

WHEREAS: The growing plastic pollution crisis poses increasing risks to our Company. Corporations could face an annual financial risk of approximately \$100 billion should governments require them to cover the waste management costs of the packaging they produce, a policy increasingly adopted around the globe.¹

Pew Charitable Trusts released a groundbreaking study, *Breaking the Plastic Wave* (“Pew Report”), concluding that improved recycling is insufficient to stem the plastic tide – it must be coupled with reductions in use, materials redesign, and substitution. It concludes that at least one-third of plastic use can be reduced, and that reduction is the most viable solution from environmental, economic, and social perspectives. Without immediate and sustained new commitments across the plastics value chain, annual flows of plastics into oceans could nearly triple by 2040.²

Governments around the world are increasingly taxing corporations for single-use packaging, including new laws in Maine, Oregon, Colorado, and California.³ The European Union has banned 10 single-use plastic products commonly found in ocean cleanups and imposed a tax on non-recycled plastic packaging waste.

McDonald's is part of a “to go” packaging culture, contributing to plastic pollution of land and water. Our Company does not report the number of packaging items it distributes, but as the world's largest quick service restaurant, millions of packaging units with our brand logo enter the environment or landfills each year.

Competitor Starbucks is actively embracing reusable packaging with new global reusable container goals, including a Borrow-A-Cup program and the facilitation of reusable mugs at all stores and drive-throughs by 2023.⁴ McDonald's has set a goal that will effectively eliminate the use of virgin plastic, but the gravity of the situation requires it to go further and reduce overall plastic use while shifting permanently away from single-use packaging and towards reusables.

In a shareholder resolution filed last year, nearly 42% of McDonald's investors, representing more than 206 million shares and \$51 billion in assets, expressed support for action to reduce plastic pollution. McDonald's will reduce its reputational and

¹ https://www.pewtrusts.org/-/media/aspoport.pdf07/breakingtheplasticwave_report.pdf

² Ibid

³ <https://www.packworld.com/news/sustainability/article/22419036/four-states-enact-packaging-epr-laws>

⁴ <https://stories.starbucks.com/stories/2022/starbucks-global-environmental-and-social-impact-report-2021/>

regulatory risk by reducing its plastic packaging waste through strong investment in single-use alternatives.

BE IT RESOLVED: Shareholders request that the McDonald's Board issue a report, at reasonable expense and excluding proprietary information, describing how the Company will reduce its plastics use by shifting away from single-use packaging in alignment with the findings of the Pew Report, or other authoritative sources, to feasibly reduce ocean pollution.

SUPPORTING STATEMENT: The report should, at Board discretion:

- Assess the reputational, financial, and operational risks associated with continuing to use substantial amounts of single-use plastic packaging while plastic pollution grows;
- Evaluate dramatically reducing the amount of plastic used in our packaging through transitioning to reusables; and
- Describe how McDonald's can further reduce single-use packaging, including any planned reduction strategies or goals, materials redesign, substitution, or reductions in overall plastic use.