



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

DIVISION OF  
CORPORATION FINANCE

March 2, 2018

Elizabeth A. Ising  
Gibson, Dunn & Crutcher LLP  
shareholderproposals@gibsondunn.com

Re: McDonald's Corporation

Dear Ms. Ising:

This letter is in regard to your correspondence dated March 1, 2018 concerning the shareholder proposal (the "Proposal") submitted to McDonald's Corporation (the "Company") by Mercy Investment Services, Inc. et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponents have withdrawn the Proposal and that the Company therefore withdraws its January 22, 2018 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Evan S. Jacobson  
Special Counsel

cc: Pat Zerega  
Mercy Investment Services, Inc.  
pzerega@mercyinvestments.org

March 1, 2018

VIA E-MAIL

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *McDonald's Corporation*  
*Shareholder Proposal of Mercy Investment Services Inc. et al.*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

In a letter dated January 22, 2018, we requested that the staff of the Division of Corporation Finance concur that our client, McDonald's Corporation (the "Company"), could exclude from its proxy statement and form of proxy for its 2018 Annual Meeting of Shareholders a shareholder proposal (the "Proposal") and statements in support thereof received from Mercy Investment Services, Inc. ("Mercy Investment"), the Adrian Dominican Sisters, the Sisters of St. Francis Charitable Trust, and the Sisters of the Humility of Mary (together, the "Proponents").

Enclosed as Exhibit A is a letter from Pat Zerega, of Mercy Investment, dated February 27, 2018, verifying that the Proponents have withdrawn the Proposal. Each of the Proponents has authorized Ms. Zerega or Mercy to act on its behalf with respect to the Proposal. In reliance on this communication, we hereby withdraw the January 22, 2018 no-action request.

Please do not hesitate to call me at (202) 955-8287 or Denise A. Horne, the Company's Corporate Vice President, Associate General Counsel and Assistant Secretary, at (630) 623-3154.

Sincerely,



Elizabeth A. Ising

Enclosures

# GIBSON DUNN

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cc: Denise A. Horne, McDonald's Corporation  
Pat Zerega, Mercy Investment Services, Inc.  
Frances Nadolny, OP, Adrian Dominican Sisters  
Judith Sinnwell, OSF, Sisters of St. Francis Charitable Trust  
Sr. Carol Anne Smith, HM, Sisters of the Humility of Mary

**EXHIBIT A**



February 27, 2018

Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

**Re: Withdrawal of shareholder resolution**

Dear Mr. Krulewitch:

Mercy Investment Services, Inc. along with the co-filers we are authorized to represent; the Sisters of the Humility of Mary, Sisters of St. Francis Charitable Trust and Adrian Dominican Sisters hereby withdraw the shareholder resolution requesting the Company adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, including a section on ethical recruitment and issue a report at reasonable cost, omitting proprietary information, by December 2018.

As a result of conversation with the McDonald's Corporation, we understand the company: is willing to revise the Scale for Good Website to include language:

- Prohibiting direct and indirect fees for employment
- Not retain original government-issued identification and
- Provide oral and written contracts in a language understood by the person.

We look forward to additional conversations on this topic with the company in the near future as discussed in our dialogues with company representatives in February.

Sincerely,

A handwritten signature in cursive script that reads "Pat Zerega".

Senior Director, Shareholder Advocacy  
Mercy Investment Services, Inc.  
(412) 414-3587  
[pzerega@mercyinvestments.org](mailto:pzerega@mercyinvestments.org)

January 22, 2018

**VIA E-MAIL**

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *McDonald's Corporation*  
*Shareholder Proposal of Mercy Investment Services, Inc. et al*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, McDonald's Corporation (the "Company"), intends to omit from its proxy statement and form of proxy for its 2018 Annual Meeting of Shareholders (collectively, the "2018 Proxy Materials") a shareholder proposal (the "Proposal") and statements in support thereof submitted by Mercy Investment Services, Inc., the Adrian Dominican Sisters, the Sisters of St. Francis Charitable Trust and the Sisters of the Humility of Mary (together, the "Proponents").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponents that if they elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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## THE PROPOSAL

The Proposal states:

**RESOLVED**, Shareholders request that McDonald’s adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, including a section on ethical recruitment and issue a report at reasonable cost, omitting proprietary information, by November 2018.

The rest of the Proposal focuses on ethical recruitment issues, except for a single reference to the UN Guiding Principles on Business and Human Rights: “According to the UN Guiding Principles on Business and Human Rights, companies have the ‘corporate responsibility’ to respect human rights within their operations and supply chains.”

A copy of the Proposal, as well as related correspondence with the Proponents, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(3) because the Proposal is impermissibly vague and indefinite so as to be inherently misleading.

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(3) Because The Proposal Is Impermissibly Vague And Indefinite So As To Be Inherently Misleading**

Rule 14a-8(i)(3) provides that a company may exclude from its proxy materials a shareholder proposal if the proposal or supporting statement is “contrary to any of the Commission’s proxy rules, including [Rule] 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials.” The Staff consistently has taken the position that a shareholder proposal is excludable under Rule 14a-8(i)(3) as vague and indefinite if “neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” Staff Legal Bulletin No. 14B (Sept. 15, 2004). *See also Dyer v. SEC*, 287 F.2d 773, 781 (8th Cir. 1961) (“[I]t appears to us that the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for either the board of directors or the stockholders at large to comprehend precisely what the proposal would entail.”); *Capital One Financial Corp.* (avail. Feb. 7, 2003) (concurring with the exclusion of a proposal under

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Rule 14a-8(i)(3) where the company argued that its shareholders “would not know with any certainty what they are voting either for or against”); *Fuqua Industries, Inc.* (avail. Mar. 12, 1991) (concurring with the exclusion under Rule 14a-8(i)(3) where a company and its shareholders might interpret the proposal differently, such that “any action ultimately taken by the [c]ompany upon implementation [of the proposal] could be significantly different from the actions envisioned by shareholders voting on the proposal”).

The Proposal is vague and indefinite because a central aspect of the Proposal is defined by reference to an external standard (the UN Guiding Principles on Business and Human Rights) that is highly complex and subject to varying interpretation, and the Proposal fails to describe the substance of that standard. Historically, the Staff has concurred with the exclusion of shareholder proposals pursuant to Rule 14a-8(i)(3) that, like the Proposal, rely upon a reference to a particular set of external guidelines but fail to sufficiently describe or explain the substantive provisions of the external guidelines. *See, e.g., Bank of America Corp.* (avail. Mar. 6, 2014) (concurring with the exclusion of a proposal that requested the board to appoint a committee to develop a plan for divesting all “non-core banking business segments,” which the proposal defined as “operations other than what the corporation calls Consumer & Business Banking, Consumer Real Estate Services, and Global Banking (in Note 26 of the 2012 annual report, p.271-272)”.); *Chevron Corp.* (avail. Mar. 15, 2013) (concurring with the exclusion of a proposal that requested that the board adopt a policy that the board’s chairman be “an independent director according to the definition set forth in the New York Stock Exchange listing standards” but failed to describe or explain the substantive provisions of the standard); *Dell Inc.* (avail. Mar. 30, 2012) (permitting exclusion of a proposal to include certain shareholder-named director nominees in company proxy statements, including any nominee named by “shareholders of whom one hundred or more satisfy SEC Rule 14a-8(b) eligibility requirements”); *Exxon Mobil Corp. (Naylor)* (avail. Mar. 21, 2011) (concurring with the exclusion of a proposal requesting “a report . . . on the community and environmental impact of [the company’s] logistics decisions, using guidelines from the Global Reporting Initiative” where the proposal did not adequately describe the “voluminous and highly complex” guidelines, which contained over 150 pages of material, or the “additional descriptive materials on the [Global Reporting Initiative] website” relating to the guidelines); *AT&T Inc.* (avail. Feb. 16, 2010, *recon. denied* Mar. 2, 2010) (concurring with the exclusion of a proposal that sought a report on, among other things, “grassroots lobbying communications as defined in 26 C.F.R. § 56.4911-2”); *The Boeing Co.* (avail. Feb. 5, 2010) (concurring with the exclusion of a proposal as vague and indefinite where the proposal requested the establishment of a board committee that “will follow the Universal Declaration of Human Rights,” but the proposal failed to adequately describe the substantive provisions of the standard to be applied); *Johnson & Johnson (Gen. Bd. of Pension and Health Benefits of the United Methodist Church et al.)* (avail. Feb. 7, 2003) (concurring with the exclusion of a proposal requesting the adoption of the “Glass



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Ceiling Commission’s business recommendations” without describing the recommendations); *Alcoa Inc.* (avail. Dec. 24, 2002) (excluding a proposal calling for the implementation of “human rights standards” and a program to monitor compliance with these standards as “vague and indefinite”); *Kohl’s Corp.* (avail. Mar. 13, 2001) (concurring with the exclusion of a proposal requesting implementation of the “SA8000 Social Accountability Standards”). In these precedents, the failure to sufficiently describe or explain the substantive provisions of the external guidelines meant that as a result, “neither stockholders nor [the company] would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” See, e.g., *Bank of America Corp.* (avail. Mar. 6, 2014); *Dell Inc.* (avail. Mar. 30, 2012); *Exxon Mobil Corp. (Naylor)* (avail. Mar. 21, 2011).

These precedents are consistent with Staff Legal Bulletin 14G (Oct. 16, 2012) (“SLB 14G”), in which the Staff explained its approach to assessing whether a proposal that contains a reference to an external standard is vague and misleading, addressing specifically the context where a proposal contains a reference to a website:

In evaluating whether a proposal may be excluded on this basis, we consider only the information contained in the proposal and supporting statement and determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks.

If a proposal or supporting statement refers to a website that provides information necessary for shareholders and the company to understand with reasonable certainty exactly what actions or measures the proposal requires, and such information is not also contained in the proposal or in the supporting statement, then we believe the proposal would raise concerns under Rule 14a-9 and would be subject to exclusion under Rule 14a-8(i)(3) as vague and indefinite.

As in the foregoing precedents and consistent with SLB 14G, a central aspect of the Proposal is defined by reference to an external source, and the Proposal fails to adequately describe the substance of that source. Specifically, the Proposal asks the Company to “adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights.” However, the Proposal fails to explain what actions or measures are enumerated in or required by the UN Guiding Principles on Business and Human Rights<sup>1</sup> (the “UN Guiding Principles”) or otherwise explain what shareholders are voting on with respect to the requested Human Rights Policy. Further, given the complexity of the UN Guiding Principles

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<sup>1</sup> Available at [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf).

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and the Proposal's failure to explain them, shareholders and the Company could easily interpret the Proposal's request and facets of the UN Guiding Principles differently.

Specifically, the Proposal fails to explain the multitude of requirements for companies set forth in the UN Guiding Principles. Based on the Company's research, the UN Guiding Principles are founded on three pillars—one that applies to states, one that applies to companies and a third regarding remedies that both states and companies should provide.<sup>2</sup> The Proposal mentions one pillar (that companies have the “‘corporate responsibility’ to respect human rights within their operations and supply chains”) but does not reference or explain the various obligations that follow from that “responsibility,” as set forth in the UN Guiding Principles (as explained further below). Further, the Proposal makes no mention of the third pillar that the UN Guiding Principles apply to companies, which discusses the need for greater access to effective remedies for victims of business-related human rights abuses and imposes a significant burden on companies.

In addition, there are 31 different principles to be followed by states and companies that clarify the duties and responsibilities of states and companies set forth in the pillars. There are 16 principles applicable to companies, which discuss impact mitigation (Guiding Principle 13), proportionality of company responsibility based on size (Guiding Principle 14), policy statements (Guiding Principle 16), due diligence (Guiding Principle 17), impact assessments (Guiding Principle 18), outcome tracking (Guiding Principle 20), sector-specific indicators (Guiding Principle 21), remediation processes (Guiding Principle 22), operational-level grievance mechanisms (Guiding Principle 29) and more. However, the Proposal does not explain that these various topics are included in the Proposal's request that the Human Rights Policy be “based on” the UN Guiding Principles. Thus, shareholders voting on the Proposal will not know that voting for a proposal requesting the adoption of a policy “based on” the UN Guiding Principles will include, for example, a duty to track the effectiveness of the Company's responses to human rights impacts via performance contracts, reviews, surveys and audits as well as through the integration of relevant internal reporting processes and operational-level grievance mechanisms.

The complexity of the UN Guiding Principles is further demonstrated by the fact that the document describing them contains over 40 pages of material. In addition, the UN Guiding Principles also refer to and rely upon other external sources, such as the International Bill of Human Rights, the Universal Declaration of Human Rights, the

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<sup>2</sup> See generally United Nations, *Frequently Asked Questions About the Guiding Principles on Business and Human Rights*, available at [http://www.ohchr.org/Documents/Publications/FAQ\\_PrinciplesBusinessHR.pdf](http://www.ohchr.org/Documents/Publications/FAQ_PrinciplesBusinessHR.pdf).

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International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization's Declaration of Fundamental Principles and Rights at Work and the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development. In the aggregate, these external sources to which the UN Guiding Principles refer number over 130 pages in material and are further supplemented by accompanying documentation.

The Proposal's vagueness resulting from the failure to adequately describe the UN Guiding Principles is further exacerbated by other references in the Proposal. For example, in the same paragraph containing the sole reference to the UN Guiding Principles, the Proposal states, "Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into" various forms of forced labor. This requirement is not set forth in the UN Guiding Principles, and yet the Proposal suggests that the UN Guiding Principles says companies "must" implement such a policy.<sup>3</sup> In addition, the Proposal references topics and standards not addressed in the UN Guiding Principles, which could create uncertainty among the Company and the shareholders regarding what actions are encompassed by the Proposal. For example, the Resolved clause specifically emphasizes that the Human Rights Policy requested by the Proposal and "based on the UN Guiding Principles" should include "a section on ethical recruitment." However, the UN Guiding Principles make no mention of "ethical recruitment."

Given the complexity and diverse nature of the UN Guiding Principles, the Proposal has not provided sufficient and accurate information for shareholders and the Company to understand with reasonable certainty exactly what actions or measures the Proposal requires. Exclusion of the Proposal for the reasons noted above also is consistent with the other Staff precedents concurring that proposals relying on external sources are so vague as to be excludable under Rule 14a-8(i)(3). For example, in *Occidental Petroleum Corp.* (avail. Mar. 8, 2002), the proposal requested the board to implement a company-wide policy regarding the use of private security and security forces provided by the government of a host country "consistent with the Voluntary Principles on Security and Human Rights in the Oil, Gas and Mining Industries formulated by the U.S. State Department and U.K. Foreign and Commonwealth Office." The company argued that the specific principles to be included

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<sup>3</sup> We also note that the UN's *Frequently Asked Questions About the Guiding Principles on Business and Human Rights* acknowledges that such a provision is not in the UN Guiding Principles and is not required to comply with the UN Guiding Principles: "More specifically, the Guiding Principles stipulate that companies should respect the rights of specific groups or populations that may require particular attention. *This means that companies may need to consider additional human rights standards and instruments, such as those relating to indigenous peoples; women; national or ethnic, religious and linguistic minorities; children; persons with disabilities; and migrant workers and their families*" (*emphasis added*).

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in the policy were vague and indefinite because, among other things, the proposal failed to explain the Voluntary Principles, which were much broader than the specific requirements mentioned. The Staff concurred that the proposal was excludable under Rule 14a-8(i)(3) because the proposal was impermissibly vague and indefinite.

For these reasons, the Proposal is vague and indefinite because a central aspect of the Proposal is defined by reference to an external standard (the UN Guiding Principles on Business and Human Rights), and the Proposal fails to describe the substance of that standard. Thus, consistent with the precedents discussed above, the Proposal is excludable under Rule 14a-8(i)(3).

## CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2018 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287, or Denise A. Horne, the Company's Corporate Vice President, Associate General Counsel and Assistant Secretary, at (630) 623-3154.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Denise A. Horne, McDonald's Corporation  
Pat Zerega, Mercy Investment Services, Inc.  
Frances Nadolny, OP, Adrian Dominican Sisters  
Judith Sinnwell, OSF, Sisters of St. Francis Charitable Trust  
Sr. Carol Anne Smith, HM, Sisters of the Humility of Mary

**EXHIBIT A**



November 28, 2017

Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

Dear Mr. Krulewitch:

Mercy Investment Services, Inc. (Mercy), as the investment program of the Sisters of Mercy of the Americas has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long-term business success. Mercy Investment Services, Inc., a long-term investor, is currently the beneficial owner of shares of McDonald's Corporation.

Mercy is the lead filer on the resolution, "Human Rights Risks – Recruitment," which requests that McDonald's adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, including a section on ethical recruitment and issue a report at reasonable cost, omitting proprietary information, by November 2018.

Mercy Investment Services, Inc. is filing the enclosed shareholder proposal for inclusion in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy Investment Services, Inc. has been a shareholder continuously for more than one year holding at least \$2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership is being sent to you separately by our custodian, a DTC participant. We respectfully request direct communications from McDonald's Corporation, and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please direct your responses to me via my contact information below.

Best regards,

A handwritten signature in black ink that reads "Pat Zerega".

Pat Zerega  
Senior Director of Shareholder Advocacy  
412-414-3587  
[pzerega@mercyinvestments.org](mailto:pzerega@mercyinvestments.org)

## Human Rights Risks – Recruitment – McDonald’s

**WHEREAS**, recent global estimates found that 16 million people are trapped in conditions of forced labor in the extended supply chains of the private sector, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages. Of these workers, over 70% are in debt bondage and forced to work in industries such as agriculture and food processing.

In the U.S. it is estimated that over half of workers in the food and agriculture industries are migrant workers. Studies by the Center for North American Studies (CNAS) indicate that 62% of milk in the U.S. was produced by farms employing immigrant labor. To secure employment in the U.S. food industry and similarly overseas in commodities like palm oil, unethical recruiters often charge migrant workers the equivalent of thousands of dollars in fees.

Migrant workers globally are prime targets for exploitation. This takes many forms, including discrimination, retaliation, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents, limiting workers’ freedom of movement leading to forced labor and human trafficking.

According to the UN Guiding Principles on Business and Human Rights, companies have the ‘corporate responsibility’ to respect human rights within their operations and supply chains. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

The State of California and the United Kingdom have passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

McDonald’s Supplier Code of Conduct prohibits the use of forced labor in company’s supply chains. However, McDonald’s does not have a policy that addresses recruitment of workers and the company’s risk of forced labor from unethical recruitment practices in its supply chain.

In addition, in the 2017 Corporate Human Rights Benchmark report McDonald’s scored 10 out of 100 on the implementation of the UN Guiding Principles on Business and Human Rights and other internationally recognized standards.

The company’s lack of disclosure means that investors have insufficient information to gauge how well the company is addressing this serious risk to the company and to workers.

**RESOLVED**, Shareholders request that McDonald’s adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, including a section on ethical recruitment and issue a report at reasonable cost, omitting proprietary information, by November 2018.

**Supporting Statement:** The ethical recruitment provisions should include company operations and its supply chains, prohibition of payment of recruitment fees by job-seekers and confiscation of worker’s personal documents, and the requirement of written contracts for workers in their native language at the point of recruitment.



BNY MELLON

November 28, 2017

Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

Re: Mercy Investment Services Inc.

Dear Mr. Krulewitch,

This letter will certify that as of November 28, 2017 The Bank of New York Mellon held for the beneficial interest of Mercy Investment Services Inc., 38 shares of McDonald's Corporation.

We confirm that Mercy Investment Services Inc. has beneficial ownership of at least \$2,000 in market value of the voting securities of McDonald's Corporation and that such beneficial ownership has existed continuously for one or more years in accordance with rule 14a-8(a)(1) of the Securities Exchange Act of 1934.

Further, it is Mercy Investment Services Inc., intent to hold at least \$2,000 in market value through the next annual meeting.

Please be advised, The Bank of New York Mellon is a DTC Participant, whose DTC number is 0901.

If you have any questions please feel free to give me a call.

Sincerely,

Thomas J. McNally  
Vice President, Service Director  
BNY Mellon Asset Servicing

Phone: (412) 234-8822  
Email: [thomas.mcnally@bnymellon.com](mailto:thomas.mcnally@bnymellon.com)





November 29, 2017

Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

Dear Mr. Krulewitch:

The Portfolio Advisory Board for the Adrian Dominican Sisters has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long-term business success. The Adrian Dominican Sisters, a long-term investor, are currently the beneficial owner of shares of McDonald's Corporation.

The enclosed resolution, "Human Rights Risks – Recruitment," requests that McDonald's adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, including a section on ethical recruitment and issue a report at reasonable cost, omitting proprietary information, by December 2018.

The Adrian Dominican Sisters are co-filing the enclosed shareholder proposal with Mercy Investment Services, Inc., for inclusion in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. We have been a shareholder continuously for more than one year holding at least \$2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. The verification of ownership by our custodian, a DTC participant, is enclosed. Mercy Investment Services may withdraw the proposal on our behalf. We respectfully request direct communications from McDonald's, and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please direct future correspondence to Pat Zerega, who will be working on behalf of the Adrian Dominican Sisters. Her contact information is: phone – (412) 414-3587; email - [pzerega@mercyinvestments.org](mailto:pzerega@mercyinvestments.org); address - 2039 No. Geyer Rd., St. Louis, MO 63131.

Best regards,

Frances Nadolny, OP  
Administrator  
Adrian Dominican Sisters

## Human Rights Risks – Recruitment – McDonald's

**WHEREAS**, recent global estimates found that 16 million people are trapped in conditions of forced labor in the extended supply chains of the private sector, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages. Of these workers, over 70% are in debt bondage and forced to work in industries such as agriculture and food processing.

In the U.S. it is estimated that over half of workers in the food and agriculture industries are migrant workers. Studies by the Center for North American Studies (CNAS) indicate that 62% of milk in the U.S. was produced by farms employing immigrant labor. To secure employment in the U.S. food industry and similarly overseas in commodities like palm oil, unethical recruiters often charge migrant workers the equivalent of thousands of dollars in fees.

Migrant workers globally are prime targets for exploitation. This takes many forms, including discrimination, retaliation, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents, limiting workers' freedom of movement leading to forced labor and human trafficking.

According to the UN Guiding Principles on Business and Human Rights, companies have the 'corporate responsibility' to respect human rights within their operations and supply chains. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

The State of California and the United Kingdom have passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

McDonald's Supplier Code of Conduct prohibits the use of forced labor in company's supply chains. However, McDonald's does not have a policy that addresses recruitment of workers and the company's risk of forced labor from unethical recruitment practices in its supply chain.

In addition, in the 2017 Corporate Human Rights Benchmark report McDonald's scored 10 out of 100 on the implementation of the UN Guiding Principles on Business and Human Rights and other internationally recognized standards.

The company's lack of disclosure means that investors have insufficient information to gauge how well the company is addressing this serious risk to the company and to workers.

**RESOLVED**, Shareholders request that McDonald's adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, including a section on ethical recruitment and issue a report at reasonable cost, omitting proprietary information, by November 2018.

**Supporting Statement:** The ethical recruitment provisions should include company operations and its supply chains, prohibition of payment of recruitment fees by job-seekers and confiscation of worker's personal documents, and the requirement of written contracts for workers in their native language at the point of recruitment.

November 29, 2017

Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

RE: ADRIAN DOMINICAN SISTERS ACCOUNT AT COMERICA

Dear Jerome N. Krulewitch,

In regards to the request for verification of holdings, the above referenced account currently holds 27 shares of MCDONALDS CORP common stock. The attached tax lot detail indicates the date the stock was acquired. Also please note that Comerica Inc. is a DTC participant.

Please feel free to contact me should you have any additional questions or concerns.

Sincerely,

*Nadeen Nabolsi*

Nadeen Nabolsi

Trust Analyst II | Institutional Trust

Comerica Bank | 411 West Lafayette | MC 3462 | Detroit, MI 48226

P: 313-222-5757 | F: 313-222-7170 | [NNabolsi@Comerica.com](mailto:NNabolsi@Comerica.com)



COMERICA BANK  
Tax Lot Detail

Run on 11/29/2017 10:57:09 AM

As of 11/29/2017

Combined Portfolios  
Settlement Date Basis

Account: \*\*\*  
ADRIAN DOMINICAN SISTERS  
SHAREHOLDER ACTIVITY

Administrator: MATTHEW WASMUND @ 313-222-7092

Investment Officer: DIRECTED BY CUSTOMER  
Investment Authority: None  
Investment Objective:  
Lot Select Method: LIFO

Cusip	Security Name	Ticker	Price	% Market	Market Value
580135101	MCDONALDS CORP	<u>MCD</u>	171.340		4,626

Tax Lot	Acquisition Date	Portfolio	Units	Tax Cost	Market Value	Unrealized Gain/Loss
1	09/30/2003	PRINCIPAL	27.000000	640.71	4,626.18	3,985.47
* TOTAL *			27.000000	640.71	4,626.18	3,985.47

Unit Status	Number of Units	Tax Cost	Market Value
Settled	27.000000	640.71	4,626.18

Registration	Number of Units
DTC - C/C	27.000000

[Back](#) | [Export](#)

**SISTERS OF ST. FRANCIS CHARITABLE TRUST  
3390 WINDSOR AVENUE  
DUBUQUE, IA 52001  
563-583-9786 Ex. 6179**

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*"AFFIRMING THE DIGNITY AND SUPPORTING THE CARE OF OUR ELDER SISTERS."*

December 5, 2017

Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

Dear Mr. Krulewitch:

The Sisters of St. Francis Charitable Trust is committed to investment decision-making that is guided by environmental, social and governance criteria (ESG). We support and encourage implementation of best practices which address these issues, especially as practices impact the poor.

The Sisters of St. Francis Charitable Trust has been a shareholder in McDonald's Corporation continuously for more than one year holding at least \$2,000 in market value. It will continue to hold the required number of shares for proxy resolutions through the date of the 2018 annual meeting of shareholders. A letter verifying ownership is being sent separately by our custodian, Wells Fargo Bank, NA.

In collaboration with Mercy Investment Services, Inc., we are co-filing the enclosed resolution for inclusion in the 2018 proxy statement in accordance with Rule 14(a)(8) of the General Rules and Regulations of the Securities and Exchange Act of 1934. A representative of the filers will attend the 2018 Annual Meeting as required by SEC rules. Mercy Investment Services, Pat Zerega, is authorized to act on our behalf (412-414-3587).

Sincerely,



Judith (Judy) Sinnwell, OSF  
Sisters of St. Francis Charitable Trust Chair  
[sinnwellj@osfdbq.org](mailto:sinnwellj@osfdbq.org)

Enclosure: Resolution

## Human Rights Risks – Recruitment – McDonald's

**WHEREAS**, recent global estimates found that 16 million people are trapped in conditions of forced labor in the extended supply chains of the private sector, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages. Of these workers, over 70% are in debt bondage and forced to work in industries such as agriculture and food processing.

In the U.S. it is estimated that over half of workers in the food and agriculture industries are migrant workers. Studies by the Center for North American Studies (CNAS) indicate that 62% of milk in the U.S. was produced by farms employing immigrant labor. To secure employment in the U.S. food industry and similarly overseas in commodities like palm oil, unethical recruiters often charge migrant workers the equivalent of thousands of dollars in fees.

Migrant workers globally are prime targets for exploitation. This takes many forms, including discrimination, retaliation, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents, limiting workers' freedom of movement leading to forced labor and human trafficking.

According to the UN Guiding Principles on Business and Human Rights, companies have the 'corporate responsibility' to respect human rights within their operations and supply chains. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

The State of California and the United Kingdom have passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

McDonald's Supplier Code of Conduct prohibits the use of forced labor in company's supply chains. However, McDonald's does not have a policy that addresses recruitment of workers and the company's risk of forced labor from unethical recruitment practices in its supply chain.

In addition, in the 2017 Corporate Human Rights Benchmark report, McDonald's scored 10 out of 100 on the implementation of the UN Guiding Principles on Business and Human Rights and other internationally recognized standards.

The company's lack of disclosure means that investors have insufficient information to gauge how well the company is addressing this serious risk to the company and to workers.

**RESOLVED**, Shareholders request that McDonald's adopt a Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, including a section on ethical recruitment and issue a report at reasonable cost, omitting proprietary information, by November 2018.

**Supporting Statement:** The ethical recruitment provisions should include company operations and its supply chains, prohibition of payment of recruitment fees by job-seekers and confiscation of worker's personal documents, and the requirement of written contracts for workers in their native language at the point of recruitment.

**WELLS  
FARGO**

**Institutional Retirement and Trust**  
MAC D1050-140  
401 S. Tryon Street, 14<sup>th</sup> Floor  
Charlotte, NC 28288

December 5, 2017

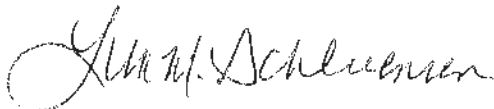
Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

To whom it may concern,

As custodian of their assets, the Sisters of St Francis of Dubuque, Iowa have asked that Wells Fargo Bank, N.A. verify the holdings of McDonald's Corporation stock in their portfolio"

*As of December 5, 2017, the Sisters of St Francis of Dubuque, Iowa hold in their Charitable Trust and has held continuously for at least one year, 25 shares of McDonald's Corporation stock.*

Respectfully,



Lisa M. Schluensen  
Vice President  
Wells Fargo Institutional Retirement and Trust



Sisters of the Humility of Mary

Jerome N. Krulewitch  
Executive Vice President, General Counsel and Secretary  
McDonald's Corporation  
Department 010  
One McDonald's Plaza  
Oak Brook, IL 60523-1928

December 11, 2017

Dear Mr. Krulewitch:

The Sisters of the Humility of Mary have been committed to concern for human rights and care for the individual since our founding in 1854. We have been and, continue to be, active in our work in support of labor rights, ethical recruitment and the eradication of human trafficking in all its forms.

As investors, we are certainly concerned with the financial returns of our investments but we are also concerned with the social and ethical implications of those investments. As such, we are most aware of the policies and procedures of the corporations in which we invest.

We are aware of McDonald's Supplier Code of Conduct that prohibits the use of forced labor in the company's supply chains. However, we are also aware that McDonald's does not have a policy that addresses recruitment of workers and the risk of unethical recruitment practices in its supply chain.

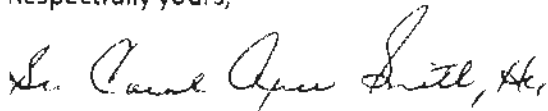
The Sisters of the Humility of Mary is the beneficial owner of 790 shares of McDonald's Corporation Stock. As verification that we are beneficial owners of common stock in McDonald's, I enclose a letter from Comerica Bank, our portfolio custodian/record holder attesting to that fact. It is our intention to continuously keep these shares in our portfolio beyond the date of the annual meeting.

I am authorized to notify you of our intention to co-file this enclosed shareholder proposal:

**Human Rights Risks - Recruitment**

with Mercy Investment Services, Inc. I submit it for inclusion in the proxy statement for consideration and action by the shareholders at the next annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange act of 1934. Please note that the contact persons for this proposal will be Pat Zerega of Mercy Investment Services. However, as a co-filer, we respectfully request direct communication from the company and to be listed in the proxy.

Respectfully yours,



Sr. Carol Anne Smith, HM  
Treasurer, Sisters of the Humility of Mary  
csmith@humilityofmary.org

Enclosures

Cc: Julie Wokaty, ICCR  
Pat Zerega, Mercy Investment Services, Inc



## Human Rights Risks – Recruitment – McDonald's

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INSTITUTIONAL SERVICES GROUP  
411 WEST LAFAYETTE BOULEVARD  
MC 3462  
DETROIT, MI 48226

December 11, 2017

Ms. Cathy Bender  
Director of Finance  
Sisters of the Humility of Mary  
288 Villa Drive  
Villa Maria, PA 16155

Dear Ms. Bender,

This Letter serves as confirmation that the Sisters of Humility of Mary holds 790 shares of McDonald's Corporation Stock. These shares have been held for more than one year prior to the submission of the letter of proposal and at least the minimum number of shares will be held continuously through the time of the next annual meeting.

This security is currently held by Comerica Bank as Custodian for Sisters of the Humility of Mary in our nominee name at The Depository Trust Company Corporation, and this letter is a statement of Comerica Bank as record holder of the above referenced common stock.

Should you have any questions or require additional information, please contact me at the below number.

Sincerely,

A handwritten signature in blue ink, appearing to read "MHW", written over a light blue circular graphic element.

Matthew H. Wasmund  
Vice President, Institutional Services Group  
Comerica Bank  
Custodian for Sisters of the Humility of Mary  
(313) 222-7092  
[mhwasmund@comerica.com](mailto:mhwasmund@comerica.com)