

2021
ANNUAL REPORT



McDonald's Saudi Arabia

Delivering Career Dreams and Enabling Success





McDonald's has never been a company that offers just jobs; rather, it has always been a destination for the ambitious, a workshop for building national talents and a launchpad for achieving personal objectives. Without heartfelt team effort from all employees, our journey to success would have been impossible. Together, we have built one of the Kingdom's most successful companies – one that continues to delight its customers, support youth and the communities we serve in, and contribute to the prosperity and culture of our great nation.

To all McDonald's family members, we say that we are sincerely proud of your accomplishments and commitment, and together with you, we look forward to a better tomorrow.

> Our Key to Success

This report is dedicated to the entire McDonald's Saudi Arabia family: our employees, who are the source of our pride. It is upon this strong foundation that the pillars of our continued success is built year in, year out.

- 06 Building for a Bright Future
- 08 Launchpad for Life-long Success
- 10 Training and Growth Opportunities
- 12 Great Results Require Great Ambition
- 15 Building Tomorrow's Leaders Today
- 16 Females to the Fore
- 18 Pioneer in Down Syndrome Employment
- 20 Orphans Recruitment
- 21 McDonald's Employment Week
- 22 Digital Recruitment
- 24 Championing Local Suppliers and Saudi Products
- 26 Building a Positive Work Environment
- 27 Bravo Program
- 28 Public Sector Collaboration
- 30 By the Numbers



Contents

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> Wider Nationalization Prospects

Throughout our job nationalization journey, we have had an inclusive vision that has broadened our recruitment strategy. It has been a priority that we have directed increasing attention to year after year, but nevertheless, our ambitions have gone beyond merely creating job opportunities for young Saudis – both men and women – to other areas that are no less important to our national economy.

We focus on providing direct support to those economic sectors responsible for the products we offer in our restaurants. One of our key objectives is to reinforce our contribution to the Saudi economy by championing local suppliers, empowering national industry and serving home-grown products in our restaurants. To enable this, we work with local suppliers to ensure that their processes and products meet McDonald's global standards, ensuring that our customers enjoy the consistent high quality that they expect. So successful have we been in this regard that now most of our products are procured from local and regional suppliers, thus supporting the Saudi economy.

As we embark on a new decade of growth and development, we remain committed to contributing to Vision 2030 objectives of building a thriving economy and a vibrant society that empowers the Saudi people and provides a better quality of life.

To do so, we will continue our successful strategy of job nationalization by launching initiatives targeted at both Saudi men and women, continue to upgrade our employment offer, and broaden the recruitment channels we use in cooperation with relevant organizations.

McDonald's Saudi Arabia was one of the pioneers in the localization of jobs, an issue we have been focused on since our establishment in 1993. Initially, the focus was very much on the numbers, whereas it is now more about developing capabilities and enhancing efficiency – an approach that is making a significant contribution to upskilling the entire Saudi labor market. We are committed to continue our investment in the youth of our great nation and to provide all the support, training and empowerment necessary to achieve their career ambitions, so that they become leaders in the community and across all industries they might enter, opening up a door on a bright future.

At the same time, we continue our focus on employing youngsters with Down Syndrome, an initiative that has been extremely successful.

Today we employ several Downs Syndrome employees in a variety of roles thanks to specially designed training courses, ongoing support and an empathetic work environment.

We have a similar employment and support initiative aimed at orphans under the care of charities throughout the Kingdom, aiming to give them the same access to as bright a future as any other young Saudi man or woman.



“ We remain committed to contributing to Vision 2030 objectives of building a thriving economy and a vibrant society that empowers the Saudi people and provides a better quality of life.



Misha'al bin Khalid Al-Saud

President, Riyadh International Catering Corporation
McDonald's developmental licensee in the central, eastern and northern regions



Abdulrahman Alireza

General Manager of Reza Food Services Co. Ltd.
McDonald's developmental licensee in the western and southern regions.

> Launchpad for Life-Long Success

There's a well-known saying that 'the main hope of a nation lies in the proper education of its youth'. This is a view that we hold close to our hearts at McDonald's Saudi Arabia.

We believe that by training our employees in different sites, including Head Office and branches, and properly educating and qualifying them, we are practically delighting our customers and exceeding their expectations with the quality offering and high-class service they receive upon visiting any McDonald's restaurant. Our long experience in Saudi Arabia with regards to developing the capabilities of our team helps us to provide the best and latest training methods that enable all Saudi employees to maximize their potential and benefit themselves, their families and the whole community.

The training journey starts from the first day an employee joins our family and continues throughout their career with us, developing their expertise and functional skills and enabling them to achieve their professional ambitions. This extends their entire professional career because at McDonald's, we are committed to be with them on every step of their journey to



professional fulfillment, supporting them to achieve excellence in all their roles. We provide every team member with the necessary tools to transform their dreams into reality. Our main objective is to develop our team members to become the best in all fields and functions. This is achieved by enrolling ambitious team members in global education and training programs delivered by world-class institutions, enabling them to reach the highest level of professionalism in each function and at every phase of their career to become effective leaders.



#01

Success Story

> Ahmed Aldeweesh

Menu Management Consultant

I started my McDonald's journey as a crew member at Irqah branch, Riyadh, while I was a university student.

Throughout my training by crew trainers, I was amazed at McDonald's curricula, career path and development opportunities which convinced me to study more and develop my professional capabilities. Thanks to my hard work and perseverance, in 2018 I was promoted to Training Consultant, responsible for training and developing crews at 30 branches, in Riyadh and across the Northern Region. As a Training Consultant, I gained leadership skills, the capacity to influence and build employees' skills through courses delivered in the McDonald's Center for Training and Employment in Riyadh and via field training and instruction. Today, I work as Menu Management Consultant within the marketing team.



> Training and Growth opportunities



Tomoooh Program

> Great Results Require Great Ambition

Tomoooh – which translates to ‘ambition’ – is our inhouse training program for the Central, Eastern and Northern Regions, which aims to qualify young Saudi university graduates into branch managers within 18 months of intensive training. This is the fourth year since we launched this transformative program, with a total of 23 current branch managers having passed through the program – four of them graduating this year.

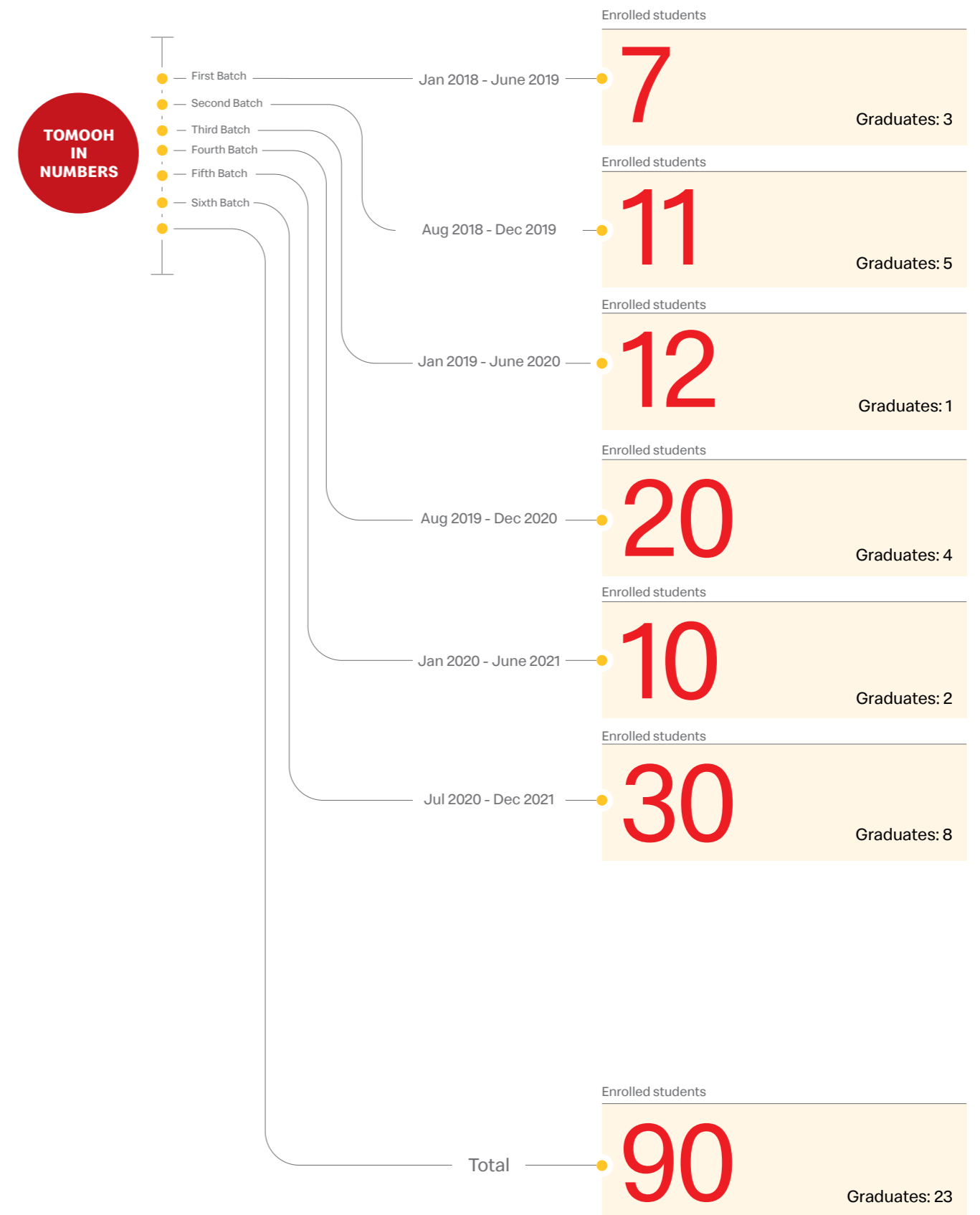
McDonald’s Saudi Arabia has long had a reputation for the quality and innovation of its recruitment and training programs, which have been designed to support the Kingdom’s workforce nationalization requirements. When we launched Tomoooh in 2018, however, we were embarking on a radically new approach – which has once again set a benchmark for our competitors, and even employers in other industries.

Previously, we had focused on a quantitative approach to recruitment. Tomoooh, however, is based on a qualitative approach – targeting the brightest and the best candidates and launching them on a fast-track to leadership which enables them to become branch managers after 18 months of intensive training.

Comprising courses in English language, shift management, food safety, production systems, fundamentals of profit-making, inventory management, administration, HR management, safety and security, sales analysis, risk management and quality management, the program is aimed at new university graduates and college students.

McDonald’s Saudi Arabia invests a great deal of care and effort into everyone enrolled in the program – they are treated as leaders whose opinions and views are actively sought. The course is constantly monitored and adjusted by an experienced committee of managers including the HR Executive General Managers and the Talent and Corporate Compliance, Training and Operations Directors who meet with students each month to evaluate progress, assess the program’s functionality and monitor the level of training.

Tomoooh is a fundamental part of how we are shaping our future and contributing to the future of the country. Everyone who passes through this program is equipped not only to take leadership positions with McDonald’s, but also to play an important role in helping build the future prosperity of our nation as a whole. This program is the true definition of limitless ambition as well as the professionalism and ‘giving-back’ values that we aim to instill in our team.





#02

Success Story

> Abdulmajeed Al-Dukhail

Restaurant Manager
(Riyadh Boulevard Branch)

I joined McDonald's in 2014 as a service team member. I am extremely thankful that McDonald's is truly an environment where one's efforts and commitment are rewarded to such an extent that ambition is limitless – and that the company saw enough potential in me to enroll me in the Tomooh program. I was promoted to Restaurant Manager and found that Tomooh equipped me with the level of leadership and management skills commensurate to managing a medium-sized business. My ambitions didn't stop there – I'm now on the verge of becoming Operations Consultant and will soon be responsible for five or six branches after I was put forward for further intensive training. I'm so proud of that and hope that I will become one of McDonald's senior leaders soon, God willing.

#03

Success Story

> Fahad Al-Zahrani

Restaurant Manager

In 2017, I started my journey at McDonald's as a service crew member at Al-Najjar Mall branch, Jeddah, at the recommendation of a friend working at McDonald's. I was told that working at McDonald's Saudi Arabia is a great opportunity for growth and self-development and that it opens a door to a brighter future.

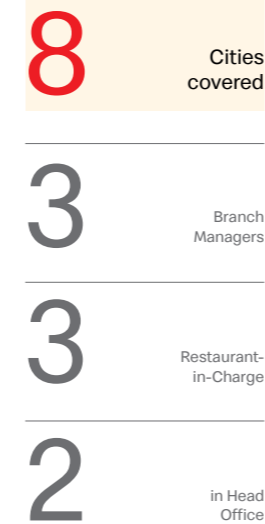
Joining McDonald's, I was immediately welcomed by very responsive branch managers and crewmates. I finished service crew training in less than a month, and having been commended for exceptional performance, the McDonald's Talent Department recommended my promotion to Trainee Manager in the Operations department. I went through three interviews and was eventually awarded the promotion. In 2018 I joined the Qada program, which over two years of training leads to qualification as a Branch Manager or a Restaurant-in-Charge. I was one of the first batch of Qada graduates after only one year.

So, Special thanks is due to all of those who contributed to make Qada program a success, thanks for the constant feedback on me and my colleagues' performance.

> Building Tomorrow's Leaders Today

Under the slogan of 'Tomorrow's leadership starts with today's efforts', we've been running the Qada management training program since 2018. Operating in the Southern and Western Regions, the program incorporates the latest training techniques to prepare participants to become restaurant managers in 24 months.

Enrolled students



To date, we have eight Qada graduates, three of them already serving as Branch Managers, another three as Restaurant-in-Charge while the remaining two work at Head Office. There are also another 15 young Saudis taking part this year, including four women.

Qada is an important component of our strategy of building a positive, motivational work environment that offers employees unlimited opportunities for growth and career development – and to ultimately become among the best working environments in the Kingdom.

Each trainee is assigned a dedicated trainer who oversees their progress, submitting a monthly progress report to the supervision team. Trainees are selected purely on competency and potential, based on performance reports

Qada

15

v1.0: 15 trainers and 15 trainees

15

v2.0: 15 trainers and 15 trainees (inc 4 women)

compiled by the Operations department, with subsequent interviews and testing conducted by the Training and Talent Development department. The supervisory committee – made up of senior representatives from Training and Talent Development, Operations and HR reviews monthly reports and evaluates each trainee's progress against expectations, provides technical support and advice, resolves any difficulties and presents exceptional performance awards.

The first batch of graduates qualified in December 2020. The second batch of 15 trainees was inaugurated in 2021 and is scheduled to graduate in 2023, further growing the McDonald's Saudi Arabia talent pool of qualified, motivated and professional young managers.



> Females to the Fore

Our company has been at the forefront in leveraging the creative and innovative capabilities of women.

The year 2015 saw the beginning of female recruitment at McDonald's Saudi Arabia. Since then, the pace has been accelerated and broadened to include all jobs and functions. By the end of 2021, a total of 278 Saudi women worked at McDonald's in a wide array of jobs throughout the Kingdom.

Guest Experience Leaders

In 2018, we introduced a nationwide initiative to recruit female hospitality supervisors responsible for customer service. The women are tasked with evaluating customer experience and ensuring that restaurant hospitality is of the highest standard. Now, there are 90 female Guest Experience Leaders nationwide.

In 2021, dedicated training courses were organized for female hospitality supervision team members in the Central, Eastern, and Northern Regions. A total of 27 employees took part in two seven-day-long intensive hospitality courses; one at our in-house training center in Riyadh, and the other at the Ritz Carlton Hotel in Riyadh.



Service Crew and Barista

In Jeddah in 2019, we opened our first restaurant with women in the service area, and in 2020, we opened our first restaurant with female staff in the McCafé Hub, serving as a Barista crew.

To date, we employ a total of 120 women in roles including Service Crew, Leadership Service Management and Barista. We continually empower all of them by developing their professional, management and leadership skills with specialized, intensive training programs and workshops specific to their job functions. We also seconded a group of female Service Crew members to Egypt for comprehensive training to build towards our ultimate goal of opening branches with all-female crews, from management and accounting to operations and service.

Female Management Team Members

Currently, McDonald's Saudi Arabia employs 64 Saudi women across all Head Office departments, all of whom benefit from the latest training methodology and have complete access to promotion and professional growth opportunities, enabling them to succeed on many fronts.



278

Saudi female employees across the Kingdom

> Women at McDonald's

Service Crew

111



Guest Experience Leaders

90



Management Trainees

4



LSM

4



Barista

5



Management Team

64



Down Syndrome

> Pioneer in Down Syndrome Employment

McDonald's Saudi Arabia has been a pioneer in disability employment for over 16 years now, having first employed two young people with Down Syndrome in 2006. Since then, it has become an integral part of our recruitment policy because of our belief in equal opportunities and our understanding of the potential of people with Down Syndrome.

This year, we recruited 23 new employees with Down Syndrome, reaching a total of 48 across the Central, Eastern and Northern Regions. We offer a specially designed training program to enable them to become more independent in all aspects of their lives. Indeed, this year, six of them earned promotions. Our sincere congratulations go to Abdullah Al-Munawer, who was promoted to Shift Manager, and to Badr Al-Qahtani, Dhafer Al-Qahtani, Ali Al-Dosari, Waleed Al-Muhya, and Rashid Al-Harqan, who were all promoted to Service Crew Trainers.



23 New employees with Down Syndrome

48 Total number of employees hired across Saudi Arabia

During the pandemic, working arrangements of all Down Syndrome team members were carefully monitored because of their particular vulnerabilities. All were offered open-ended leave on full salary, and as soon as Covid-19 vaccines were available, we made sure each received two shots before returning to work in late September 2021.

We have also recently launched a recruitment campaign in the Western and Southern Regions with the objective of recruiting 25 people with Down Syndrome and have already employed 12.

> Newly Promoted



Abdullah Al-Munawer
Promoted to Shift Manager



Badr Al-Qahtani
Promoted to Service Crew Trainer



Dhafer Al-Qahtani
Promoted to Service Crew Trainer



Ali Al-Dosari
Promoted to Service Crew Trainer



Waleed Al-Muhya
Promoted to Service Crew Trainer



Rashid Al-Harqan
Promoted to Service Crew Trainer

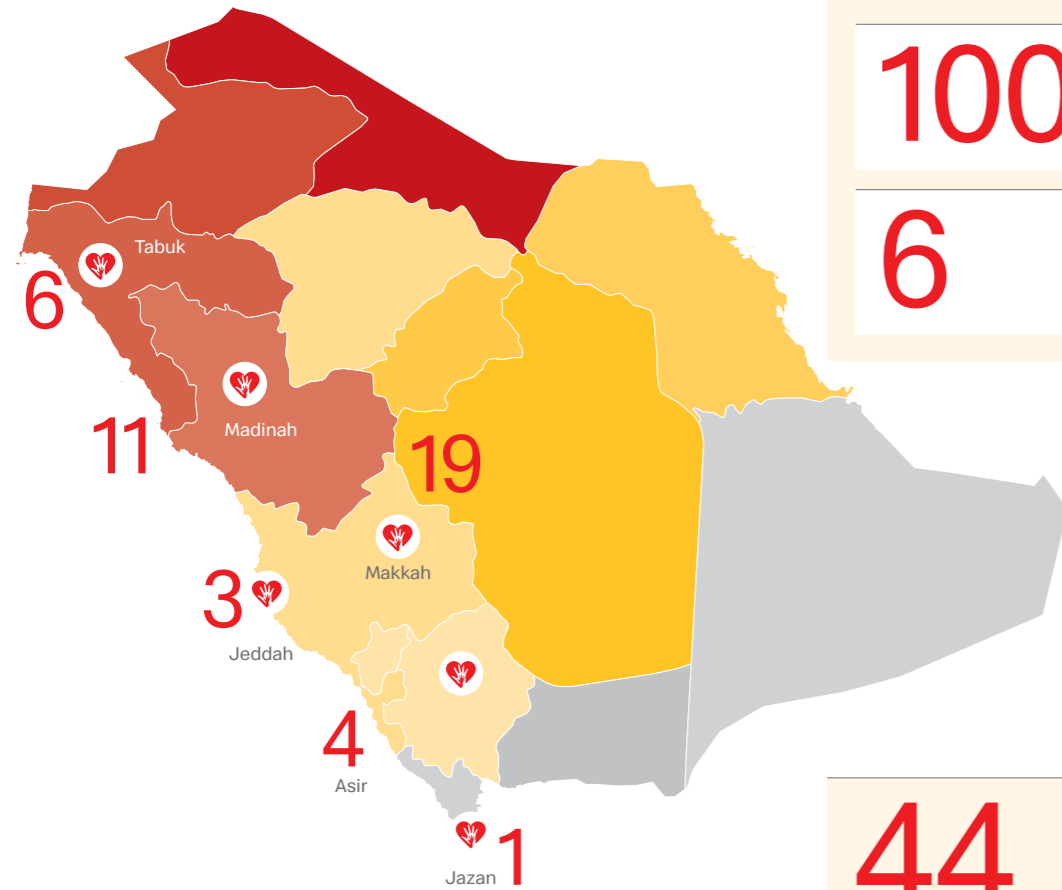
> Orphans Recruitment

In the Southern and Western Regions, our Orphans Initiative is both an integral part of our inclusive recruitment strategy and a clear example of McDonald's values of being community-oriented and good neighbors. We recognize that orphans have been handed a hard start in life, without the support and

love of family. By signing agreements with six regional charities, we're seeking to offer employment opportunities for this group of youngsters, and to welcome them into the McDonald's family in the belief that all our initiatives to empower Saudi youth are inclusive of all segments of society.



> Regional Recruitment



Orphan Recruitment Program

100 2021 recruitment target

6 Initiatives signed

44 Total hired to date

> McDonald's Employment Week

الموارد البشرية والتنمية الاجتماعية

تم توظيف 500
موظف من أبناء وبنات وطننا



In October, McDonald's Saudi Arabia launched its McDonald's National Employment Week initiative in the Eastern, Central and Northern Regions of the Kingdom, one year after inaugurating National Hiring Day. The initiative was held in collaboration with the Human Resources Development Fund (HRDF) and is aimed at supporting and enabling young Saudis into productive employment, in line with Vision 2030 aspirations.

Following last year's successful introduction of the initiative, our approach was to offer instant interviews and hire suitable applicants on the spot, taking into consideration all Covid precautionary and preventive measures. Job opportunities included Crew Team and Delivery Crew and even Branch Manager under training. We received thousands of job applications and interviewed the majority of applicants, achieving our target of 500 new recruits of both genders, making for an extremely successful week, thanks in large part to our partnership with HRDF.

> Digital Recruitment

It makes perfect sense for a company that believes in innovation and creativity to make use of the sort of technology that youngsters enjoy in their day-to-day lives, which is why this year we began using the CMe app to support our recruitment efforts in the Western and Southern Regions – alongside existing channels including our website and recruitment partners.

CMe is an easily downloadable hiring app, which gets applicants to upload a 60-second video showcasing their talent, personality, education and capabilities. It's a fun, fast and efficient way of getting in front of our HR representatives. It also fits into the post-Covid world by reducing in-person interaction. To date, we have received 120 applications of both genders via CMe, 35 of whom progressed to the interview stage, while 11 made it onto our Service Crew and Guest Experience teams.



#04 Success Story

> Ahad Al-Jarboua

Digital Marketing Director

My career at McDonald's Saudi Arabia began in 2016 as a Menu Development and Management Consultant. In recognition of the growing importance of digital marketing, the company set up its own specialized team – and a dedicated Digital Marketing department. I was one of the founder members, having been appointed as Digital Marketing Consultant.

My task then was to keep abreast of industry trends and to ensure that McDonald's benefited from a field that was quickly becoming one of the most important business tools for modern, ambitious companies. I was delighted to accept the challenge – and have been fully supported by McDonald's from day one, with numerous training courses to develop my skills, so much so that I was promoted to Digital Marketing Manager, and now I am extremely proud to be Director of Digital Marketing.



#05 Success story

> Alaa Khushaim

Director of Marketing and Communications

Alaa was the first woman to join the senior management of in the Western and Southern regions in 2015 when she was appointed a Public Relations and Communications Consultant. Since then, she has managed several projects and initiatives, delivering remarkable results. After seven months, a vacancy for Director of Marketing and Communication Department opened.

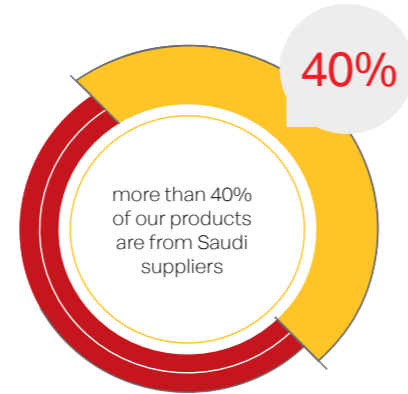
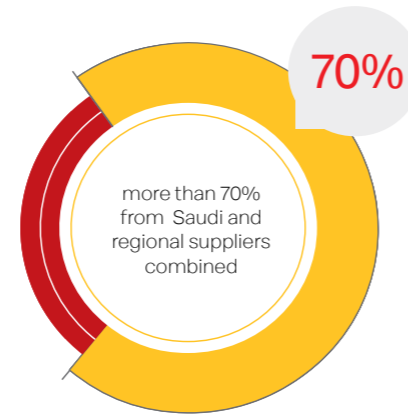
Having earned the full confidence of the senior management team, Alaa was seconded to the position, and after only three months of hard work and diligence, she was officially appointed.

Alaa has been an ideal ambassador for the company, perfectly epitomizing our values and representing McDonald's superbly in many local and international events and workshops. She has received many awards and entitlements for her performance, including another promotion in 2021 to Head of the Marketing and Communication section. We are enormously proud of what she offers and wish her every success.

> Championing Local Suppliers and Saudi Products

With this approach, we developed our nationalization vision to go beyond the human element of employing Saudi male and female personnel, well to nationalizing the greater part of our restaurants' needs of food and paper supplies through supporting relevant producers and suppliers to bring them up to the quality level that McDonald's is committed to in the Kingdom, the region and the whole world.

Now, in addition to supporting the national economy, we procured the greater part of our restaurant needs from the local market, focusing on Saudi products that feature high quality and comply with McDonald's global quality specifications. Today, we are proud that 40 percent of the products that we use in our restaurants – from foodstuff to packaging and cleaning products – are sourced from Saudi suppliers, making a significant contribution to the national economy. Additionally, more than 70 percent of supplies come from local and regional suppliers combined, contributing to GCC prosperity.



To enable – and grow – these figures, we continually work with our local supply base to help develop their processes and products in order that they comply with McDonald's global standards. Once they have earned our accreditation as approved suppliers, they can supply McDonald's restaurants worldwide – providing a direct boon to them and to the national economy.

Our overall strategy of championing localization – including job nationalization, upskilling the Saudi workforce, local procurement and supply chain development – epitomizes our determination to contribute meaningfully to Vision 2030 objectives of building a thriving economy and a vibrant society.



> Our Products and Suppliers



Bread

ALRASHED FOOD Company Ltd.



Cheese

United Food Industries Company



Cheese and biscuit ice cream

Forsan Foods & Consumer Products Company



Milk and butter

Almarai



Eggs

Rahima Poultry



Water and soft drinks

The Coca-Cola Company



Ketchup

AATCO Foods Industries LLC



Poultry

Tanmiah Food Company



Plastic straw

Al Khair Trading Company Ltd.



Trash bags

Limar Plastic Factory



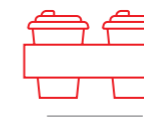
Cups

Arabian Plastic Industrial Company Limited (APICO)



Paper towels

National Paper Company Limited (NAPCO)



Cup holders

AlKifah Paper Products



> Certificate of Adaptability (Mowa'amah)

McDonald's Saudi Arabia was granted Mowa'amah certification (a certificate of adaptability) by the Ministry of Human Resources and Social Development, recognizing our commitment to developing our work environment to become more inclusive and supportive of people with disabilities.

> The Goals of Mowa'amah are to:



Benefit from previously untapped skills and capabilities of people with disabilities.



Increase awareness of the benefits of employing people with disabilities.



Provide the best methods and practices to provide a favorable work environment for people with disabilities.



Increase job opportunities for people with disabilities.



> McDonald's Positive Work Environment

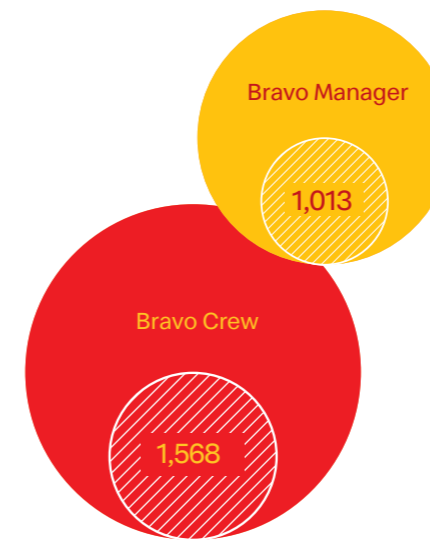
McDonald's is your best place to work at, and our team is your second family. This is the relationship philosophy that we at McDonald's Saudi Arabia work to instill in all our team members. We are committed to creating the right sort of atmosphere that helps our people thrive and strive to do better – which results in reducing staff turnover and costs and enhances customer experience. Because McDonald's is one family, we celebrate all sorts of happy events with our team members in whatever role they are fulfilling, whether it is head office staff or our frontline teams.

> Bravo Program

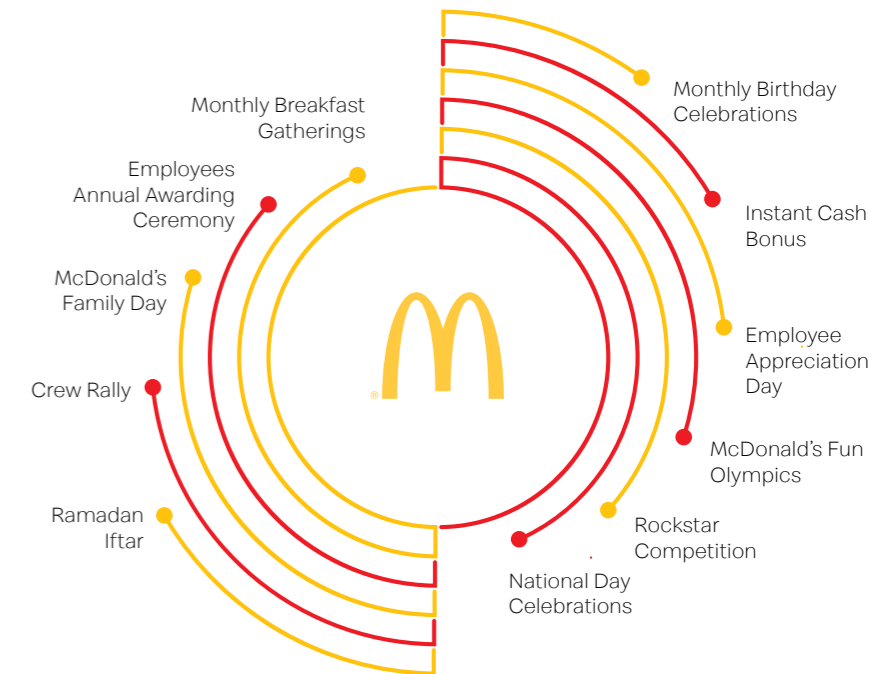
If we see something we like, the first thing we say is 'Bravo' a word of Italian origin that has become a universal term for expressing admiration, compliment, and praise. However, we don't settle for just the word; at McDonald's Saudi Arabia, when we recognize good performance, we reward it, linking it directly to customer satisfaction. And what's more, the more we do so, the better our people feel, and the higher their performances go. Rewarding employees is in fact a virtuous circle that increases morale, strengthens customer satisfaction, and helps boost the bottom line. It is also quite simple and is proving very popular.

Our Bravo motivational program for high-performing employees and managers is based on awarding collectable lapel pins bearing a catchy phrase handed out to our shining stars, a set for crew members and another for managers. For example, 'Looking Sharp' badges are presented to crew members for great hygiene, cleanliness and uniform tidiness; 'Thanks Coach' badge is awarded to valued leaders, or 'Walk the Talk' badge is presented for epitomizing McDonald's management skills. Win three to four pins and our top performers are then eligible for a special gold pin – with pins translating into a variety of prizes and fun activities.

> Pins distributed 2021



2,581 Total



> Public Sector Collaboration

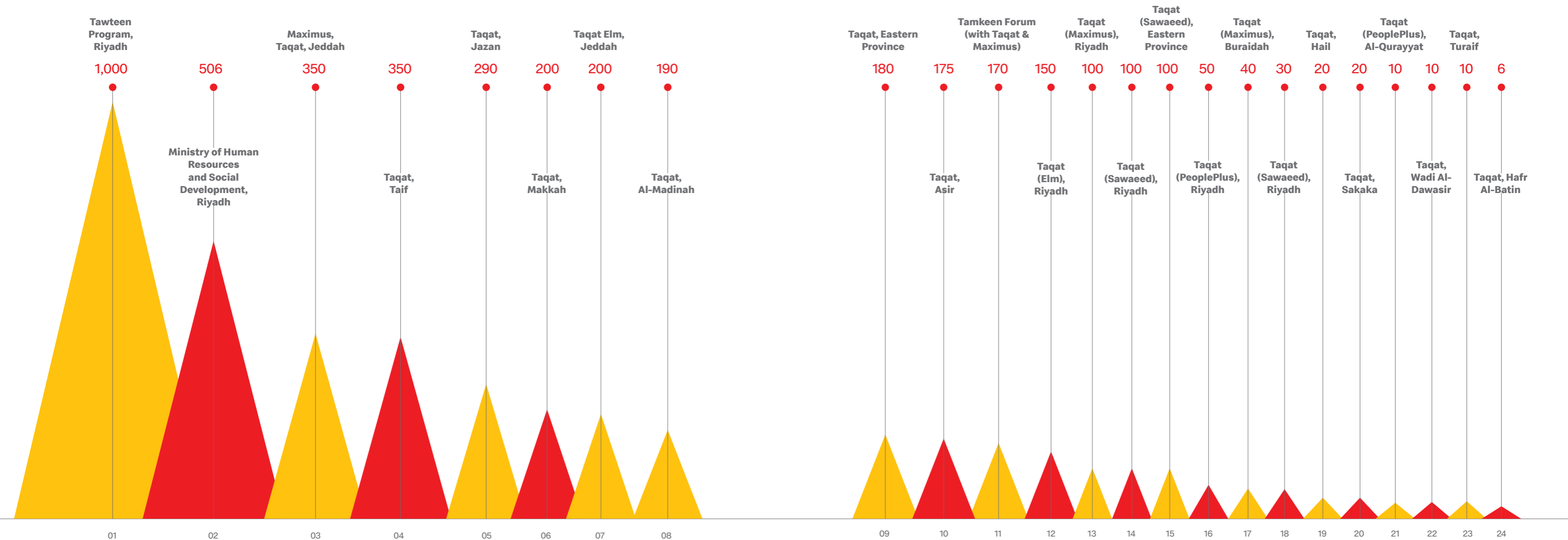
We continue to enjoy very productive relationships with a number of public sector bodies, which have led to many employees joining us. In 2021, we received 4,977 job applications from all regions of the Kingdom through the Taqat program and Tamkeen forum.

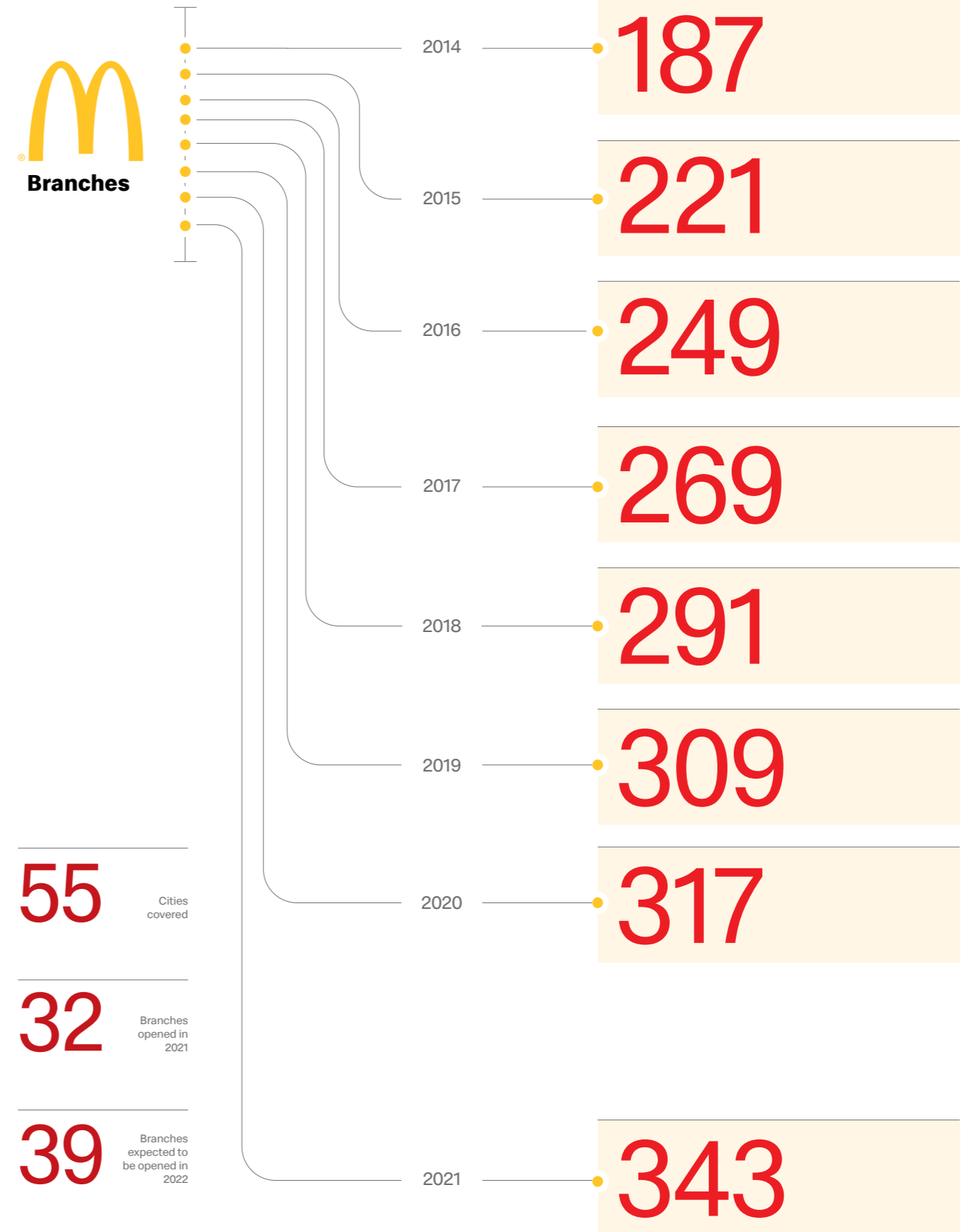
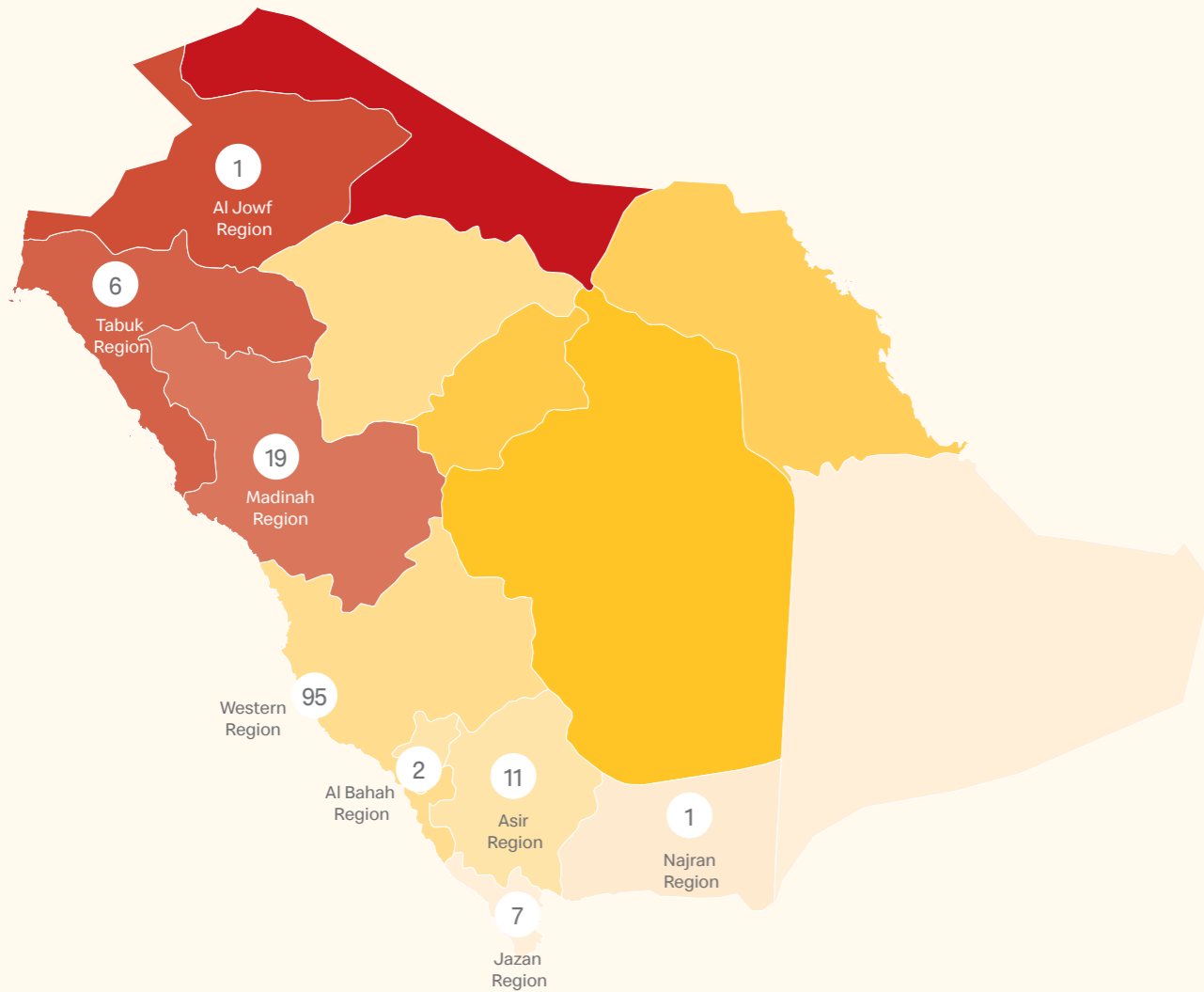
In addition, we signed an agreement with the Ministry of Human Resources and Social Development to provide 300 job opportunities in the Western and Southern Regions during 2021 in a variety of roles, including Service Crew, Guest Service Supervisor, Barista and management functions at the Head Office.

4,977 applications (Taqat and Tamkeen)

300 opportunities with HRDF (south and west)

> Job applicants by employment partnerships:







> Employee Numbers

< عدد الموظفين