

2018

ANNUAL REPORT



Boundless Ambition



Ajyalona
Our Commitment

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رؤية
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

2018

ANNUAL REPORT

McDonald's Saudi Arabia Success in Job Nationalization



Saudi Arabia

Ajyalona
Our Commitment



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Thank you to all our Employees

Partners in Success

The drive for continuous success is the core ingredient of all 8,004 members of the McDonald's Saudi Arabia family.

We extend our thanks once again to our employees for their tremendous efforts over the course of the year. It is their drive and determination that have made McDonald's Saudi Arabia into one of the most respected players in the Kingdom's private sector and the market leader in the quick service restaurant industry.

We offer them our sincere thanks – they are a national treasure.



In this year's report



8004
employees



284
branches



29%
Saudization

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Foreword

Continuous Success.. the Best is Yet to Come



“As we enter 2019, we will continue to fine-tune our recruitment policies, and come up with innovative work. We have certainly come a long way since we created the first employment nationalization program in Saudi Arabia.”

The 25 years of our journey have passed quickly. Throughout that time, we have implemented innovative recruitment and training programs in support of the government's strategy of nationalizing the country's workforce, and to enhance the professionalism and career aspirations of our young Saudis recruits.

In fact, ever since the strategy of workforce nationalization was adopted by the Ministry of Labor, it has been a guiding principle to both Riyadh International Catering Corporation and Reza Food Services, resulting in McDonald's Saudi Arabia being recognized for the effectiveness of its recruitment, training and retention of young Saudi job-seekers.

So how do we attract Saudi talent today?

Our new approach is to focus on quality rather than quantity – a fresh approach which has been missing in the sector. Rather than concentrate on

mass recruitment and training, which has been our focus in past programs, our primary focus today is recruiting, developing and keeping hold of motivated and ambitious young Saudis for long-term, responsible and rewarding jobs with a market leading, forward-thinking, Saudi employer.

Today, we are also getting plaudits for our female and disability recruitment programs.

In line with Vision 2030 we are increasingly opening our doors to female job seekers, who are proving their skills and leadership qualities across all departments. And this year we are also launching a coordinated recruitment program for young Saudis with Down Syndrome.

Our programs will enable even more young Saudis to build their own success stories and enable McDonald's Saudi Arabia to continue building towards the success of the Kingdom by offering a positive work environment, a sustainable



Mishaal Khalid F. 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

business model, and fulfilling career opportunities to young female and male Saudis.

This report shares our ideas about improving the working environment. It describes the new strategy we have followed during a year in which we are focusing on quality recruitment, to augment several year's successful quantity recruitment campaigns.

We are recognized as being among the key supporters of the Ministry of Labor and Social Development. We are proud and honored to be part of achieving the goals of Vision 2030 and look forward to seeing our expertise help shape a prosperous future for the entire country.

We believe that the secret of life is giving, and that participation with others, including competitors, is imperative. The insight into our employment programs not only illustrates our leadership but is a small part of service to our beloved country.

“ We are proud and honored to be part of achieving the goals of Vision 2030, and we look forward to witnessing the change our expertise can make in shaping a prosperous and prosperous future. ”

Tomouh Program

(Central, Eastern and Northern Regions)



The Difference is Great with Tomouh Program



2017
Program launch

2018
First batch

3
graduates in the first batch

95%
of them are from outside McDonald's

The Tomouh program is our innovative recruitment program in the Central, Eastern and Northern regions. It combines international qualifications with a focus on high-level administrative candidates.

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

Tomouh is aimed at young people who are eager to discover the future and who are able to influence their colleagues, channel positive energy, and make a difference in the communities in which they work.

Training Journey



English Language



Managing Shifts at the Restaurants



Food Safety



Production Systems



Profit Fundamentals



Inventory Management System



Management Skills Development Curriculum



Effective Management



Security and Safety Fundamentals



Sales Analysis



Risk Management



Field Training

Fast Track Program

(Western and Southern Regions)



2015
Launch

2017
First batch

8
graduates in the first batch

44
Trainees

23
Trainers



Typically, a store manager development takes from five to six years, but with Fast Track we have streamlined this to two.

In 2015 we launched this new 24-month restaurant management training program in the Western and Southern regions. The comprehensive program of operational and administrative training courses was initially delivered by a team of 18 trainers, growing to 23 today. Trainees get to enjoy selected courses outside the Kingdom, as a motivation for getting the most out of their developmental opportunities.

In line with the expansion of our restaurants across the Kingdom, we have appointed 11 Saudi recruitment managers in Makkah, Madinah, Taif, Al Qunfudah, Yanbu, Tabuk, Abha, Al Baha, Bisha, Najran and Jazan, as well as a recruitment team in Jeddah.



Fast Track Journey



Shift Manager
(6 months)



Second Assistant Manager
(3 months)



First Assistant Manager
(6 months)



Restaurant in Charge
(9 months)



Restaurant Manager

McDonald's Youth Leaders of the Future

Are you ready for the first step towards a better career? Yes? Then McDonald's Saudi Arabia is the right destination for you.

The core of what we are doing is building capability in the Saudi job market by developing leaders and talented managers.

What makes us continue to work towards offering great opportunities, excellent benefits, and an exceptional working environment is the drive and ambition we see in many young Saudis. It is our desire to make the most of this potential that sets us apart from our competitors.

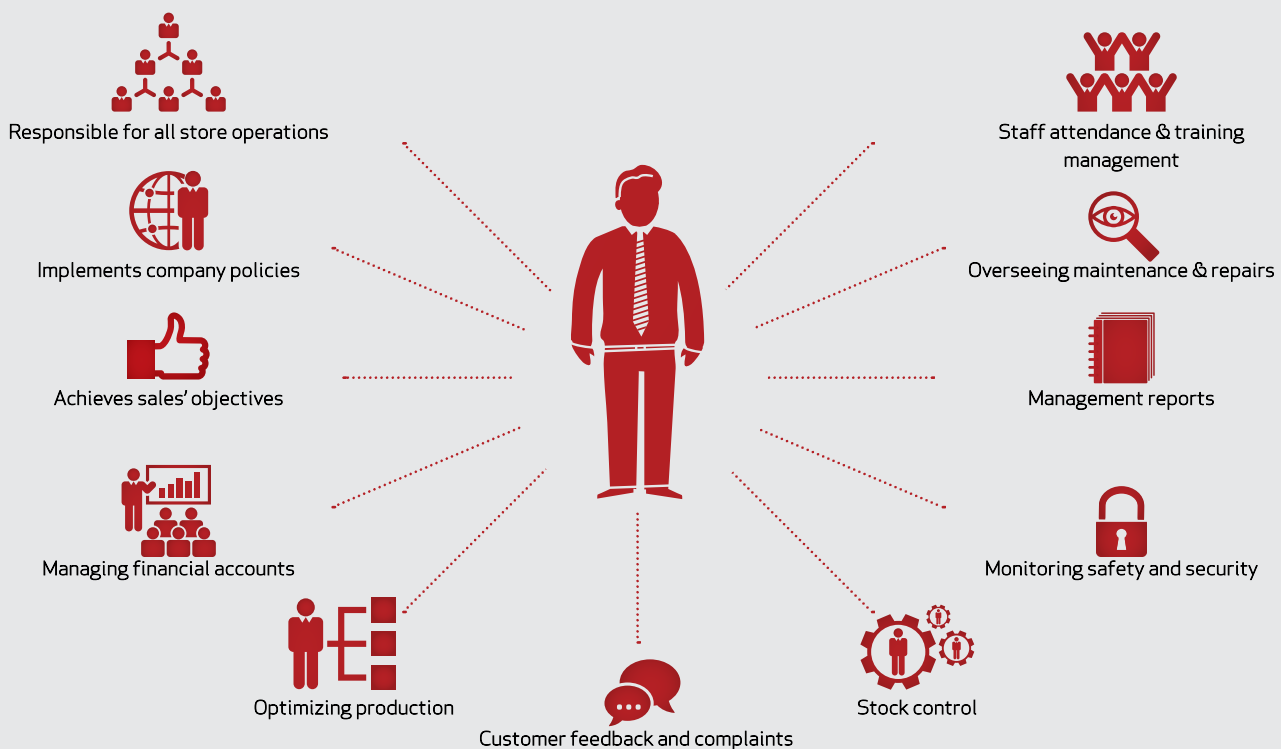
These pages paint a picture of the positive, professional working environment at McDonald's, one that is unique in the quick-service restaurants sector. It also illustrates the main duties of our managers, and the great benefits they get in return.

Advantages of working at McDonald's Saudi Arabia



- Comfortable and convenient working location
- Clear career path
- Intensive training
- Financial incentives
- Positive team environment
- Rapid professional development

Main duties of a McDonald's store manager



Special Needs employees



McDonald's Saudi Arabia has come a long way in its social responsibility obligations and is proud of its focus on employing candidates with special needs. To do so we have engaged a team of specialized trainers using modern training methods to prepare this group of employees for work, and to encourage them to be as self-reliant and independent as possible.

In April McDonald's Saudi Arabia signed an MoU with the General Administration of Public Education, to provide 50 employment opportunities for 50 students with Down Syndrome within three years.

Currently, 13 young Saudis with Down Syndrome work at stores in Riyadh, working six-hour shifts, five days per week, for a salary of up to SAR5000.



Step-by-step for Down Syndrome

April 2018: Celebration of World Down Syndrome Day

April 2018: Agreement with the General Administration of Public Education for 50 job opportunities

May 2018: Sales donation of a Big Mac equivalent to: SAR113,000 was donated to DSCA

June 2018: 8 employees Down Syndrome candidates begin work

September 2018: Donation of totally proceeds of sale of 170,000 books: SAR1.7 million were given to both DSCA & SAUT

September 2018: Celebrating Saudi Arabia's National Day with 400 Down Syndrome children

November 2018: Donation of a day's McWrap Spicy sales equivalent to total of: SAR144,000 to DSCA

December 2018: Launch of a capacity building for down syndrome program in Hafr Al Batin



13
Employees with Down Syndrome

50
planned by
2020

McDonald's Managers...

There's no doubt that McDonald's Saudi Arabia is full of creative, talented young people. In our field, we can only succeed if our team is passionate about their work.

Let them describe their journey in their own words.

Ali Mostapha Habhab Makkah Mall Branch Manager – Makkah



Working at McDonald's Saudi Arabia means you are working within a national institution with global

standards, increasing and expanding your experience.

Since I started my career at McDonald's in mid-2015, I have realized that my experience is growing day by day with all the new challenges and experience I have gained from all the positions I have been in, from my time as a service team member, then as Crew Trainer, then a shift manager, then second assistant manager, and finally store manager with 21 employees.

After taking over the leadership of the restaurant five months ago, the two most important things I have learned is firstly, how to deal with situations and challenges with wisdom and patience, and secondly is, how to respect and manage time.

I was impressed with the work environment here at McDonald's. What I like most is that I see yearly progress, and I see how all employees are included in the development plan.

As I continue my career here, I feel delighted that I can expect to learn and develop even more, as I balance work, study, and family life. I believe that a tremendous change has occurred in my life during this rich time I have spent with McDonald's, which I will always cherish.

Bassam Al Anzi Al Nakheel Plaza Branch Manager- Qassim



This experience has changed my life completely. Few working environments have the potential to

stimulate such enthusiasm, confidence, and profound influence. Perhaps everyone has one story, perhaps some people have more than one, but I find mine filled with so many stories relating to each of the positions I have enjoyed at McDonald's Saudi Arabia.

I am currently studying at Al Qassim

University at the same time as running a restaurant with nine employees.

When I say I am a 'restaurant manager' many people imagine an easy life, but that is far from the reality. This career journey is based on a simple equation:
**learning + commitment =
moving to the next stage.**

Five years ago, I had the honor of joining the McDonald's Saudi Arabia team. After nine months of learning and commitment, I became a service crew trainer. And after additional training in managerial skills over a period of six months, I became a shift manager. Then, after being a second assistant manager for a year and another

year as assistant senior manager, I succeeded in becoming Al Nakheel Plaza Store Manager in Qassim.

Overall this reflects just a little of my experience, and I am sure that the coming years will increase my expertise and my contribution in promoting this global brand.

In conclusion, my advice is simply this: take the career journey with McDonald's Saudi Arabia! It will change the course of your life for the better!

...Inspiring and Creative

Ammar Yahya

Panorama Mall Branch Manager- Riyadh



Three years at McDonald's Saudi Arabia have taught me a great deal, because McDonald's is not just my work place, but my second home and family.

At McDonald's, there is no limit to excellence and innovation, where the exceptional work environment will definitely take you from one success to another.

Our roles at this great establishment require a range of expertise and skill which the company equips you for with a great number of innovative development

programs and an excellent working environment, McDonald's also provide an excellent incentive package. So much so that McDonald's has become an employment role model for other Saudi corporations.

McDonald's Saudi Arabia believes in an open-door policy, and values listening to staff. Perhaps this is one of the most important features here, and what characterizes us as a forward-looking enterprise that places great importance on Saudi youth, encouraging them to take advantage of our developmental opportunities and contribute to our success.

My work at McDonald's has helped me achieve my ambitions by assuming

responsibility in a much shorter time.

I find that McDonald's provides me with experience, stimulates my creative thinking, and my ability to deal with people from different cultures and backgrounds, which in turn gives me the opportunity to discover my potential and climb to the highest ranks.

Abdullah Hakami

Al-Rashid Mall Branch Manager – Jazan



McDonald's employees are a dedicated team, selected for their enthusiasm and commitment to

development programs that help develop customer service, management and linguistics skills, as well as technical skills in the kitchen.

My first time at McDonald's was the evening of October 22, 2014. I still remember those moments very well. I was extremely keen and had no doubt about passing my interview, which I accidentally

took during a visit to one of the branches as a customer. Within a few days I was a member of the Saudi McDonald's family.

This might be a normal start for a member of the service crew, but what happened next is not normal at all!

I knew for sure that this was the right place, and the right environment to grow my career. In my first year as a service crew, I became a crew trainer for seven months, and I then joined the Fast Track program, qualifying me to be a store manager. After a year of training I became a second assistant manager, before I took responsibility for the branch at Al-Rashid Mall.

Here, in our work, our only competitor is ourselves. The more you work and train, the more responsibility you can take, and the higher you get on the career scale. This is what has motivated me to learn more. Although I have a bachelor's degree in English from Jazan University, I recently joined a CIT Center (IT Skills Certificate) to gain more knowledge and experience.

Today I am proud to be a member of the McDonald's Saudi Arabia family.

2018 Achievements

The Golden Arch Award



A highlight of 2018 was our winning of the global Golden Arch Award for RICC as one of the top 17 franchisees globally. This honor – which is only conferred on the top one percent of franchisees worldwide – is awarded for delivering superior customer service, giving back to the community, ensuring a positive and favorable environment for employees, and building confidence in the McDonald's brand. RICC is one of the few companies to receive this award for the second time, the first being in 2001.



Employee Satisfaction Survey

We regularly survey our employees to assess their job satisfaction in order to make McDonald's Saudi Arabia a better place to work. The survey measures career satisfaction, training, wages, bonuses, appreciation, managers' attitudes, and the work environment.

In 2018, the satisfaction level reached 98 percent, up 7 percent compared to the previous year, while managers' satisfaction rating rose 2 percent on the year to 96 percent. The survey is conducted by an independent external agency to ensure fairness.

Our Growth

McDonald's Saudi Arabia is growing significantly, the growth requires the recruitment of more young Saudis at all positions and levels.

In 2018, our stores' network reached 291 across more than 50 Saudi cities, with 8004 employees, 29% percent of who are Saudi nationals.

Among many other exciting plans for 2019, we plan to maintain growth by opening 36 new branches, employing more young Saudis in quality jobs, and attracting and training them at all our locations.

Guest Experience Lead (GEL) Program

Each year McDonald's introduces fresh programs and initiatives which are often imitated by others in the private sector. As the saying goes, 'imitation is the sincerest form of flattery.'

In 2018, we began recruiting both male and female employees under the 'Guest Experience Lead' program.

The new role is designed to offer an exceptional customer experience, ensuring that our hospitality is of the highest standard and is an important step to delight our customers. It aims to instill a true hospitality culture, providing our guests memorable moments, and making McDonald's the best place for families.

Requirements of Customer Experience Leader



ISRAR Award



From left to right: winner 2015, winner 2016, winner 2017

In 2015, ISRAR Award—were initiated and launched from Human Resources Development Foundation which shares inspirational success stories. The competition also illustrates the challenges and obstacles faced by employees on their way to success. After the initiative raised the admiration and enthusiasm of our people, we adopted the experience across the Western and Southern regions. Since then we have run ISRAR challenge each year and await the announcement of the winner of the 2018 competition. The winners are honored with a special certificate of commendation, in addition to valuable gifts.

“You’ve been noticed” “Lahaznak” Program

In January 2017, Reza Food Services launched the Lahaznak “You have been noticed” Rewards and Recognition program to reward staff who have treated customers with distinction, or who have made our brand look good.

This program continued its work in 2018, while we launched another program for managers entitled “You’re the one”, which rewards managers and Guest Experience Leaders who have achieved required goals and who work to create a friendly and team-oriented environment.

The two programs motivate employees to excel by awarding stars that allow them to win prizes, including international trips. A total of 12 team members and 14 Managers won in 2017 version. This year, we also launched a new program called ‘Kon Nasheetan’ (Be Active) to support an active and balanced lifestyle and build friendly relations among the McDonald’s Saudi Arabia family.

The program includes sports such as football, basketball and volleyball. These activities are publicized on an annual calendar specifying the activities for each month.

Aljouhara Al Olayan ...an example of Determination and Challenge

Aljouhara Al-Olayan is a young Saudi woman who has become a role model for all Saudi girls, especially those of her generation.

Aljouhara, a law graduate from King Saud University, has proven that women can follow their dream to success. She began her career at McDonald’s in 2015 when she joined RICC as a coordinator in real estate management handling legalities such as contracts and renewal.

All who meet her are inspired. In three years, she has achieved a career that is unrivaled. At the beginning of 2016 she became a legal consultant, and over the course of the next two years gained experience in property management, contract reviews, auditing and labor law.

In September of 2017, Aljouhara was on the verge of a historic move, having been entrusted with the task of establishing the Department of Legal Affairs. A year later, our legal and administrative divisions were merged, and she became the Director for Administration and Legal Affairs in RICC, leading a 34-employee team. McDonald’s, she says, is a leading university which has given her the tools to achieve the impossible.

Success Story

Mansour Sharahili,
Saudi Operations Consultant:
“Development Does Not Stop at
McDonald’s Saudi Arabia”



“Do not wait too long, the career ladder at McDonald’s, although extensive and challenging is really enjoyable. So, take this career path and achieve your ambitions.”

Take the example of Mansour Shraheli, a 30-year-old operations consultant position with responsibility for managing a number of stores, focusing on operational efficiency and resource management.

It is one of the highest positions in the company and requires exceptional skill in managing day-to-day operations, including the ability to prioritize, and to determine training requirements, and overall manage staffing levels.

He didn’t stop there but progressed to become an operations consultant role, on a journey that has changed his life.

Mansour is the epitome of the continuous development we espouse at McDonald’s, demonstrating how our policies really do enable ambitious people to achieve the highest levels.

Mansour says: “My 10 years at McDonald’s has taught me a great deal. This is not only my place of work, but a second home and family. I am happy with my achievements, which I measure by what I offer to people, employees, and clients. For me, excellent customer service is paramount.”

Mansour is proud of his profession. Today, he leads more than 150 employees, the equivalent to many medium-sized companies, maintaining quality, boosting efficiency and delivering results in seven busy stores.

Mansour sums up what he has gained during his McDonald’s career by describing it as the best working environment in the Kingdom.

Mansour’s Advice:

Do not wait too long! The career ladder at McDonald’s, although extensive and challenging, is really enjoyable. So, take this career path and achieve your ambitions.

Success Story

Mohammad Al Ghamdi,
Operations Consultant:
“From the Most Difficult
Beginnings to the Most
Successful Endings”



Anyone who knows him loves him. Mohammad Abdulaziz Al-Ghamdi is a young Saudi who has overcome personal challenges to become an operations consultant managing a group of McDonald's restaurants.

Mohammed's career began in 2007 during his accounting studies at King Abdulaziz University. He spent six months as crew before becoming a crew trainer and then a shift manager. After eight months of rapid progress, he was appointed second assistant manager, a role he held for a year. More study, training and experience enabled him to become first assistant manager (for six months) and branch manager (for three years) before finally ending up as an operations consultant.

Now, after 10 years with us, he holds responsibility for six McDonald's stores, with a staff of more than 145 employees.

Mohammad didn't initially realize that his accountancy qualification could be so useful at McDonald's Saudi Arabia. But the combination of university education, then training provided by the McDonald's Training Center and his own self-learning have equipped him with an extremely valuable set of tools for the job, he says.

This combination of training, on-the-job experience, ambition and determination make Mohammad Al Ghamdi the perfect example to what is possible with a McDonald's career.

We are immensely proud of one of our most talented team members who has achieved extraordinary results.

“ This combination of training, on-the-job experience, ambition and determination make Al Ghamdi the perfect example of what is possible with a McDonald's career.”

إطالة على ماكدونالدز السعودية



Overview of McDonald's Saudi Arabia



إجمالي عدد الموظفين
Total number of staff

8004



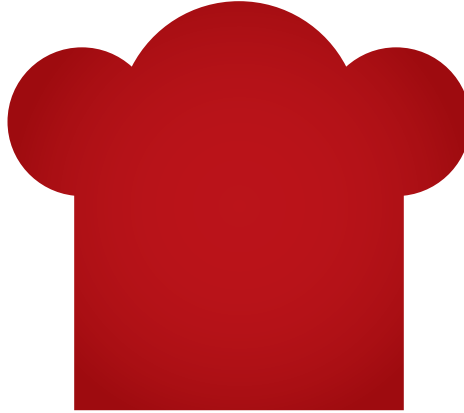
أعداد الموظفين السعوديين
Number of Saudi Employees

2295



عدد الموظفات
Number of Female Employees

30



أعداد الفروع الحالية
Number of Current Branches

284



أعداد الفروع التي افتتحت هذا العام
Number of Branches Opened this Year

23

الفروع المتوقعة افتتاحها
Branches Expected to Open in 2019

36



نسبة التوطين
Nationalization percentage

29%



عدد الزبائن الذين تمت خدمتهم في عام ٢٠١٨م
Number of Customers Served in 2018

156 million