WON Board, FOA & NFLA Team Lead Call
3.7.2024

Welcome Maria Acosta	Happy International Women's Month! WON Rooftop Cocktail Reception in Barcelona, Sunday, April 7th, 2024 - Likely going to sell out, so RSVP as soon as you can. - Free for all WON members. There is a charge for nonmembers/suppliers. Govt. Relations Workshop in February was a huge success - thank you to Kerri Harper-Howie! Meeting with Chris K. at WWC. Planning to discuss WON's 2024 priorities (advocacy, education, engagement), 2023 successes/accomplishments, and how WON is supporting the US plan in 2024. Please share any ideas/topics to discuss with SLT at WWC. Register for WON All-Member Meeting on July 24th in Las Vegas - https://nflabusinessmeeting.com/ (password: lasvegas2024) ● Meeting topics/focus: Investing in yourself and your business & how to maximize your equity ● Looking for additional sponsors - please reach out to Sarah Hill if you have any suggestions. ● Looking for two speakers outside of McDonald's. One focusing on financial/planning your future, the other being dynamic - someone like Susie Osman. If you have any ideas, reach out to Jade Colin. Changing May Board meeting location - dates will stay the same. Be on the lookout for updates.
Diversity Rep Updates	**MHOA - Anna Marie Mestas** Had MHOA meeting a few weeks ago. Highlights: ● Maria attended a second-gen/FFP forum to benchmark some best bets for MHOA. ● Insurance update from Joseph Wong: High number of fires last year were mulch-related, regardless of climate. ○ Recommendations to use in place of mulch: Rocks, drought resistant plants, sod ● Next General Member meeting will be in September in Amelia Island, FL *NOTE: Additional Diversity Reps will provide an update following their next meeting*
NFLA + NFLA Team Updates	**NFLA Update - Leigh Chamness** 2/15 NFLA Call Headlines ● Continue to improve in restaurant operations and strong check growth - led to positive sales in Q4 despite the GC headwinds ● After a year of being ahead, seeing competition pick up. We are performing more towards the middle of the pack with our peers in comp sales ● Competition is getting more intense and will continue to fight with traffic growth ● Lagged in guest counts in Q4 compared to competitors - seen two consecutive quarters in negative growth in guest counts ● Continue to improve in key ops and people KPIs in Q4

- 2023 was a year of strong cash flow growth, up nearly 50% over the last 5 years

Looking Ahead

- Consumers continue to drain savings, leading to debt we've never seen before in the US
- Recognition for higher prices is causing some consumers to pull back frequency, reduce items per transaction, and trade down
- Restaurants taking the most price are seeing the greatest decline in guest counts

To win in our current market conditions, it's critical that we:

- Execute our plan
- Remain disciplined with pricing, especially for lower-income consumers
- Maintain or competitiveness with digital & local value
- Stay customer-focused

NFLA 2024 Owner Operator Business Meeting

Register here: www.nflabusinessmeeting.com (password: lasvegas2024)

Registration is $100 for Owner/Operators, and hotel/casino pricing is around $89-99 right now. Recommend booking now for the best prices.

People - Jacquelyn Marks-Rollins

U.S. People Brand Standards Key Dates & Reminders:

- **March 4:** Organizations will receive an email from the third-party (us_people_brand_standards_team@pwc.com) to kick off the visit process.
- **March 8:** Scheduling tool closes. Anyone who hasn't selected a visit time will automatically be scheduled.
- **March 15:** Risk Command portal closes. After this point, organizations will not be able to submit any additional documentation.
- **April 12:** Preliminary results will be available in the Risk Command portal. Organizations will receive an email notification once their preliminary results are ready. For those organizations who are meeting standards based off the preliminary results, they can decline their virtual organization visit if they choose.

For the 2024 cycle, Shift Managers in-Training will be assessed but not critical for criteria 9b. As we've communicated previously, the intent is that Shift Managers in-Training will become critical for both criteria 9a and 9b for the 2025 cycle. While this doesn't change anything for this cycle, please keep the following cut off dates in mind for 2025:

- Criteria 9a will have a cut-off date of 4/1/2024. Any Shift Manager in-Training hired/promoted on or after 4/1/24 will be subject to be assessed in the 2025 cycle.
- Criteria 9b will have a cut-off date of 12/18/2024. Any Shift Manager in-Training hired/promoted on or after 12/18/2024 will be subject to be assessed in the 2025 cycle.

2024 Restaurant Listening Survey Key Dates

- Opt-In window: 1/15 - 2/22
- Survey administration: 3/11 - 4/1
- Results released: 4/22

UNIFORMS UPDATE

This spring, the uniform category team will be transitioning from three to two uniform suppliers with Aramark, now called Vestis, exiting the McDonald's system as a uniform supplier.

- Contact my uniforms vendor
    - Affinity: 1-855-476-4931 mcdonaldscs@mi-hubus.com
    - Way to Be: 1-800-929-3898 uniforms@waytobe.com
- Order new uniforms

PACE - Trina Gendron

Highlights & Updates

- Eco Sure visits continue to show consistency in that restaurants are routinely missing three main grading points. Restaurant state of cleanliness, hygiene practices, and water and ice protection.
- On health and safety visits, there seem to be three things that routinely show up. Exterior walking surfaces are in good repair, electrical outlet connectors and cords are in good repair, and the grill and fryer are free of excess grease and food debris.
- Last year, 12,350 running great restaurant visits were completed. It was evident that speed of service is the largest opportunity. The system passed 96.2% of RGR visits
- Customer First Visits: 38,918 visits were completed. Average score 84%

PACE Team Priorities:

- Make sure that PACE is minimal as far as affecting stress for your management team.
- Looking at the requirements are different based on the size of the organization. We are recommending 75% for all customer visits, which should be the requirement for your organization, no matter its size.
- Shortening the CURE process.
- Work on consistency and alignment of training with OAs and third parties.

If you have a question/dispute after a visit, contact EcoSure at EcoSure.Questions@ecolab.com or 866-326-7871.

Also, please contact the FBP for questions or concerns with McDonald's assessed visits.

Franchising - Diane Koury

The franchising team met on January 25th and defined their 2024 priorities.

- Sales vs. TV Market
- CURE Process

The franchising team believes the biggest issues with the CURE Process are:

- Length of time
- The effect CURE has when it comes to awarding a new term on a restaurant that is not currently in CURE.
- Larger organizations have a higher percentage chance of being in CURE.
- The OAs are inexperienced and inconsistent in their grading.
- Deficiencies with the people brand standard visits should not put an operator in CURE.

McDonald's has agreed that McDonald's vs. TV Market needs to be modernized. Updates to come Mid-March.

NOIT - Leigh Chamness (Michelle Man Caston not present)

	We are able to offer package insurance to every restaurant in the United States even though worldwide insurance is very constrained. ● **NOIT recommendation is to ONLY purchase EPLI through NOIT endorsed EPLI Program for many system benefit reasons.** ● 3,506 quotes delivered to the system. Little over 900 owners received at least three quotes. ● Average change from last year's expiring quote to this year's least expensive quote is a 16% change. ● NOIT ensures 40,000 lives through McDonald's Health and Welfare plan. ● The Property Deductible has changed from $2,500 to $10,000. ● EPLI renewal will be no price increase, $1,885 for restaurants outside of CA & $3,870 for restaurants in California. **Delivery - Jen Steward** Highlights & Updates: ● Regarding technology, configurable monitors, name on the pick ticket, accuracy, scales, and the 3PO data integration are all being reviewed for deployment. ● Average check growth was up 9% and delivery sales were plus 21% yoy. ● The sales target for delivery in 2024 is 5.3 billion. ● The US was down 4.15 in GCs compared to the plan and a -1.00% versus the plan. ● DoorDash represents 61% of the market share when it comes to delivery. They did 3.2B in McDonald's sales in 2023. ● Lifetime ratings will be coming to the Uber Eats app. ● PMI (partial missing items) is in place for 25% of customers starting February 5th. UE will review data to see if all of the concerns are being addresses. If no issues, they will go to 100% of customers on March 11th. ● Only about 20% of restaurants are currently using Uber Tablets. ● Acrelec Scales- hoping to get them deployed nationwide in Q4 of 2024. Rolling out in CA first. Looking into self install training resources. Main Focuses for the Delivery Team ● ADWT < 4 Minutes ● Missing & Inaccurate < 4.5% ● GC/R/D 3PO >49 & GMA> 6 **Govt. Relations - Leigh Chamness (Kerri Harper-Howie not present)** The goal of the meeting in Washington, DC was to discuss 2024 GR issues and strategies. Working on way to align on structure and engagement. Talked with government officials, congress people, outside consultants for 2.5 days about our business from a federal and state perspective. Kerri will provide an update with more information following her meeting. **Economics - Kristen Fraser** A new economics letter will be sent out, along with the rest of the NFLA updates. Reach out to Kristen Fraser with any feedback/ issues/questions related to economics. Current project they are working on is regarding the profitability of digital/delivery transactions.
FFP Update **Jamie Black**	**FFP Update - Jamie Black**

	Maria and Jamie went to the next-gen meeting - a lot of great insight from this. Have put together a team for FFP - Diane Koury, Shelly Contreras, Lisa Iraci, Gianna Funkhouser Upcoming dates: ● 3/11 - First FFP Meeting ● 3/20 - First FFP Workshop - planning after you get the 'Qualified to Buy' ● Workshop/Breakfast - Morning of the 7/24 All-Member Meeting ● Relationship-building opportunity before WON Cocktail Party at WWC
OPNAD Update Randi Ray	OPNAD recap has been sent out - all reps are ready to answer any questions you have. Field votes are coming soon - more info to follow from your BUs.
Open Discussion	Want to make sure we are at the table for the next 3PO contract renewal. PrepProof - A company who helps get some of the delivery chargebacks refunded to us. ● Get back 20% back of money you have lost due to chargebacks. Believe the CFV average score is 78% - Jamie to confirm. The task for Mason and SLT right now is to bring the pass rate to what we are actually running. Concerns for SLT meeting: ● Aggressive expansion of In-N-Out in the East/nashville ● Hearing more about cost/unreliability of technicians - specifically not fixing shake machines/grills. Seems to be a system-wide issue. All- Member Meeting - Direct any sponsorship inquiries to Sarah Hill or the WON website. Reach out to Melissa Montes with any feedback on the agenda. ● Think through how we are collecting from tables for best conversation. ● Bring in Dan Turner from Elate ● Share best bets post-meeting Gina to work on getting WON rep in the Great South BU. As of Jan. 1 2024, the pass rate to be EcoLab Science Certified is 90%. No additional questions will be asked once the 90% has been passed. Reach out to Maryann Paciullo for any food safety concerns/questions.
Communications Update Melissa Montes-Blanco	<u>Upcoming Dates:</u> March 20th: FFP Webcast April: ● 4/1: Membership Drive ● 4/7: Worldwide 2024: Cocktail Reception ● 4/9: Meet with SLT at WWC May: ● Board & FOA F2F Meeting location TBD June: ● 6/13: Board & FOA Call July: ● 7/11: Board & FOA Call ● 7/24: All Member Meeting

	February 2024 Report: ● Overall traffic is up 17% over January, with a spike in mid-February. ● Impressions in Google search are up 8% which is a slight increase. Recent updates: ● Added the History of WON to the About page ● Updated the Org Chart & Board Member Headshots ● Added Merchandise page (more to come) ● Added 2024 dates to the calendar ● Added Legacy Member status ● Currently building out the FOA microsite & best bets message board