

Date: March 17, 2025

To: Ron Culp

From: Sadie Guffy

Subject: McDonald's DEI Performance and Investment Implications

McDonald's Corporation (NYSE: MCD) is one of the world's most recognized quick service restaurant brands, with a strong financial position and an extensive global presence. As environmental, social, and governance (ESG) factors continue to shape investment decisions, McDonald's approach to Diversity, Equity, and Inclusion (DEI) has been a critical point of discussion. Recently, the company has made [substantial changes](#) to its DEI strategy, renaming its DEI team to the "Global Inclusion Team" and retiring certain commitments that were previously publicized.

Where McDonald's Publishes DEI Information

McDonald's previously reported on DEI initiatives through multiple channels, including:

- [Global DEI Reports](#) – The company released standalone DEI reports, with the latest available report from 2022-2023.
- [Purpose & Impact Reports](#) – These outline corporate responsibility efforts, including DEI-related goals.
- [Diversity Snapshots](#) – These reports provided a breakdown of workforce diversity and representation.
- [Corporate Website](#) – McDonald's maintains an inclusion-focused section detailing initiatives and commitments.

However, in early 2025, McDonald's [restructured its DEI approach](#), choosing not to release a standalone DEI report but instead integrating inclusion goals into its broader corporate strategy.

Diversity and Representation Among Employees

McDonald's has historically provided data on representation within its workforce, particularly for leadership positions. Key takeaways from prior reports include:

- **Leadership Representation:** In 2021, McDonald's set a goal for historically underrepresented groups to make up [35% of U.S. leadership roles by 2025](#). However, the company recently announced it would discontinue these specific representation goals.
- **Board of Directors:** McDonald's reports that over 40% of its board members are from diverse backgrounds, aligning with corporate governance best practices.
- **Frontline Employees:** The company has historically provided minimal detail on the racial and gender composition of frontline workers, a transparency gap that investors may be interested in monitoring.

Supplier Diversity and Inclusive Business Practices

McDonald's previously pledged to increase partnerships with diverse-owned businesses

through the Mutual Commitment to DEI (MCDEI) program. However, the company recently retired this pledge, opting instead to embed inclusion within general business practices. The lack of specific benchmarks regarding supplier diversity could be a concern for investors focused on ESG commitments.

DEI Learning and Development for Employees

McDonald's has historically implemented unconscious bias training and other educational programs. However, following recent shifts, the company has reduced public disclosures about these programs. While internal DEI training continues, external verification of impact metrics is now less transparent. Investors may advocate for clearer reporting on how McDonald's develops inclusive leadership and workforce practices.

Intersectionality and Inclusion Efforts

McDonald's supports intersectional identities [through Employee Business Networks \(EBNs\)](#), which cater to diverse employee groups. These include networks for women, LGBTQ+ employees, Black employees, Hispanic employees, and veterans. These initiatives remain a strong aspect of McDonald's inclusion efforts, despite the broader rebranding of its DEI strategy.

Accessibility and Inclusion for Individuals with Disabilities

While McDonald's has broadly referenced inclusion, its publicly available reports provide limited details on accessibility programs. Investors looking for a holistic ESG approach may encourage the company to expand its reporting on initiatives that support employees and customers with disabilities.

Pay Equity and Fair Compensation

McDonald's has [acknowledged the importance of pay equity](#) and has conducted reviews of compensation structures. However, the company has not released specific pay equity data, making it difficult to assess progress. Industry standards are shifting towards greater transparency, and investors may encourage McDonald's to follow suit.

Investment Considerations and Recommendations

McDonald's evolving DEI strategy presents both opportunities and challenges for investors:

- **Opportunities:** The shift towards embedding inclusion within overall business strategies could lead to a more cohesive corporate culture and reduce reputational risks associated with compliance issues.
- **Challenges:** The retirement of formal representation goals, decreased supplier diversity transparency, and limited accessibility reporting may raise concerns about McDonald's long-term commitment to DEI.

To strengthen investor confidence, McDonald's should consider:

1. **Enhanced Transparency:** Provide updated diversity metrics, particularly regarding frontline employees and pay equity.
2. **Supplier Diversity Benchmarks:** Outline clear goals for supplier diversity initiatives.
3. **Accessibility Reporting:** Publish information on disability inclusion efforts for employees and customers.
4. **Interactive DEI Dashboards:** Develop real-time reporting tools to engage stakeholders.
5. **Clearer Pay Equity Metrics:** Disclose pay gap analyses and corrective actions.

McDonald's recent restructuring of its DEI approach has drawn attention from investors and stakeholders alike. While the company maintains a commitment to inclusion, its shift away from structured DEI goals introduces uncertainty regarding long-term diversity and equity progress. Investors should monitor McDonald's evolving DEI commitments and advocate for greater transparency where necessary. By addressing key concerns, McDonald's can strengthen its ESG profile, reinforcing sustainable business growth and shareholder value.

Thank you,

A handwritten signature in black ink that reads "Sadie Guffy". The signature is written in a cursive, flowing style.

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Sources

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