2016 after we decided to rethink our overall CSR strategy. Instead of spreading efforts across several different causes, we decided to focus efforts on one cause, adopting a cause that had previously been under-emphasized in our society: supporting people with Down Syndrome.

Our approach was to communicate with relevant Down syndrome parties in order to more closely understand their needs and respond to their expectations and priorities. Our goal was to build the capabilities of young people with Down Syndrome to enable them to become more self-reliant, productive and fully-integrated members of society.

Our Down Syndrome support has four components:



30
Number of
Down Syndrome employees



50
Train and employ Down Syndrome
students till 2020



30
Down Syndrome employees works
20 hours per week

1. Training Saudi Youth with Down Syndrome

Our initiative aims to train and empower young Saudi people with Down Syndrome to become independent members in the Saudi society and achieve as much autonomy as possible.

McDonald's has developed two major programs in collaboration with Down Syndrome experts:

- McDonald's Program to Improve Language Proficiency in People with Down Syndrome (in partnership with DSCA-Down Syndrome Charitable Association).
- McDonald's Self-Support program (in collaboration with SAUT-Voice of Down Syndrome Association).

Integration into society cannot be achieved without effective interaction with others, which is why our first program focuses on raising linguistic ability with speech and communication specialists teaching speech, expression, verbal and nonverbal communication techniques.

McDonald's donated approximately SAR1.9 million in 2019 to support 162 children under this program.



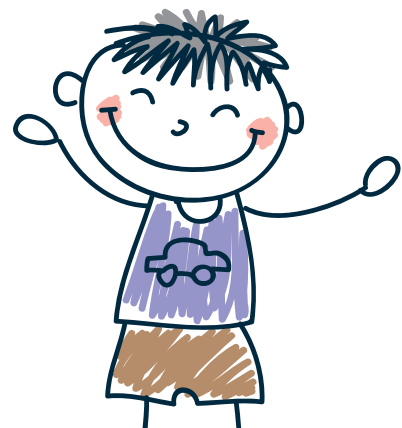
Similarly, the McDonald's Self-Support Program aims to empower children with Down Syndrome to rely on themselves and perform daily tasks independently. McDonald's Saudi donated more than SAR768,214 in 2019 to support 46 children in this program.



2. Employing People with Down Syndrome

We believe in McDonald's Saudi Arabia that it is possible to make a difference in the lives of young people with Down Syndrome, and based on our conviction that everyone should have the opportunity, we have placed our trust in the abilities of young people as an integral and effective part of society.

More than 10 years ago we began by hiring two young men with Down Syndrome. This proved so successful that by 2018 we had employed eight more young Saudis with Down Syndrome in the Riyadh region, where they work in our branches, supported by specialized trainers. In 2019 the down syndrome employees' number reached 30 employees in Central & Eastern Regions.



3. Capacity Building for Down Syndrome Charities

In partnership with DSCA, McDonald's Saudi Arabia launched a program to build the capacity of individuals and the community to serve people with Down Syndrome.

The initiative targets workers in associations and families in rural areas of the Kingdom with individuals with Down Syndrome to build their abilities and energies, as they are in constant contact with this cherished group, and better develop their service mechanisms.



4. Entertainment to children with Down Syndrome

Our efforts to entertain children with Down Syndrome is something we are very passionate about – and which we stage at restaurants throughout the country, with a fun-filled program of games, artwork, interactive presentations, meeting McDonald's mascots, all of which are designed to bring a smile to the faces of some of our favorite guests.

Last year we celebrated National Day with more than 400 Down Syndrome children from 12 centers and associations. We saw the most beautiful shows, and on Eid al Fitr we gathered the DSCA children and their families in our branch in Arcadia, Riyadh, to share the joy of Eid.

In order to support this program, we devoted two days worth of revenues from a particular product (eg Big Mac or McRoyal) to support this program. In 2019 this amounted to SAR270,000 which we gave to DSCA to oversee and prepare for this program.





BANDAR AL-HUMAIDI

When there is a will, there is a way

Customers visiting one of our stores where an employee with Down Syndrome works often comment on their smile and positive personality.

A perfect example is 25-year-old Bandar Al-Humaidi, who is extremely popular amongst both his colleagues and customers.

Bandar smiles proudly whenever he gets a job done at the branch in Riyadh's Al-Izdihar neighborhood, increasing his self-confidence and belief in his abilities after challenging his condition and joining the labor market.

McDonald's Saudi Arabia has spread the happiness, joy and positive atmosphere among young people with Down Syndrome by providing specialist training leading to a job opportunity, all of which lead to independence and social integration.

Bandar's sister, Khulood, describes how he attended a school run by the Ministry of Education which integrates Down Syndrome students with mainstream. After this he undertook a six week training session run over three days a week.

However, with McDonald's Saudi Arabia, it was very different. Bandar was offered both training, and employment. The initiative was such a positive surprise to his family that they had no hesitation in accepting.

She describes how much Bandar changed after beginning work at McDonald's. When he returns home, he relates the details of his day, how he works and helps his colleagues, and wakes up early and eager to go to work.

His sister concludes by thanking McDonald's Saudi Arabia for its Down Syndrome initiative and expresses her hope that others follow McDonald's example.

Bandar's teacher, Mohammed Al-Otaibi of the Special Education Department, says that a job helps young people with Down Syndrome enormously. As a group, they tend to respond very well to practical exercises, particularly those that increase their ability to adapt and integrate more fully with society.

Al-Otaibi describes the normal model of education for Down Syndrome students: secondary school age students study material parallel to second grade students over the course of three years – two and a half in theoretical education, and six months of three-day-a-week practical training.

Anwar al-Saqaabi, Assistant Director of the Special Education Department at the Ministry of Education explains that the ministry offers training agreements for students with Down Syndrome, and is grateful for McDonald's Saudi Arabia pioneering initiatives. The ministry, he says, has signed three similar training agreements with other companies, and is looking forward to further training programs for other disabled job seekers. In Riyadh alone, 12 schools follow a policy of integrating special needs pupils in regular classes, with a total of 22 Down Syndrome students benefiting currently. The Saudi McDonald's program began in 2018, with 12 trainees participating, eight of whom went on to be employed and now the number reached 30 employees.

Al-Saqaabi believes that the success of such programs can immediately be seen both by the expressions on the faces of the students, and the feedback from their parents, who are full of praise for the training programs and employment opportunities, and their role in the development of their children's abilities and futures.

Responsibilities of Down Syndrome employee:

Welcoming guests



Serving meals



Preparing beverages



Delivery of car orders



Down Syndrome employee benefits

McDonald's Saudi Arabia offers exceptional benefits, including:



50 Young People by 2020

In order to facilitate communication with young people with Down Syndrome, McDonald's Saudi Arabia runs training courses to understand the condition. Branches with Down Syndrome employees receive additional points on staff assessment, reflected in financial and other incentives received at the end of each year.

Traditionally, many companies do not offer job opportunities for people with Down Syndrome because they need special treatment and are capable only of uncomplicated tasks.

McDonald's Saudi Arabia, however, believes that through its initiatives nothing is impossible.

McDonald's Saudi Arabia is looking forward to hiring a total of 50 young people with Down Syndrome by 2020.

The McDonald's Saudi Arabia community service team is well aware of the positive effect of its Down Syndrome employment initiative, not only to the employees themselves, but also in terms of the positive feedback generated by the initiative, and the praise received by our staff from customers across all branches with Down Syndrome employees.



Initiative 2

Promoting an Active and Balanced Lifestyle

McDonald's Saudi Arabia is the leading Saudi brand when it comes to talking about encouraging sports and supporting an active and balanced lifestyle, and after more than two decades of initiatives in this regard, our achievements can only be summarized in a single report.



Our commitment to building a better and stronger society with a balanced and vibrant lifestyle is an unshakeable commitment at McDonald's Saudi Arabia, and has led to a whole range of athletic events, including McDonald's Mawahib Football Talent Program, McDonald's Cup for Children, our Grassroot Football Championships, Swimming Championships, and a lot of marathons.

We believe that sport in all its forms promotes cooperation, an active lifestyle and fair competition. And as the popular saying has it, "A healthy mind in a healthy body."

Transparency

One of McDonald's principles is to encourage a balanced diet, which is reflected in the McDonald's menu of delicious, balanced and nutritious meals.

McDonald's Saudi Arabia were the first to adopt the principle of total transparency in providing all the dietary information on our menu board, website, in leaflets, tray mats, smartphone applications, and food packaging.



Case study: McDonald's Mawahib Football Talent Program

Faris Al Anezi: an exceptional talent recognized by McDonald's Saudi Arabia

One of our most visible sporting initiatives has been the McDonald's Mawahib Football Talent Program, which aims to discover talents needed to further grow the development of Saudi football.

The cornerstone of Mawahib is the encouragement of an active and balanced lifestyle – a fundamental need of all sports people, and a deep-seated belief of McDonald's Saudi Arabia – but beyond this, the program also provides opportunities for aspiring footballers to join professional clubs.

One of the brightest stars of Mawahib is Faris Al-Anezi, a young man whose start was humble, but whose dreams are sky-high. His heart was set on football from an early age, and has now been able to take the field for one of Saudi Arabia's most prestigious clubs, Al Hilal, thanks to Mawahib.

This began when Faris was noticed by a keen-eyed coach who spotted his remarkable ability, choosing him from among 25,000 junior and youth hopefuls for final trials auditions at the Holiday Inn Riyadh.

There, trialists were given individual footballing tests using Euro Goal and Power Pass – modern technology to measure ball skills which had never before been used in the Middle East. Following this, coaches and technical staff evaluated

each player's skill, characteristics and areas for development before the final selection.

Mawahib players are organized into McDonald's teams and given their opportunity to develop these skills in stadiums simulating the professional environment, in preparation for the hoped-for transition to a professional club.

Faris trained and played with a talented McDonald's team for two seasons, and was then selected to play a season with a leading junior team. Before the season was over, he was picked up by Al Hilal, and he is now playing his second season with their youth team, who finished the year as runners-up in the Saudi Federation Cup for Youth.

Faris, who is 19-year-old, reveals that he enjoyed genuine attention from McDonald's Saudi Arabia, and has been in regular contact with the talent program managers and team coach even after joining Al Hilal. His ambition is to play with the Saudi national team, and to represent the Kingdom in international tournaments, believing that thanks in part to Mawahib, he has the potential to be a star.

He says: "As a matter of credit to those who deserve it, I thank the McDonald's team, for whose help and support I am forever grateful. I thank Allah for honoring me, because they have not spared any effort to direct, guide and support me. When we come to mention the fine details, there is no room for detailing everything, but I can honestly say that this experience has changed my life for the better."

Initiative 3

Empowering Saudi youth

The Kingdom of Saudi Arabia has been endowed with rich natural resources, but its greatest treasure is its people, and the inexhaustible energy of its youth.

McDonald's Saudi Arabia has a good record in the nationalization of jobs, and is an active participant in the economic development of the Kingdom in general, and in particular in the development of labor market programs.





McDonald's Saudi Arabia working environment

- 1 Care for staff
- 2 Diversity and equal opportunities
- 3 Financial and moral benefits and incentives
- 4 Continuous training and development
- 5 Clear career ladder
- 6 Open door policy
- 7 Flexibility in selecting workplace and working hours
- 8 Recreational activities

As an international brand run by a growing national company, McDonald's plays an important role in shaping the future of the communities in which it operates where investing in our employees is one of our top priorities. For this reason, we are constantly working to create an environment where our employees join forces to be one team, providing them with the opportunity for professional growth and career development, enabling them to realize their ambitions and goals, and contributing to our promises to our customers and our community.

One of our most important values in empowering Saudi youth is providing equal opportunities for all employees.

In 2018, McDonald's began employing women, providing them with growth opportunities and career development in support of the national economy. After just one year of recruiting women, we now have 18 Saudi female employees, a number we expect to grow rapidly during 2019 and thereafter.



4,704
Number of employees



29%
Nationalization rate



1,295
Number of Saudi employees



18
Number of Saudi Female employees



Tomoooh Program

The Tomoooh program is our innovative recruitment program launched in 2017 which combines international qualifications with a focus on high-level administrative candidates.

Saudi youth are ambitious and we are here to help them achieve – a fact that is borne out by the enthusiastic turnout in the first weeks of the program, with more than 100 young applicants, 95 percent from outside McDonald's, and 5 percent existing employees.

The goal of the program is to develop our employment profile, to move from mass-job generation to recruiting top-quality candidates for leadership roles. It is designed for young Saudis who are able to influence their colleagues, channel positive energy, and make a difference in the communities in which they work.

Aimed primarily at new college graduates and graduates of McDonald's employment programs, Tomoooh consists of an 18-month syllabus including training on workstations, learning English language, developing management skills, and restaurant management knowledge. Graduates are prepared for store management positions, equivalent to the management of a medium-sized enterprise.

All trainees are subject to continuous performance evaluation throughout the duration of the program, as well as a monthly assessment by the Operations Consultant and a quarterly assessment from the Operations Manager to ensure positive results.

The first batch of Tomoooh students is approaching their graduation and will take up their management positions in 2019, leading McDonald's branches in all parts of the Kingdom.



Nationalization Reports

McDonald's Saudi Arabia is keen to document its steps in the field of empowering Saudi youth through the Ajyalona website (www.ajyalona.com), which has become a blueprint for the private sector.

For more information, see our annual jobs nationalization reports, which we have been issuing since 2012. These share best practice from our recruitment teams, as well as the many success stories that have enabled McDonald's Saudi Arabia to consistently offer one of the best working environments in the country.

Tomoooh (ambition)



18
Months Program



+100
Applicants



2019
First Graduation

Acknowledgements



To all those who have contributed to the development journey that McDonald's Saudi Arabia has been enjoying since its establishment in 1993.

With all our sincere gratitude, we would like to thank all our customers, employees, families, and other stakeholders – especially our charity partners and collaborators – without whom our journey would not have been nearly so successful.



Ajyalona – our generations

We will face difficulties and challenges together. We will strive to be the pride of this country, give to it as it has given to us, and would ask you to remember that McDonald's will always offer you back up, support and encouragement.

We appreciate the confidence you have placed in us, and we promise that we will always be the initiators and pioneers in serving our community and nation. We will continue the extraordinary work together because, indeed, it makes a difference.



Our Impact

The interests of our society are at the top of our priorities, they are the essence and foundation of our business. Our impact extends to:



أثرنا

مصالح مجتمعنا في مقدمة أولوياتنا، فهي جوهر أعمالنا وأساسه. ويمتد أثرنا ليشمل:

تشجيع ممارسة
الرياضة

توليد فرص
العمل

الاستثمار في
الشباب السعودي

تمكين الموظفين
السعوديين



Promoting
sport

Generating job
opportunities

Investing in
Saudi youth

Empowering Saudi
employees