

Global Transparency Report

RESOLVED: Shareholders request the Company annually issue a transparency report on global public policy and political influence, disclosing company expenditures and activities outside of the United States. Such report should disclose company funding and in-kind support directed to candidates or electioneering, lobbying, and any charitable donations directed to public policy research or influence for the preceding year including:

- Recipients and amounts.
- The Company's membership in or payments to nongovernmental organizations including trade and business associations, scientific or academic organizations and charities.
- The rationale for these activities.

The Board and management may, in its discretion, establish a de minimis threshold, such as contributions to an individual or organization totaling less than \$250, below which itemized disclosures would not be required.

Supporting Statement

In 2021, international media reported McDonald's "paused all of our political giving while we review our policies and procedures" and, moving forward, "will ensure that all contributions continue to align with our values and the purpose of our business." This raises significant concerns regarding the **global extent** of McDonald's political activity given increased public scrutiny and demand for transparency.

A truly global corporation, McDonald's operates in 118 countries, with 200,000 employees, approximately. While McDonald's discloses some information about United States political activities, funds spent to influence public policy **internationally** are almost entirely undisclosed. Currently shareholders receive minimum information on global corporate spending to influence policies.

Vanguard cautioned:

"[P]oor governance of corporate political activity, coupled with misalignment to a company's stated strategy or a lack of transparency about the activity, can manifest into financial, legal, and reputational risks that can affect long-term value."

Consequently, industry support for scientific advocacy intended to shape policymaking is receiving heightened scrutiny. McDonald's website displays a partial list of trade group memberships, limited to national trade associations with annual memberships of \$25,000 or more. Associations like International Food Information Council (IFIC) – a food/agrochemical industry group that conducts promotion and research to advance industry interests that often contradict public health, actively defending unhealthy products including sugar, processed foods, artificial sweeteners, and toxic pesticides – are absent.

Among many blind spots for investors surrounding McDonald's political activities, the European Union Commission proposed mandatory nutritional labeling, potentially impacting McDonald's and suppliers' products as early as 2024. Concurrently, McDonald's received legal notice alleging failure to manage its plastic waste as required by French law. Most recently, McDonald's made headlines purportedly lobbying extensively **against** the European Union's proposed packaging-reduction legislation.

Awareness regarding McDonald's products' environmental and health impacts increases across countries. A McDonald's executive recently highlighted, "...effective policy advocacy, and strong partnerships add up to a powerful response [to such issues] ...". Utilizing the highest transparency standards regarding policy advocacy, partnerships, and all corporate political activities, globally, is imperative.

McDonald's minimally discloses these relationships online, raising transparency and credibility concerns. Media and public scrutiny may quickly reveal corporate activity that appears inconsistent with a company's stated values, on which our business depends.