

January 17, 2020

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 IBVM Foundation of Canada Inc.
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 2020 Annual Meeting of Shareholders (collectively, the "2020 Proxy Materials") a shareholder proposal, including statements in support thereof (the "Proposal"), received from IBVM Foundation of Canada Inc. (the "Proponent").

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 2020 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

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 Proponent that if it elects 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.

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 2

THE PROPOSAL

The Proposal states:

RESOLVED: That the board of directors report to shareholders, at reasonable cost and omitting proprietary information, on actions the company is taking to ensure decent work practices are upheld in the company's owned and franchisee operations, including:

Information on the company's overall approach and board-level oversight of human capital management in the context of emerging workforce-related risks and opportunities in the quick service restaurant sector; and
Comprehensive workforce metrics that effectively demonstrate the success and/or challenges the company faces in its management of human capital.

A copy of the Proposal, as well as related correspondence with the Proponent, 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 2020 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal involves matters related to the Company's ordinary business operations.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Involves Matters Related To The Company's Ordinary Business Operations

A. Company Background

This Proposal seeks a report "on actions the [C]ompany is taking to ensure decent work practices are upheld" across Company operations. As discussed below, matters pertaining to management of the Company's general workforce, such as workplace practices and standards, employee compensation, health and safety, metrics regarding day-to-day workforce challenges, and employee relations and experiences, are squarely within the Company's ordinary business operations and excludable pursuant to Rule 14a-8(i)(7).

The Company "is committed to diversity, equal opportunity, and an inclusive workplace culture" that "foster[s] relationships, support[s] career development opportunities", and

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 3

contributes to business growth.¹ Information pertaining to the Company's workforce best practices, policies, and core values² is available on its website.

The Company discloses on its website a substantial amount of information regarding its workforce management practices. For example, the publicly available Standards of Business Conduct³ contain an entire chapter related to employee management, which discusses topics such as employment experience, protection against retaliation, a safe and respectful work environment, inclusion and diversity, and workplace safety. The same code also contains sections on ethics and reporting workplace concerns.⁴ Additionally, the Company's website includes information on numerous workplace related topics, including human rights, forced labor, identifying and preventing harassment and discrimination, education and skills training programs, and inclusive contractual practices.⁵ Furthermore, the Company's website also includes detailed information on its Global Diversity, Inclusion & Community Engagement initiatives, including our Gender Balance and Diversity Strategy, which detail some of its inclusive practices with employees.⁶ The foregoing demonstrates that the Company already discloses "information to understand the [C]ompany's approach to human capital management" and "how it is addressing workforce-related risks and concerns raised by its employees", as requested by the Proposal. The day-to-day decisions that management makes in managing its workforce are precisely the kinds of core ordinary business functions that the Staff has long recognized are not appropriate for shareholder oversight.

B. Background On Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release").

¹ See <https://corporate.mcdonalds.com/corpmcd/about-us/diversity-and-inclusion.html>.

² See <https://corporate.mcdonalds.com/corpmcd/about-us/our-values.html>.

³ Available at https://www.mcdonalds.com/content/dam/AboutMcDonalds/Investors/9497_SBC_McD_US_interactive_final_112408.pdf.

⁴ *Id.*

⁵ See <https://corporate.mcdonalds.com/corpmcd/scale-for-good/our-people-and-communities/respecting-human-rights.html> and <https://corporate.mcdonalds.com/corpmcd/scale-for-good/investment-in-people.html>.

⁶ Available at <https://corporate.mcdonalds.com/corpmcd/about-us/diversity-and-inclusion.html>.

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 4

In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. 1998 Release. As relevant here, one of these considerations was that “[c]ertain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” *Id.* Examples of the tasks cited by the Commission include “management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers.” *Id.*

The 1998 Release further distinguishes proposals pertaining to ordinary business matters from those involving “significant social policy issues.” 1998 Release (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). While “proposals . . . focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered excludable,” the Staff has indicated that proposals relating to both ordinary business matters and significant social policy issues may be excludable in their entirety in reliance on Rule 14a-8(i)(7) if they do not “transcend the day-to-day business matters” discussed in the proposals. *Id.* In this regard, when assessing proposals under Rule 14a-8(i)(7), the Staff considers “both the proposal and the supporting statement as a whole.” *See* Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005).

C. The Proposal Is Excludable Because It Relates To The Ordinary Business Matter Of Managing The Company’s Workforce

The primary focus of the Proposal is on “actions the [C]ompany is taking to ensure decent work practices” across its operations, including the Company’s standards for workforce practices and “the [C]ompany’s overall approach” to managing its workforce and attendant “workforce-related risks and opportunities.” The Proposal consistently addresses the Company’s general workforce management through references to “decent work practices,” “workforce-related risks and concerns,” “comprehensive workforce metrics,” “human capital in [the Company’s] strategy and business operations,” “minimum requirements and standards related to workforce practices,” and “workplace culture.” Further, the supporting statement emphasizes the Proponent’s belief that “the [C]ompany does not disclose information about the number and types of complaints received from employees, or the corrective measures taken to address workforce-related risks and concerns raised by its workforce as well as health and safety key performance indicators” which the Proponent believes “is key to understanding McDonald’s approach to human capital management”. It also states that “[d]isclosure of information such as the [C]ompany’s minimum requirements and standards related to workforce practices (including wages and benefits, working hours and breaks, health and safety, grievance mechanisms[,] shift scheduling and training) would help investors to assess the effectiveness of the [C]ompany’s approach to human capital management”. Through its discussion of these issues, the Proposal

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 5

focuses on the way the Company organizes, trains, supervises, compensates, manages, motivates, and engages with its employees, and how the Company's franchisees do the same, all of which are core components of managing a large, global workforce on a day-to-day basis.

The Commission and Staff have long held that a shareholder proposal may be excluded under Rule 14a-8(i)(7) if it, like the Proposal, relates to a company's management of its workforce. Notably, in *United Technologies Corp.* (avail. Feb. 19, 1993), the Staff provided the following examples of excludable ordinary business categories: "employee health benefits, general compensation issues not focused on senior executives, management of the workplace, employee supervision, labor-management relations, employee hiring and firing, conditions of the employment and employee training and motivation." Importantly, the Commission recognized in the 1998 Release that "management of the workforce" is "fundamental to management's ability to run a company on a day-to-day basis."

Consistent with the 1998 Release, the Staff has recognized that a wide variety of proposals pertaining to the management of a company's workforce are excludable under Rule 14a-8(i)(7). For example, in *Yum! Brands, Inc.* (avail. Mar. 6, 2019), the Staff concurred with the exclusion of a proposal relating to adopting a policy not to "engage in any Inequitable Employment Practice", noting it related "generally to the [c]ompany's policies concerning its employees and does not focus on an issue that transcends ordinary business matters." Further, in *Intel Corp.* (avail. Mar. 18, 1999), the Staff concurred with the exclusion of a proposal seeking adoption of an "Employee Bill of Rights", which would have established various "protections" for the company's employees, including limited work-hour requirements, relaxed starting times, and a requirement that employees treat one another with dignity and respect. The Staff noted that the foregoing was excludable as "relating, in part, to Intel's ordinary business operations (i.e. management of the workforce)." See also *Apple, Inc.* (avail. Dec. 20, 2019) (concurring with the exclusion of a proposal requesting a "report detailing the potential risks associated with omitting 'viewpoint' and 'ideology' from its written equal employment opportunity (EEO) policy); *Walmart, Inc.* (avail. Apr. 8, 2019) (concurring with the exclusion of a proposal that requested the board evaluate the risk of discrimination that may result from [the company's] policies and practices of hourly workers taking absences from work for personal or family illness, as relating to "management of [the company's] workforce"); *PG&E Corp.* (avail. Mar. 7, 2016) (concurring with the exclusion of a proposal requesting that the board institute a policy banning discrimination based on race, religion, donations, gender or sexual orientation in hiring vendor contracts or customer relations, as relating to the company's ordinary business operations); *Apple, Inc. (Zhao)* (avail. Nov. 16, 2015) (concurring with the exclusion of a proposal requesting that the company "reform its Compensation Committee to include outside independent experts from the general public to adopt new compensation principles responsive to America's general economy, such as unemployment, working hour and wage inequality", as relating to the company's ordinary business operations and, specifically "compensation that may be paid to employees generally"); *Merck & Co., Inc.* (Mar. 6, 2015) (concurring with the exclusion of a proposal relating to the source of candidates considered for company positions because it related

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 6

to “procedures for hiring and promoting employees”); *Starwood Hotels & Resorts Worldwide, Inc.* (avail. Feb. 14, 2012) (concurring with the exclusion of a proposal requesting verification and documentation of U.S. citizenship for the company’s U.S. workforce and requiring training for foreign workers in the U.S. to be minimized could be excluded because it “relates to procedures for hiring and training employees” and “[p]roposals concerning a company’s management of its workforce are generally excludable under Rule 14a-8(i)(7)”); *Wells Fargo & Co.* (avail. Feb. 22, 2008) (concurring with the exclusion of a proposal requesting a policy stating that the company would not employ individuals who worked at a credit rating agency within the last year because it related to “ordinary business operations (i.e., the termination, hiring, or promotion of employees)”); *Donaldson Company, Inc.* (avail. Sept. 13, 2006) (concurring with the exclusion of a proposal requesting that the board of directors oversee company procedures to “assure appropriate ethical standards related to employee relations are adhered to”); *Wal-Mart Stores, Inc.* (avail. Mar. 16, 2006) (concurring with the exclusion of a proposal requesting an amendment to a company policy barring “intimidation of company employees exercising their right to freedom of association”); *Consolidated Edison, Inc.* (avail. Feb. 24, 2005) (concurring with the exclusion of a proposal requesting the termination of certain supervisors as it related to “the termination, hiring, or promotion of employees”); and *W.R. Grace & Co.* (avail. Feb. 29, 1996) (concurring with the exclusion of a proposal regarding the creation of a “high performance” workplace based on policies of workplace democracy and meaningful worker participation).

Additionally, proposals addressing workplace safety have consistently been recognized by the Staff as excludable under Rule 14a-8(i)(7). *See, e.g. The GEO Group Inc.* (avail. Feb. 2, 2017) (concurring with the exclusion of a proposal requesting implementation of provisions relating to operational audits of its facilities examining issues such as workplace violence rates and disciplinary and grievance systems, as relating to the company’s ordinary business operations); and *Pilgrim’s Pride Corp.* (avail. Feb. 25, 2016) (concurring with the exclusion of a proposal requesting a report describing the company’s policies, practices, performances and improvement targets related to occupational health and safety, as “relat[ing] to workplace safety”). In *Pilgrim’s Pride*, the requested report also sought disclosure of “employee injury causes and rates, incidents of non-compliance with safety and labor laws, remedial actions taken and measures contributing to long-term mitigation and improvements.” The foregoing is similar to the instant Proposal’s request for “[c]omprehensive workforce metrics that effectively demonstrate the success and/or challenges the [C]ompany faces in its management of human capital”, as well as “the number and types of complaints received from employees, or the corrective measures taken to address workforce-related risks and concerns raised by its workforce”. Additionally, the *Pilgrim’s Pride* proposal asserted that “detailed reporting would[] strengthen Pilgrim’s ability to assess and improve working conditions for its employees” and “enable shareholders to better understand potential regulatory, legal, reputational and financial risks relating to OHS.” That same reasoning is echoed in the Proposal, where the Proponent likewise claims that increased reporting will enable investors to “understand and evaluate how [the Company] is responding to the concerns raised by its workforce, and the steps it is taking to

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 7

deliver . . . a positive customer experience.” Like in *Pilgrim’s Pride*, the Proposal concerns itself with workplace safety and general workforce practices such that exclusion is appropriate under Rule 14a-8(i)(7).

Likewise, the Staff has consistently recognized that shareholder proposals addressing minimum wage concerns are excludable as relating to ordinary business matters. *See, e.g., CVS Health Corp.* (avail. Mar. 1, 2017) (concurring with the exclusion of a proposal urging the board to adopt and publish principles for minimum wage reform as “relating to ordinary business operations” and, specifically, “general compensation matters”); *CVS Health Corp.* (avail. Feb. 23, 2016, *recon. denied* Mar. 8, 2016) (same); *Chipotle Mexican Grill, Inc.* (avail. Feb. 23, 2016, *recon. denied* Mar. 8, 2016) (same). Similar to such proposals, the Proposal takes issue with “the minimum requirements and standards related to [the Company’s] workforce practices (including wages and benefits, working hours and breaks, health and safety. . . .)”. Like the cited precedents, the Proposal’s focus on “decent work practices” and “wages and benefits” fall squarely within the realm of ordinary business matters, and render the Proposal properly excludable under Rule 14a-8(i)(7).

By way of further example, in *The Walt Disney Co.* (avail. Nov. 24, 2014, *recon. denied* Jan. 5, 2015), the Staff concurred with the exclusion of a proposal requesting that the company “consider the possibility of adopting anti-discrimination principles that protect employees’ human right[s]” relating to engaging in political and civic expression without retaliation in the workplace. There, the company argued that the adoption of anti-discrimination principles involved “decisions with respect to, and modifications of the way the company manages its workforce and employee relations” that were “multi-faceted, complex and based on a range of factors beyond the knowledge and expertise of the shareholders.” *See also Deere & Co.* (avail. Nov. 14, 2014, *recon. denied* Jan. 5, 2015) (concurring with the exclusion of a proposal requesting that the company adopt an employee code of conduct that included an anti-discrimination policy “that protects employees’ human right to engage in the political process, civic activities and public policy of his or her country without retaliation”); *CVS Health Corp.* (avail. Feb. 27, 2015) (“*CVS 2015*”) (concurring with the exclusion of a proposal requesting the company “to amend its equal employment opportunity policy . . . to explicitly prohibit discrimination based on political ideology, affiliation or activity,” as relating to the company’s “policies concerning its employees”); and *Bank of American Corp.* (avail. Feb. 14, 2012) (concurring with the exclusion of a proposal requesting that a company policy be amended to include “protection to engage in free speech outside the job context, and to participate freely in the political process without fear of discrimination or other repercussions on the job” because the proposal related to the company’s “policies concerning its employees”). Thus even those proposals that touch upon discrimination or retaliation are nonetheless properly excludable under ordinary business. The fact that the Proposal includes a passing reference to a lawsuit involving the Company pertaining to a claim of sexual harassment and retaliation, as well as a complaint filed with the U.S. Occupational Safety and Health Administration regarding workplace violence in certain franchisee’s operations does not negate the Proposal’s otherwise overwhelming focus

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 8

on general work practices and the Company's overall approach to workforce management. In concurring with exclusion in each of the foregoing, the Staff again affirmed that "policies concerning [the companies'] employees" relate to companies' ordinary business operations covered by Rule 14a-8(i)(7) and are thus excludable.

Similar to the foregoing precedents, the Proposal is concerned with the Company's and franchisee's employment policies and practices and management of workforce issues. The Proposal's broad request for information on (i) the "actions the company is taking to ensure decent work practices are upheld," (ii) the "company's overall approach" to human capital management, (iii) disclosure of "minimum requirements and standards related to workforce practices (including wages and benefits, working hours and breaks, health and safety, grievance mechanisms[,] shift scheduling and training)," and (iv) "comprehensive workforce metrics" regarding all manner and type of complaints, along with "corrective measures taken to address workforce-related risks," would require the Company to report on actions, programs, policies and issues that fall squarely within categories that have consistently been deemed excludable as ordinary business matters.

D. The Proposal Does Not Focus On Any Significant Policy Issue That Transcends The Company's Ordinary Business Operations

The well-established precedents set forth above demonstrate that the Proposal squarely addresses ordinary business matters and, therefore, is excludable under Rule 14a-8(i)(7). Even if the Proposal also touches upon a possible significant policy issue, by arguably implicating sexual harassment and retaliation, workplace violence, and board-oversight of human capital management, the Proposal is nonetheless excludable under Rule 14a-8(i)(7) because it fails to sufficiently focus on any significant policy issue. Instead, the Proposal broadly requests a report on "actions the [C]ompany is taking to ensure decent work practices are upheld." Additionally, it seeks information on the Company's overall approach to human capital management and comprehensive workforce metrics that demonstrate successes and/or challenges related thereto. Like the term "human capital management" itself, which is a far-reaching umbrella term that refers to a set of practices related to people resource management that includes workforce acquisition, workforce management, workforce optimization, and global human relations administrative support and compliance,⁷ this Proposal seeks a broad array of information concerning the Company's management of its workforce. The Proposal's request for granular workforce metrics and actions the Company is taking to ensure decent work practices across its global operations would entail a review and report on a wide variety of Company policies, practices, procedures and programs relating to the Company's workforce, employees, and franchisees, all of which traditionally relate to ordinary business matters.

⁷ See <https://www.gartner.com/en/information-technology/glossary/hcm-human-capital-management>.

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 9

Here, the Proposal devotes only one sentence to asserting that the Company has experienced “a number of widely-publicized issues” with Company workers in recent years. To illustrate this point, the Proposal cites “a class-action lawsuit on sexual harassment and retaliation, a complaint filed with the U.S. Occupational Safety and Health Administration regarding workplace violence pattern in its franchisees’ operations, and workers’ protests for better working conditions in several countries including the U.S.” That single sentence is the extent of the Proposal’s discussion of those potential policy issues. Additionally, the Proposal does not suggest that those are systemic or focal concerns. Rather, the very same paragraph of the supporting statement reverts to addressing ordinary workforce concerns, such as the Company’s “minimum requirements and standards related to workforce practices.”

Likewise, although the Proposal makes two references to the Board’s oversight role, the Proposal predominantly seeks information on any and all actions the Company is taking to ensure decent work practices, including the Company’s overall approach to human capital management (including but not limited to the Board’s oversight thereof), information pertaining to “wages and benefits, working hours and breaks, health and safety, grievance mechanisms, shift scheduling and training,” and “comprehensive workforce metrics” related thereto, all of which are ordinary business matters. The Proponent appears to propose these broad requests regarding the Company’s global work practices so that shareholders can understand how the Company “deliver[s] a positive worker experience and therefore, ultimately, a positive customer experience.” Thus, although the Proposal relates to how the Company is addressing workforce-related risks and concerns, it seeks granular and voluminous “information about the number and types of complaints received from employees” and any and all “corrective measures taken to address workforce-related risks and concerns raised by its workforce as well as health and safety key performance indicators,” without regard to the nature, frequency, severity or materiality of such complaints.

Consistent with long-established Staff precedent, merely referencing topics in passing that might raise significant policy issues, but which have only tangential implications for the issues that constitute the central focus of a proposal, do not transform an otherwise ordinary business proposal into one that transcends ordinary business. Notably, the Staff recently confirmed this approach to the ordinary business exclusion in the context of proposals that touch upon executive compensation matters. *See* Staff Legal Bulletin No. 14J (Oct. 23, 2018). There, the Staff noted that the Rule 14a-8(i)(7) framework is intended to “ensure[] that form is not elevated over substance, and that a proposal is not included simply because it addresses an excludable matter in a manner that is connected to or touches upon [a significant policy issue].”

To this end, the Staff has frequently concurred that a proposal which touches, or may touch, upon significant policy issues is nonetheless excludable if the proposal does not focus on such issues. For example, in *Wells Fargo & Co. (Harrington Investments, Inc.)* (avail Feb. 27, 2019), the proposal raised multiple issues at the company that may arguably have been of

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 10

significance to the company. While it is possible that one or more of the concerns raised related to policy issues that transcend ordinary business and may have been significant to the company, the proposal failed to focus on any of them. Instead, the “Resolved” clause focused on customer service, and the Staff concurred that the proposal was excludable under Rule 14a-8(i)(7). Here, the Proposal presents an even stronger case for exclusion because the reference to potential significant policy issues are less pervasive and the “Resolved” clause itself is so fatally overbroad, as discussed above. Likewise, in *Amazon.com, Inc. (Domini Impact Equity Fund and the New York State Common Retirement Fund)* (avail. Mar. 28, 2019), although the proposal might have touched on significant sustainability concerns, the proposal was so broadly worded that the Staff concurred that the proposal did not focus on any single issue that transcended the company’s ordinary business. Similar to *Amazon*, the Proposal relates generally to the Company’s operations (here, how it manages its workforce), and only mentions the potential policy issues sparingly, and instead focuses on the comprehensive Company-wide actions, policies, corrective measures, minimum requirements and standards regarding workforce management and related to general workforce practices.

By way of further example, in *PetSmart, Inc.* (avail. Mar. 24, 2011), the proposal requested that the board require its suppliers to certify they had not violated “the Animal Welfare Act, the Lacey Act, or any state law equivalents,” the principal purpose of which related to preventing animal cruelty. In concurring with the company’s request for exclusion under Rule 14a-8(i)(7), the Staff stated, “[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is ‘fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.’” (emphasis added). Like the proposal in *PetSmart*, the Proposal is broad in nature and covers issues ranging from workplace violence to working hours, breaks and shift scheduling; from the Board’s oversight of human capital management to the Company’s overall approach to human capital management, and from workforce-related risks to comprehensive workforce metrics and disclosure of information on the number and types of complaints received from employees, while disregarding the subject matter or magnitude. The Proposal’s request for “comprehensive workforce metrics” and “actions the [C]ompany is taking to ensure decent work practices” across its global operations would entail a review and report on a wide variety of Company policies, practices, procedures and programs relating to the Company’s workforce and employees. See also *CVS 2015* (concurring with the exclusion of a proposal despite references in the supporting statement to human rights concerns, as relating to the company’s “ordinary business operations” and “policies concerning [the company’s] employees”); *JPMorgan Chase & Co.* (avail. Mar. 9, 2015) (concurring with the exclusion of a proposal requesting the company amend its human rights-related policies “to address the right to take part in one’s own government free from retribution” because the proposal related to “[the company’s] policies concerning its employees”); and *Mattel, Inc.* (avail. Feb. 10, 2012) (concurring with the exclusion of a proposal that requested the company require its suppliers to publish a report detailing their compliance with the International Council of Toy Industries Code of Business Practices (“ICTI Code”), noting that the ICTI Code encompasses “several topics that relate to the

Office of Chief Counsel
Division of Corporation Finance
January 17, 2020
Page 11

[c]ompany's ordinary business operations and are not significant policy issues"). Thus, consistent with the established precedents discussed above, the Proposal's passing references to potential broader policy issues cannot be said to transcend the Company's ordinary business when its primary focus is on the day-to-day management of the Company's workforce.

As discussed above, the Proposal is focused on broad workforce management concerns that involve reports, information, and metrics on how the Company "ensure[s] decent work practices" and manages its workforce. The Proposal does not focus on a significant policy issue; rather, the subject matter of the Proposal directly relates to the Company's ordinary business operations and policies concerning the management of its workforce.

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 2020 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. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287, or to email Denise A. Horne, the Company's Corporate Vice President, Associate General Counsel and Assistant Secretary, at Denise.Horne@us.mcd.com.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Denise A. Horne, McDonald's Corporation
Carmen Diston, IBVM Foundation of Canada Inc.
Sarah Couturier-Tanoh, Shareholder Association for Research and Education

EXHIBIT A

From: Sarah Couturier-Tanoh <scouturier-tanoh@share.ca>

Sent: Monday, December 9, 2019 2:52 PM

To: Corporate Secretary <corporatesecretary@us.mcd.com>

Subject: Shareholder proposal for inclusion in the 2020 proxy statement

Attachments: 19-12-09 McDonalds cover letter - IBVM.PDF; 19-12-09 Confirmation of McDonalds shares - IBVM.PDF; ATT00001.txt

Dear,

I am writing to inform you that the IBVM Foundation of Canada Inc., a shareholder of McDonald's, is filing a shareholder resolution ahead of the company's 2020 AGM. The resolution touches on McDonald's approach to human capital management across its operations.

Attached to this email, please find the following documents which are also being sent to you by registered mail:

- 1) Cover letter to McDonald's from the IBVM Foundation of Canada Inc. and text of the shareholder resolution
- 2) Custodian letter to confirm IBVM Foundation of Canada Inc. share ownership

Upon review of these documents, please do not hesitate to let me know if you have any questions or wish to arrange a meeting.

Best regards,

Sarah Couturier-Tanoh

Shareholder engagement analyst

Shareholder Association for Research and Education (SHARE)

T: +1.416.306.8073 | C: +1.581.397.5721

SHARE.ca



SHARE's Toronto office is located on the territories of the Mississaugas of the Credit, Anishnabeg, Chippewa, Haudenosaunee and Wendat peoples.

IBVM Foundation of Canada Inc.

December 5, 2019

Jerome N. Krulewitch
Executive Vice President and General Counsel and Secretary
McDonald's Corporation
110 North Carpenter Street
Chicago, Illinois 60607

Re: Shareholder Proposal for Circulation at 2020 Annual General Meeting (AGM)

Dear Mr. Krulewitch;

On behalf of the IBVM Foundation of Canada Inc. ("IBVM Foundation"), I am writing to give notice that pursuant to the 2019 Proxy Statement of McDonald's Corporation (the "Company") and Rule 14a-8 under the Securities Exchange Act of 1934, the IBVM Foundation intends to present the attached proposal (the "Proposal") at the 2020 annual meeting of shareholders (the "Annual Meeting").

Attached is documentation from CIBC Trust Corporation confirming that the IBVM Foundation is the beneficial owner of 250 shares of voting common stock (the "Shares") of the Company, and has held the Shares for over one year. In addition, the IBVM Foundation intends to continue its ownership of the Shares through the date on which the Annual Meeting is held.

The Proposal is attached. I represent that the IBVM Foundation or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the IBVM Foundation has no "material interest" other than that believed to be shared by stockholders of the Company generally. The IBVM Foundation will promptly notify the Company in writing if any of this information changes.

We hereby request that the proposal and the enclosed supporting statement be included in, or attached to, the management proxy circular to be issued in respect of the 2020 Annual Meeting for consideration by shareholders. We further request that the proposal be identified on the Annual Meeting's form of proxy as a matter to be voted for or against by the beneficial and registered shareholders of the Company.

Please direct all questions and correspondence regarding the Proposal to Sarah Couturier-Tanoh, Engagement Analyst at the Shareholder Association for Research and Education, at:

SHARE - Shareholder Association for Research & Education
Suite 220 – 401 Richmond Street West, Toronto, ON M5V 3A8
Tel: 416-306-8073
e-mail: scouturier-tanoh@share.ca

Sincerely,



Carmen Diston, IBVM, Treasurer
IBVM Foundation of Canada Inc.

SHAREHOLDER PROPOSAL

Resolved: That the board of directors report to shareholders, at reasonable cost and omitting proprietary information, on actions the company is taking to ensure decent work practices are upheld in the company's owned and franchisee operations, including:

- Information on the company's overall approach and board-level oversight of human capital management in the context of emerging workforce-related risks and opportunities in the quick service restaurant sector; and
- Comprehensive workforce metrics that effectively demonstrate the success and/or challenges the company faces in its management of human capital.

Supporting Statement

Demand for better corporate disclosure on human capital management is growing amongst investors and regulators. Jay Clayton, Chairman of the SEC, said in April 2019 to the House Appropriations Subcommittee on Financial Services and General Governance that he "would like to see more disclosure from public companies on how they think about human capital". Human capital is increasingly seen as a primary source of value for many public companies, and by extension, it represents a source of value creation for investors. Therefore, a company's disclosure should reflect the importance of human capital in its strategy and business operations, especially in customer-facing service industries where an employee's conduct and efficiency are critical to the customer experience.

Over the past few years, a number of widely-publicized issues with McDonald's workers have emerged, including a class-action lawsuit on sexual harassment and retaliation, a complaint filed with the U.S. Occupational Safety and Health Administration regarding workplace violence pattern in its franchisees' operations, and workers' protests for better working conditions in several countries including the US. Yet McDonald's current disclosure does not provide sufficient information to understand the company's approach to human capital management in its branded and franchisee operations. Disclosure of information such as the company's minimum requirements and standards related to workforce practices (including wages and benefits, working hours and breaks, health and safety, grievance mechanisms shift scheduling and training) would help investors to assess the effectiveness of the company's approach to human capital management and the robustness of its board's oversight.

McDonald's disclosure also falls short in how it is addressing workforce-related risks and concerns raised by its employees. For example, the company does not disclose information about the number and types of complaints received from employees, or the corrective measures taken to address workforce-related risks and concerns raised by its workforce as well as health and safety key performance indicators. This information is key to understanding McDonald's approach to human capital management and the degree to which the company is effectively managing risks that are emerging in the quick service restaurant sector including reports of a negative workplace culture.

Investors need further information about McDonald's approach and board oversight of human capital management in order to understand and evaluate how it is responding to the concerns raised by its workforce, and the steps it is taking to deliver a positive worker experience and therefore, ultimately, a positive customer experience.



22 Front St. W
7th Floor, Reorg. Dept.
Toronto, ON
M5J 2W5

(416) 681-4285 - T
(416) 594-1910 - F

RE: McDonald's Corporation

ISIN: US5801351017

CUSIP: 580135101

To Whom It May Concern:

Please be advised that we wish to confirm **250** shares of the above security were continuously beneficially owned by the **IBVM Foundation of Canada Inc** for a period of six years (from **December 4, 2013 to December 5, 2019**), and held in the name of CIBC World Markets Inc through the **Depository Trust Company Broker Id: 5030**

IBVM Foundation of Canada Inc has the authority to vote these shares at the upcoming 2020 annual general meeting of shareholders on the condition that they are still holding these shares as of the meeting record date.

Please do not hesitate to contact me if you have any questions.

CIBC World Markets Inc.

A handwritten signature in blue ink, appearing to read 'Pino Zito', written over a horizontal line.

Pino Zito , Senior Manager, Corporate Actions

Sincerely

Meera Dial

Senior Account Processing Officer Voluntary Corporate Actions, Brokerage Credit & Client Service
| Capital Markets / Wealth Management Operations | Technology & Operations | CIBC
22 Front Street West | 7th Floor | Toronto, ON, M5J 2W5 | (416) 681-4285 | meera.dial@cibc.ca

From: Card Jennifer <Jennifer.Card@us.mcd.com>
Sent: Wednesday, December 18, 2019 4:24 PM
To: scouturier-tanoh@share.ca
Cc: ibvmadm@rogers.com
Subject: McDonald's Corporation Correspondence (IBVM)
Attachments: MCD Letter to IBVM 12.18.19.pdf; ATT00001.txt

On behalf of McDonald's Corporation, please find attached a notice of deficiency with respect to the shareholder proposal submitted on behalf of the IBVM Foundation of Canada Inc.

Jennifer Card

Senior Counsel – Securities, Governance and Corporate |  **McDonald's Corporation**

110 North Carpenter Street | Chicago, Illinois 60607 | 630-623-2546 | jennifer.card@us.mcd.com



December 18, 2019

VIA OVERNIGHT MAIL AND EMAIL

Sarah Couturier-Tanoh
Shareholder Association for Research & Education
401 Richmond Street West, Suite 220
Toronto, ON M5V 3A8
scouturier-tanoh@share.ca

Dear Ms. Couturier-Tanoh:

I am writing on behalf of McDonald's Corporation (the "Company"), which received on December 9, 2019, the shareholder proposal you submitted on behalf of IBVM Foundation of Canada Inc. (the "Proponent") pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 for inclusion in the proxy statement for the Company's 2020 Annual Meeting of Shareholders (the "Proposal").

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company's stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received adequate proof that the Proponent has satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to the Company. The letter from CIBC World Markets Inc. that you provided is insufficient because it verifies ownership between December 4, 2013 and December 5, 2019 rather than for the one-year period preceding and including December 9, 2019, the date the Proposal was submitted to the Company.

To remedy this defect, the Proponent must obtain a new proof of ownership letter verifying the Proponent's continuous ownership of the required number or amount of Company shares for the one-year period preceding and including December 9, 2019, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- (1) a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including December 9, 2019; or
- (2) if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the

Proponent's ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the required number or amount of Company shares for the one-year period.

If the Proponent intends to demonstrate ownership by submitting a written statement from the "record" holder of the Proponent's shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent's broker or bank is a DTC participant by asking the Proponent's broker or bank or by checking DTC's participant list, which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

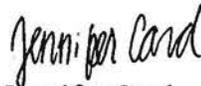
- (1) If the Proponent's broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent's broker or bank verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including December 9, 2019.
- (2) If the Proponent's broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including December 9, 2019. You should be able to find out the identity of the DTC participant by asking the Proponent's broker or bank. If the Proponent's broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent's account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent's shares is not able to confirm the Proponent's individual holdings but is able to confirm the holdings of the Proponent's broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including December 9, 2019, the required number or amount of Company shares were continuously held: (i) one from the Proponent's broker or bank confirming the Proponent's ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

Ms. Couturier-Tanoh
December 18, 2019
Page 3

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at jennifer.card@us.mcd.com.

If you have any questions with respect to the foregoing, please contact me at (630) 623-2546. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,



Jennifer Card
Senior Counsel – Securities, Governance and
Corporate

cc: Carmen Diston, IBVM Foundation of Canada Inc.

Enclosures

From: Sarah Couturier-Tanoh <scouturier-tanoh@share.ca>
Sent: Friday, December 20, 2019 5:15 PM
To: Card Jennifer
Cc: ibvmtreasurer@rogers.com; Mary Ann Leon
Subject: RE : McDonald's Corporation Correspondence (IBVM)
Attachments: 19-12-09 Custodian letter - IBVM.pdf; 19-12-20 McDonalds Cover Letter - IBVM.pdf; 19-12-18 McDonalds letter.pdf; ATT00001.txt

Dear Jennifer,

Thanks for your attached letter (via overnight mail and email) dated 18th December 2019.

In response, please find attached, updated documentation to file the shareholder resolution. The updated documents are dated December 9th, 2019 and demonstrate one year worth of stock ownership from December 9th, 2018 to December 9th, 2019, as was requested per your letter.

Please let me know if you need anything else. We would appreciate if you could acknowledge receipt of this email and the attached updated documents for the shareholder resolution.

Regards,

Sarah Couturier-Tanoh

Shareholder engagement analyst

Shareholder Association for Research and Education (SHARE)

T: +1.416.306.8073 | C: +1.581.397.5721

SHARE.ca



SHARE's Toronto office is located on the territories of the Mississaugas of the Credit, Anishnabeg, Chippewa, Haudenosaunee and Wendat peoples.

IBVM Foundation of Canada Inc.

December 9, 2019

Jerome N. Krulewitch
Executive Vice President and General Counsel and Secretary
McDonald's Corporation
110 North Carpenter Street
Chicago, Illinois 60607

Re: Shareholder Proposal for Circulation at 2020 Annual General Meeting (AGM)

Dear Mr. Krulewitch;

On behalf of the IBVM Foundation of Canada Inc., I am writing to give notice that pursuant to the 2019 Proxy Statement of McDonald's Corporation (the "Company") and Rule 14a-8 under the Securities Exchange Act of 1934, the IBVM Foundation intends to present the attached proposal (the "Proposal") at the 2020 annual meeting of shareholders (the "Annual Meeting").

Attached is documentation from CIBC Trust Corporation confirming that the IBVM Foundation is the beneficial owner of 250 shares of voting common stock (the "Shares") of the Company, and has held the Shares for over one year. In addition, the IBVM Foundation intends to continue its ownership of the Shares through the date on which the Annual Meeting is held.

The Proposal is attached. I represent that the IBVM Foundation or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the IBVM Foundation has no "material interest" other than that believed to be shared by stockholders of the Company generally. The IBVM Foundation will promptly notify the Company in writing if any of this information changes.

We hereby request that the proposal and the enclosed supporting statement be included in, or attached to, the management proxy circular to be issued in respect of the 2020 Annual Meeting for consideration by shareholders. We further request that the proposal be identified on the Annual Meeting's form of proxy as a matter to be voted for or against by the beneficial and registered shareholders of the Company.

Please direct all questions and correspondence regarding the Proposal to Sarah Couturier-Tanoh, Engagement Analyst at the Shareholder Association for Research and Education, at:

SHARE - Shareholder Association for Research & Education
Suite 220 – 401 Richmond Street West, Toronto, ON M5V 3A8
tel: 416-306-8073 e-mail: scouturier-tanoh@share.ca

Sincerely,



Carmen Diston IBVM
Treasurer

SHAREHOLDER PROPOSAL

Resolved:

That the board of directors report to shareholders, at reasonable cost and omitting proprietary information, on actions the company is taking to ensure decent work practices are upheld in the company's owned and franchisee operations, including:

Information on the company's overall approach and board-level oversight of human capital management in the context of emerging workforce-related risks and opportunities in the quick service restaurant sector; and

Comprehensive workforce metrics that effectively demonstrate the success and/or challenges the company faces in its management of human capital.

Supporting Statement

Demand for better corporate disclosure on human capital management is growing amongst investors and regulators. Jay Clayton, Chairman of the SEC, said in April 2019 to the House Appropriations Subcommittee on Financial Services and General Governance that he "would like to see more disclosure from public companies on how they think about human capital". Human capital is increasingly seen as a primary source of value for many public companies, and by extension, it represents a source of value creation for investors. Therefore, a company's disclosure should reflect the importance of human capital in its strategy and business operations, especially in customer-facing service industries where an employee's conduct and efficiency are critical to the customer experience.

Over the past few years, a number of widely-publicized issues with McDonald's workers have emerged, including a class-action lawsuit on sexual harassment and retaliation, a complaint filed with the U.S. Occupational Safety and Health Administration regarding workplace violence pattern in its franchisees' operations, and workers' protests for better working conditions in several countries including the US. Yet McDonald's current disclosure does not provide sufficient information to understand the company's approach to human capital management in its branded and franchisee operations. Disclosure of information such as the company's minimum requirements and standards related to workforce practices (including wages and benefits, working hours and breaks, health and safety, grievance mechanisms shift scheduling and training) would help investors to assess the effectiveness of the company's approach to human capital management and the robustness of its board's oversight.

McDonald's disclosure also falls short in how it is addressing workforce-related risks and concerns raised by its employees. For example, the company does not disclose information about the number and types of complaints received from employees, or the corrective measures taken to address workforce-related risks and concerns raised by its workforce as well as health and safety key performance indicators. This information is key to understanding McDonald's approach to human capital management and the degree to which the company is effectively managing risks that are emerging in the quick service restaurant sector including reports of a negative workplace culture.

Investors need further information about McDonald's approach and board oversight of human capital management in order to understand and evaluate how it is responding to the concerns raised by its workforce, and the steps it is taking to deliver a positive worker experience and therefore, ultimately, a positive customer experience.



CIBC
World Markets

22 Front St. W, 7th Floor,
Reorg. Dept. Toronto,
ON M5J 2W5
(416) 681-4285 -T
(416) 594-1910 - F

RE: McDonald's Corporation

ISIN: US5801351017

CUSIP: 580135101

To Whom It May Concern:

Please be advised that we wish to confirm **250** shares of the above security were continuously beneficially owned by the **IBVM Foundation of Canada Inc.** for a period of one year (from **December 9, 2018** to **December 9, 2019**), and held in the name of **CIBC World Markets Inc.** through the **Depository Trust Company Broker Id: 5030.**

IBVM Foundation of Canada Inc. has the authority to vote these shares at the upcoming 2020 annual general meeting of shareholders on the condition that they are still holding these shares as of the meeting record date.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Meera Dial

Senior Account Processing Officer Voluntary Corporate Actions, Brokerage Credit & Client Service
| Capital Markets / Wealth Management Operations | Technology & Operations | CIBC

22 Front Street West | 7th Floor | Toronto, ON, M5J 2W5 | (416) 681-4285 | meera.dial@cibc.ca

Group Email: Mailbox.CAeventscibc@cibc.com

From: Sarah Couturier-Tanoh <scouturier-tanoh@share.ca>
Sent: Monday, January 6, 2020 9:24 AM
To: Card Jennifer
Subject: RE: RE : McDonald's Corporation Correspondence (IBVM)
Attachments: ATT00001.txt

Hi Jennifer,

Could you, please, confirm receipt of the previous email and the attached documents for the shareholder resolution.

Regards,

Sarah Couturier-Tanoh

Shareholder engagement analyst

Shareholder Association for Research and Education (SHARE)

T: +1.416.306.8073 | C: +1.581.397.5721

SHARE.ca



SHARE's Toronto office is located on the territories of the Mississaugas of the Credit, Anishnabeg, Chippewa, Haudenosaunee and Wendat peoples.