

[McDonald's Corporation: Rule 14a-8 Proposal, December 2, 2022]
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ITEM 4* – Comply with Expert Guidelines on Antimicrobial Use

RESOLVED, shareholders ask that the board of directors institute a policy that the Company (“McDonald’s”) comply with World Health Organization (“WHO”) Guidelines on Use of Medically Important Antimicrobials in Food-Producing Animals (“WHO Guidelines”)¹ throughout McDonald’s supply chains.

SUPPORTING STATEMENT: McDonald’s is the largest beef purchaser in the United States and one of the largest in the world; its policies thus have tremendous influence on the market as a whole. Investor activists applauded² McDonald’s when it committed in 2018 to reduce antibiotics use in all beef sold in its restaurants, and to announce reduction targets by the end of 2020.³ McDonald’s has not done so. To the contrary, McDonald’s has been weakening its antibiotics use commitments in its more recent statements,⁴ and recently dropped its commitment to reduction targets altogether.⁵

Antibiotics overuse is known to exacerbate antimicrobial resistance (“AMR”), which the WHO describes as “one of the top 10 global public health threats facing humanity.”⁶ AMR poses a systemic threat to public health and the economy. When the efficacy and availability of life-saving drugs are compromised, the entire economy suffers. And when the economy suffers, investors lose. By 2050, AMR could cause \$100 trillion in lost global production,⁷ thus lowering the economy’s intrinsic value.

McDonald’s policies deviate from the WHO Guidelines, which recommend that “farmers and the food industry stop using antibiotics routinely to promote growth and prevent disease in healthy animals” and provide evidence-based recommendations and best practices. Moreover, a recent investigation found Tyson Foods—which McDonald’s named “Global Supplier of the Year” in 2022—sold numerous meat products between 2015 and 2020 that were contaminated with campylobacter and salmonella, more than half of which were antibiotic-resistant strains.⁸

As another company with a meat supply chain explained, robust AMR protections raise “[t]he challenge of individual costs and widely distributed societal benefits.”⁹ But for diversified investors, the portfolio-wide costs associated with AMR are paramount.

¹ <https://apps.who.int/iris/bitstream/handle/10665/258970/9789241550130-eng.pdf>

² <https://www.npr.org/sections/thesalt/2018/12/11/675559302/there-are-lots-of-antibiotics-in-the-beef-supply-mcdonalds-vows-to-change-this>

³ https://corporate.mcdonalds.com/content/dam/gwscorp/scale-for-good/McDonalds_Beef_Antibiotics_Policy.pdf

⁴ <https://www.nrdc.org/sites/default/files/chain-reaction-vi-restaurants-antibiotic-use-2021-report.pdf>

⁵ <https://www.keepantibioticsworking.org/blog/reduceantibiotics>

⁶ <https://www.who.int/news-room/fact-sheets/detail/antimicrobial-resistance>

⁷ https://amr-review.org/sites/default/files/160518_Final%20paper_with%20cover.pdf

⁸ <https://www.thebureauinvestigates.com/stories/2022-03-16/superbugs-on-the-shelves-diseased-chicken-being-sold-across-america>

⁹ <https://www.yum.com/wps/wcm/connect/yumbrands/41a69d9d-5f66-4a68-bdee-e60d138bd741/Antimicrobial+Resistance+Report+2021+11-4+-+final.pdf?MOD=AJPERES&CVID=nPMkceo>

McDonald's decision not to prioritize broad AMR risks does not account for its diversified owners' interests in optimizing public health, the economy, and their long-term portfolio returns. By engaging meat suppliers that use medically important drugs beyond WHO Guidelines, McDonald's adds to the economic threat AMR poses to its diversified shareholders: reducing the economy's intrinsic value will directly reduce diversified portfolios' long-term returns.¹⁰ McDonald's profit gain that comes at the expense of public health is a bad trade for McDonald's diversified shareholders, who rely on broad economic growth to achieve their financial objectives.

By changing its policies and adhering to the WHO Guidelines, McDonald's could save lives, contribute to a more resilient economy, and protect its diversified investors' portfolios.

Please vote for: Comply with Expert Guidelines on Antimicrobial Use – Item 4*

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Number 4* to be assigned by the Company

¹⁰ https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf