



WHEREAS: A 2017 [study](#) indicated that costs associated with chemical exposures worldwide likely exceed 10 percent of global GDP, or 11 trillion dollars. A growing body of literature links chemical exposure to many human health problems, from cancer, to developmental disabilities, to reproductive harm.

Poly and perfluoroalkyl substances (PFAS) are a class of chemicals that has been under particular scrutiny in recent years. After significant controversy and class-action lawsuits, two PFAS chemicals have been phased out of production (PFOA and PFOS,) but remain in the environment. Many other chemicals in the same class remain in use today, including in food packaging. PFAS exposure has been linked to hormone disruption, liver and kidney disease, cancer, and other human health harms.

McDonald's featured prominently in a [recent study](#) testing restaurant take-out packaging for PFAS. Three out of nine samples collected from McDonald's contained levels of fluorine above the screening level, suggesting PFAS treatment. This study received [attention](#) from the media, as well as signatures from over 74,000 consumers on a petition demanding action from the company.

Washington State and Maine have enacted laws to phase out PFAS in food packaging by January 1, 2022. Similar legislation has been introduced in numerous other states and countries. Continued use of PFAS in food packaging presents increasing regulatory and reputational risk for our company, particularly as several other food companies have committed to reducing risks related to chemicals in food packaging:

- Taco Bell will ban PFAS, phthalates, and BPA from consumer-facing packaging by 2025
- Chipotle will remove PFAS from food packaging by the end of 2020
- Panera has a safer chemicals policy that restricts substances in food packaging, including PFAS
- Ahold Delhaize, Albertson's, Trader Joes, and Whole Foods Market have committed to reduce or eliminate PFAS from some or all consumer-facing food packaging.

Toxic chemical impacts present systemic portfolio risks to investors. McDonald's does not disclose a chemical management policy to address risks from chemical use, including in its food packaging. There are currently dozens of lawsuits against manufacturers of PFAS chemicals alleging harm to health, communities, and the environment. [Legal action](#) is also impacting downstream users and is expected to continue.



Given the impact of toxic chemicals on the environment and human health, shareholders seek information on whether and how McDonald's plans to manage and reduce its chemical footprint.

BE IT RESOLVED: Shareholders request that McDonald's, at reasonable cost and omitting proprietary information, report to shareholders on the potential public health and/or environmental impacts of toxic materials used in food contact settings.

SUPPORTING STATEMENT: In the report, shareholders seek information, at board and management discretion regarding:

- existing chemical management practices;
- any metrics by which chemical risk is currently being, or will be, measured and disclosed;
- the relative benefits and drawbacks of phasing out the use of food packaging treated with PFAS or other controversial chemicals.