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

DIVISION OF
CORPORATION FINANCE

March 28, 2025

Ning Chiu
Davis Polk & Wardwell LLP

Re: McDonald's Corporation (the "Company")
Incoming letter dated January 17, 2025

Dear Ning Chiu:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by SOC Investment Group for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the board commission an independent third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers throughout all Company-branded operations.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal relates to the Company's ordinary business operations. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Louis Malizia
SOC Investment Group

Davis Polk

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
davispolk.com

January 17, 2025

VIA ELECTRONIC SUBMISSION

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

Ladies and Gentlemen:

On behalf of McDonald's Corporation, a Delaware corporation (the "**Company**"), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), we are filing this letter with respect to the shareholder proposal (the "**Proposal**") submitted by SOC Investment Group (the "**Proponent**") for inclusion in the proxy materials the Company intends to distribute in connection with its 2025 Annual Meeting of Shareholders (the "**2025 Proxy Materials**"). The Proposal is attached hereto as Exhibit A.

We hereby request confirmation that the Staff of the Division of Corporation Finance (the "**Staff**") will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2025 Proxy Materials.

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff's online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company's intent to omit the Proposal from the 2025 Proxy Materials. This letter constitutes the Company's statement of the reasons it deems the omission of the Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

THE PROPOSAL

The Proposal states:

> **Resolved**: Shareholders request the Board of Directors of the McDonald's Corporation ("the Company") commission an independent third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers throughout all Company-branded operations. A report on the audit, prepared at a reasonable cost and omitting proprietary information, should be made available on the Company's website.

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2025 Proxy Materials pursuant to:

1. Rule 14a-8(i)(7): The Proposal deals with matters related to the Company's ordinary business operations and seeks to micromanage the Company; and

2. Rule 14a-8(i)(10): The Proposal has already been substantially implemented by the Company.

I. Background.

With over two million employees working at McDonald's restaurants worldwide, one of the Company's core values is promoting a safe, respectful and inclusive workplace for all. Not only is occupational health and safety an enumerated focus area of the McDonald's Human Rights Policy,[1] in 2023, the Company implemented updated Global Brand Standards aimed at protecting the physical and psychological safety of all employees and which are now in place at more than 41,000 locations worldwide. Those standards specifically cover the prevention of workplace violence (e.g., having policies in place and communicating those policies to employees, conducting workplace violence prevention training and having reporting mechanisms in place for employees to report concerns).[2]

In addition, the Company has adopted a Global Workplace Violence Statement of Principles (the "**Statement**"), which applies to staff and Company-owned restaurant employees and its majority-owned subsidiaries.[3] In this Statement, the Company specifically notes that "in the workplace and at work-related events, we treat everyone, including employees, customers, and visitors, in a safe, non-threatening, and nonviolent manner. Any remark or conduct that is abusive, threatening or violent will not be tolerated." The Statement emphasizes that the Company (i) does not tolerate "any abusive, threatening or violent behavior" in its restaurants or offices and (ii) reserves the right to report any such behavior to the appropriate authorities. The Company is also committed to supporting its franchisees in providing a safe working environment in franchise-owned restaurants by promoting regulatory compliance and safety governance through the adoption of operational standards.

In addition, the Board maintains active oversight over workplace safety and related matters. The Company's Corporate Responsibility Committee is responsible for monitoring the Company's programs, progress, and efforts to address human capital management and human rights management matters, including workplace health and safety as well as safe and respectful workplace environments.[4]

As the Company notes on its website, it strongly believes in maintaining a safe work environment for all employees "through practices, procedures and training that foster a culture of safety and help prevent workplace injuries."[5] The Company's safety policies and standards are constantly evolving and improving,

[1] See "McDonald's Human Rights Policy" (available at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_Human_Rights_Policy-2024.pdf).

[2] See the "2023-2024 Our Purpose and Impact Report," pg. 5 (available at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_PurposeImpact_ProgressReport_2023_2024.pdf).

[3] McDonald's Global Workplace Violence Statement of Principles (available at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/Global%20WVP%20Statement_FINAL_formatted.pdf).

[4] See the Corporate Responsibility Committee Charter (available at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/CORPORATE%20RESPONSIBILITY%20COMMITTEE%20CHARTER%202024.pdf).

[5] See Section 11, "Occupational Health and Safety" (available at https://corporate.mcdonalds.com/corpmcd/our-purpose-and-impact/jobs-inclusion-and-empowerment/human-rights.html).

both to comply with changing regulations and applicable laws as well as to incorporate on-going learning and innovation.

II. The Proposal May Be Excluded under Rule 14a-8(i)(7) Because the Proposal Deals with Matters Related to the Company's Ordinary Business Operations and Seeks to Micromanage the Company.

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company's ordinary business operations. The general policy underlying 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." *See* Exchange Act Release No. 34-40018 (May 21, 1998) (the "**1998 Release**"). The 1998 Release also identified two central considerations that underpin this policy: (i) 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" and (ii) the "degree to which the proposal seeks to 'micromanage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *See* Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("**SLB 14L**"). As demonstrated below, the Proposal implicates both considerations.

A. The Proposal Relates to Workplace Safety.

For decades, the Staff has concurred that workplace health and safety is a matter of ordinary business and that proposals addressing this topic are excludable under Rule 14a-8(i)(7). *See, e.g.*, *Amazon.com, Inc.* (Apr. 1, 2020, recon. denied Apr. 9, 2020) (proposal requesting a report describing "the Board's oversight process of safety management, staffing levels, inspection and maintenance of facilities and equipment and those of the Company's dedicated third-party contractors" was excluded because it related to "workplace accident prevention, an ordinary business matter"); *The Chemours Co.* (Jan. 17, 2017) (proposal requesting a report "on the steps the [c]ompany has taken to reduce the risk of accidents"); *Pilgrim's Pride Corp.* (Feb. 25, 2016) (report regarding occupational health and safety as ordinary business); *CNF Transportation, Inc.* (Jan. 26, 1998) (proposal requesting that the board of directors develop and publish a safety policy accompanied by a report analyzing the long-term impact of the policy on the company's competitiveness and shareholder value was excluded because "disclosing safety data and claims history" was a matter of the company's ordinary business); *Chevron Corp.* (Feb. 22, 1988) (proposal relating to the protection and safety of company employees).

The Proposal's broad application to "safety…of workers" targets incidents of safety related to the Company's ordinary business operations, ranging from employee injury and illness (including first-aid), to monitoring of employees and employee supervision, general employee policies and practices (including those related to health and safety), and employee relations. The "well-being of workers" could include many of the programs and benefits that the Company offers, such as critical illness insurance, access to mental health support programs, discounted childcare, emergency relief, an employee discount program, a prescription drug discount program and virtual urgent care.

The Proposal can be distinguished from *Amazon.com, Inc.* (Apr. 6, 2022), where the Staff did not concur with exclusion on ordinary business grounds. The 2022 *Amazon* proposal requested that the company "commission an independent audit and report of the working conditions and treatment that Amazon warehouse workers face, including the impact of its policies, management, performance metrics, and targets," which clearly focused on the treatment of workers in Amazon-owned facilities and in particular, performance metrics and targets from management that were deemed to have created an environment that made such facilities unsafe. Unlike the precedents cited to above, the *Amazon* proposal centered on allegations that Amazon's treatment of its workforce, through purportedly problematic compensation and other structures, led to negative changes in employee working conditions. That proposal's supporting statement cited injuries and hazards that were the direct consequence of such working conditions intentionally created by management policies, rather than more routine on-the-job health and safety

issues and related accident prevention policies which is the focus of the Proposal. The *Amazon* proposal in 2022 was more similar to proposals related to workplace conditions due to the Covid-19 pandemic, where the health and safety issues employees allegedly faced were the result of a unique workplace environment, and not in the ordinary course. See, e.g., *Walmart, Inc.* (Feb. 19, 2021) (unable to concur on exclusion of proposal requesting company create a "Pandemic Workforce Advisory Council" to provide input on Covid-19 safety measures, whistleblower protection, and paid sick leave).

As noted above, the Proposal's supporting statement focuses on customary workplace health and safety risks, and is therefore closer to the 2020 *Amazon* letter and *Chemours*, where the Staff did permit exclusion. Like the supporting statements in 2020 *Amazon* and *Chemours*, the supporting statement of the Proposal cites to actions by OSHA as support for implementation of the Proposal, but the Staff concurred with the omission of those proposals on ordinary business grounds as relating to workplace safety. The examples alleged in the Proposal's supporting statement – customer violence against employees, malfunctioning air-conditioning units and a rodent infestation – relate to the kinds of employee health and safety matters that similar types of restaurants face (i.e., facility security and maintenance issues), which is plainly a matter of ordinary business. With respect to violence by customers, while the Company takes every effort to make sure that employees in both Company-owned and operated and franchisee-operated restaurants are safe and that any crimes against employees are properly reported to authorities, violence by customers is also not directly within the Company's ability to control and is not a direct result of how the Company establishes its working conditions. That difference distinguishes the aforementioned example from the 2022 *Amazon* proposal, which alleged that the company was responsible for creating unsafe working conditions and practices. How the Company sets policies and procedures regarding workplace injuries from customers and how local managers report such incidents to the police are matters of the Company's ordinary business.

B. The Proposal Does Not Raise Significant Social Policy Issues That Transcend the Company's Ordinary Business Operations.

In the 1998 Release, the Commission expressed that while proposals relating to ordinary business matters "but focusing on sufficiently significant social policy issues generally would not be excludable" under Rule 14a-8(i)(7), the Staff has indicated that proposals that relate to both ordinary business matters and significant social policy issues may be excludable if the proposals do not "transcend the day-to-day business matters." SLB 14L states that in making a determination on whether a proposal raises a significant social policy issue, the Staff will "focus on the social policy significance of the issue that is the subject of the shareholder proposal" and "consider whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company."

The mere fact that a proposal is phrased to reference or invoke issues that could implicate significant social policy issues under the Staff's current interpretation of Rule 14a-8(i)(7) is not sufficient to transcend day-to-day business matters. A proposal may still be excluded when it effectively focuses on an ordinary business matter. When assessing proposals under Rule 14a-8(i)(7), the Staff will also consider the terms of the resolution and its supporting statement as a whole. *See* Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005) ("In determining whether the focus of these proposals is a significant social policy issue, we consider both the proposal and the supporting statement as a whole."). Proposals that refer to topics that might raise significant policy issues, but do not focus on or are limited to tangential implications for such issues, do not transform an otherwise ordinary business proposal into one that transcends ordinary business.

Although the Proposal refers in passing to employee turnover and a few cases of negative behavior by local managers, the Proposal's real focus is not challenging worker treatment, but ordinary workplace health and safety policies that the Staff has previously viewed as not transcending a company's ordinary business.

C. The Proposal Seeks to Micromanage the Company by (1) Inappropriately Limiting the Company's Discretion and (2) Probing Matters "Too Complex" for Shareholders, as a Group, to Make an Informed Judgment.

In SLB 14L, the Staff clarified that the determination of whether a proposal impermissibly micromanages the Company "will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management." The Staff further clarified that this approach is "consistent with the Commission's views on the ordinary business exclusion, which is designed to preserve management's discretion on ordinary business matters." SLB 14L. The 1998 Release further states that "[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies."

The Staff has consistently concurred with the exclusion of proposals that inappropriately limit management's discretion on micromanagement grounds. *See, e.g.*, *JP Morgan Chase & Co.* (Mar. 29, 2024) (proposal asking the company to adopt a specific methodology for sector-by-sector achievement of emissions targets within its investment portfolios); *Tesla, Inc.* (Mar. 27, 2024) (proposal requesting the redesign of company vehicle tire products to avoid pollution from chemicals); *The Home Depot, Inc.* (Mar. 21, 2024) (proposal requesting a report assessing the benefits and drawbacks of permanently committing not to sell certain company paint products containing titanium dioxide); *The Sherwin-Williams Co.* (Feb. 21, 2024) (same); and *Chubb Limited* (Mar. 27, 2023) (proposal requiring the board to adopt and disclose a policy for the timebound phaseout of underwriting risks associated with new fossil fuel exploration and development projects).

The Proposal dictates that the Company should manage the critical issue of employee health and safety through a single method, i.e., the commissioning of an independent third-party audit that would assess worker safety and well-being throughout "all" Company-branded operations, with several specific requirements for what the audit must include:

- The audit must be conducted by a third-party firm that is "independent";
- The audit must cover both "safety" and "well-being";
- The audit must include evaluation of management and business practices that contribute to an unsafe or violent environment, including staffing capacity;
- The audit must also include consultation with workers and customers to inform appropriate solutions, including whistle-blower protections for workers reporting health and safety related incidents; and
- Finally, the audit must include recommendations for actions and regular reporting with progress on identified actions.

This request micromanages the Company in several ways. First, the Proposal eliminates the discretion of the Board and management to address the Proposal's essential objective through its existing occupational health and safety policies, which, as described above, are robust and include the adoption of Company-wide standards. Second, complying with the Proposal would obligate the Company to involve employees and customers in the design and implementation of its internal safety policies in a way that reduces the discretion of management to respond to such concerns. Finally, the Proposal requires that the audit itself address "all" Company-branded operations. The scope of this request is broad given the Company's global footprint, the operation of the Company's business through franchisees and the differences in applicable law and regulation regarding workplace health and safety issues. The adoption of the Proposal prescribes a methodology to the Company without room for management discretion to consider other alternatives, nor is it clear that management can even fully comply with this request. The majority of McDonald's restaurants are owned and operated by franchisees. While the Company works

with its franchisees to adopt best practices and standards, it cannot dictate every decision made by such franchisees, nor does it directly oversee the implementation of all practices and standards governing employees.

The micromanagement element of the ordinary business exception under Rule 14a-8(i)(7) is also based on whether a proposal probes matters "too complex" for shareholders, as a group, to make an informed judgment. SLB 14L, citing the 1998 Release. According to SLB 14L, in making this determination as to whether a proposal probes matters "too complex" for shareholders, the Staff may consider "the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic," as well as "references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate." The Staff has consistently granted no-action relief on micromanagement grounds for shareholder proposals that probe matters too complex for shareholders by substituting shareholder judgment for that of management with respect to complex day-to-day business operations that are beyond the knowledge and expertise of shareowners. *See, e.g.*, *NetApp, Inc.* (July 19, 2024) (proposal requiring director compensation to be fixed at $1 for any given fiscal year unless such compensation was disclosed to shareholders in advance of the fiscal year, submitted to shareholders for an approval vote at a meeting of shareholders and approved by shareholder vote); *Delta Air Lines, Inc.* (Apr. 24, 2024) (proposal requiring a report regarding "union suppression expenditures," including internal and external expenses); and *Walmart Inc.* (Apr. 18, 2024) (proposal requiring a breakdown of GHG emissions for different categories of products in a manner inconsistent with existing reporting frameworks).

The Proposal asks shareholders to vote on an issue that is both technical and regulatory in scope. The Company already complies with applicable occupational health and safety regulations in the jurisdictions in which it operates, including any applicable OSHA rules. Layered on top of that regulatory compliance are McDonald's internal compliance standards and operating procedures for individual locations, including as they relate to franchisee-owned and operated restaurants.

In short, the Company's management has adopted both high level principles and specific policies and procedures implementing those principles that address its complex domestic and international compliance obligations and has shown laser focus in improving those standards as regulations and best practices evolve. The Company's management, rather than shareholders, is best equipped to consider, understand and address the nuances and complexities of workplace safety issues. The Proposal seeks to micromanage the Company by substituting the shareholder's decisions regarding the Company's workplace safety policies for management's, on an issue which the Company's shareholders, as a group, are not in a position to make an informed judgment.

III. The Proposal May Be Excluded under Rule 14a-8(i)(10) Because the Company has Substantially Implemented the Proposal.

A. Rule 14a-8(i)(10) Background.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Staff has stated that the purpose of this rule is to "avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." *See* Exchange Act Release No. 34-20091 (Aug. 15, 1983); Exchange Act Release No. 34-12598 (July 1976). The Commission has also stated that "substantial" implementation under the rule does not require implementation in full or exactly as presented by the proponent. *See* Exchange Act Release No. 34-40018 (May 21, 1998, n.30).

The Staff has consistently found that "a determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices, and procedures compare favorably with the guidelines of the proposal." *See Texaco, Inc.* (March 28, 1991). The Staff has permitted exclusion of a proposal under Rule 14a-8(i)(10) when a company has substantially

implemented and therefore satisfied the "essential objective" of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. *See, e.g., Kyndryl Holdings, Inc.* (Apr. 22, 2024); *McDonald's Corp.* (Apr. 3, 2024); *Best Buy Co., Inc.* (Apr. 22, 2022); *Salesforce.com, Inc.* (Apr. 20, 2021); *Apple Inc.* (Dec. 17, 2020); *Wal-Mart Stores, Inc.* (Mar. 25, 2015); and *Exelon Corp.* (Feb. 26, 2010).

B. The Company Has Substantially Implemented the Proposal.

The Proposal requests that the Board "commission an independent third-party audit" on workplace safety. The Company already regularly audits its workplace safety compliance, including with the help of third-party auditing or consulting firms, in ways that compare favorably to what is requested by the Proposal. Notably, in August 2024, the Company published a Report on McDonald's Corporation Civil Rights Audit (the "**Audit**"), which was conducted by Wilmer Cutler Pickering Hale and Dorr LLP over the course of eighteen months.[6] The Audit included an extensive review of policies, practices and initiatives as well as interviews with over one hundred employees at all levels of the Company. The scope of the Audit has significant overlap with this Proposal, as the Company asked the auditors to review the Company's commitment to promoting a safe, respectful and inclusive workplace. After reviewing applicable policies, including the Company's Workplace Violence Prevention Policy; Policy Against Discrimination, Harassment, and Retaliation; and Standards of Business Conduct, the auditors determined that the Company had "robust policies focused on promoting a *safe*… workplace for all employees" (*emphasis added*). The Audit also reviewed whether the Company had successfully implemented these policies as evidenced through trainings and other practices and through the lens of employee feedback, concluding that it had. The focus on employee feedback satisfies another essential objective of the Proposal. Moreover, the Proposal requests recommendations for actions, and the Company notes that the Audit included examples of possible additional enhancements.

In addition to having substantially incorporated the essential objective of the Proposal with respect to the auditing of workplace safety issues, the Company continues to take expansive measures to implement the underlying concern of the Proposal of promoting workplace safety. As discussed in detail above in the Background section, the Company regularly updates and implements best practices, standards and operating procedures for Company-owned and operated facilities as well as works with franchisee partners to adopt similar policies in their own operations. To reiterate, the Company already implements the essential elements of the Proposal: conducting a third-party audit covering safety practices; making the results of the audit available online; reviewing the Company's safety practices; consulting with employees by conducting interviews; and making recommendations for actions.

Because the Company has already taken the steps necessary to meet the essential objective of the Proposal, the Company has substantially implemented and satisfied the essential objective of the Proposal.

CONCLUSION

Because the Proposal relates to the ordinary business operations of the Company and seeks to micromanage the Company, and because the Company has substantially implemented the Proposal, the Company believes that the Proposal may be excluded from its 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) and Rule 14a-8(i)(10).

[6] See Report on McDonald's Corporation Civil Rights Audit (available at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_Civil_Rights_Audit_Report.pdf).

Respectfully yours,

Ning Chiu

Attachment

cc w/ att: Jeffrey Pochowicz, McDonald's Corporation

Louis Malizia, Corporate Governance Director, SOC Investment Group

Exhibit A

Proposal

Resolved: Shareholders request the Board of Directors of the McDonald's Corporation ("the Company") commission an independent third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers throughout all Company-branded operations. A report on the audit, prepared at a reasonable cost and omitting proprietary information, should be made available on the Company's website.

The audit should include:

- Evaluation of management and business practices that contribute to an unsafe or violent environment, including staffing capacity;
- Meaningful consultation with workers and customers to inform appropriate solutions, including whistle-blower protections for workers reporting health and safety related incidents; and
- Recommendations for actions and regular reporting with progress on identified actions.

Supporting Statement:

Workplace violence is recognized as a national cause for concern. The U.S. Occupational Safety and Health Administration (OSHA) states that acts of violence and other injuries are the third leading cause of fatal occupational injury in the U.S.[1] and that "workplace violence is a major concern for employers and employees nationwide."[2] It is in the best interests of McDonald's, its shareholders and workers to conduct an audit of its policies and practices and take action to limit workers exposure to health and safety risks. McDonald's ability to attract and retain workers is particularly important to the Company's long-term success, particularly given the high turnover in this industry.

McDonald's workers are frequently exposed to safety risks from customers. In 2024, McDonald's workers have been attacked, stabbed, shot at and killed by customers in McDonald's restaurants.

Workplace safety issues are not limited to customer violence. In 2023, McDonald's workers at a restaurant in Los Angeles walked off the job in protest of high temperatures in the restaurant. Workers complained that the restaurants' air conditioning system had not worked for three years. One worker who complained about the high temperatures was told by a manager that "it was a good time to lose weight." In May, workers at an Oakland McDonald's went on strike in protest of a rat infestation at their restaurant. Workers had repeatedly complained to management about the infestation, but the problem persisted. After an inspection by Cal/OSHA the restaurant was temporarily closed. Since many McDonald's branded restaurants are operated by franchisees, the report requested should evaluate the adequacy of current policies in assuring that the Company learns about potential reputational, legal and financial risks in a timely manner.

McDonald's states that it puts its "guests and people first." Ensuring that workers' health and safety needs are addressed is vital to that mission, but unfortunately those needs are not currently being met. We urge shareholders to vote FOR this proposal.

[1] https://www.osha.gov/workplace-violence

[2] Ibid.

HITCHCOCK LAW FIRM PLLC
5614 CONNECTICUT AVENUE, N.W. • NO. 304
WASHINGTON, D.C. 20015-2604
(202) 489-4813

CORNISH F. HITCHCOCK
E-MAIL: CONH@HITCHLAW.COM

6 February 2025

Office of the Chief Counsel
Division of Corporation Finance
Securities & Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

By online portal submission

Re: Shareholder proposal to McDonald's Corp.
from SOC Investment Group

Dear Counsel:

I write on behalf of SOC Investment Group to respond to the letter from counsel for McDonald's Corp. ("McDonald's" or the "Company") dated 17 January 2025 ("McDonald's Letter") in which McDonald's advises of its intent to omit a shareholder proposal from SOC Investment Group (the "Proposal") from the Company's 2025 proxy materials. For the reasons below we respectfully ask the Division to advise McDonald's that the Division does not concur with the Company's arguments.

The Proposal states:

> Resolved: Shareholders request the Board of Directors of the McDonald's Corporation ("the Company") commission an independent third-party audit on the impact of the Company's policies and practices on the safety and well-being of workers throughout all Company-branded operations. A report on the audit, prepared at a reasonable cost and omitting proprietary information, should be made available on the Company's website.
>
> The audit should include:
>
> • Evaluation of management and business practices that contribute to an unsafe or violent environment, including staffing capacity;

- Meaningful consultation with workers and customers to inform appropriate solutions, including whistle-blower protections for workers reporting health and safety related incidents; and

- Recommendations for actions and regular reporting with progress on identified actions.

The Supporting Statement explains that workplace safety is a national issue, with the Occupational Safety and Health Administration ("OSHA") stating that acts of violence and other injuries are the third leading cause of fatal occupational injury in this country and that workplace violence "is a major concern for employers and employees nationwide." The audit requested by the Proposal is a way to address this issue, as well as to attract and retain employees in an industry with high turnover.

The Supporting Statement notes that McDonald's restaurant workers have been subjected to a number of incidents of violence at the hands of customers, as well as other unsafe conditions. Since many McDonald's branded restaurants are operated by franchisees, the report requested should evaluate the adequacy of current policies in assuring that the Company learns about potential reputational, legal and financial risks in a timely manner.

McDonald's response is that the Proposal may be omitted from the Company's proxy materials because the Proposal involves the Company's "ordinary business" within the meaning of Rule 14a-8(i)(7) and has been "substantially implemented" within the meaning of SEC Rule 14a-8(i)(10). For the reasons stated below, we submit that the Company has not carried its burden of proving that the Proposal falls within those two exemptions.

DISCUSSION

In *Amendments To Rules On Shareholder Proposals*, Exchange Act Release No. 40018, 63 Fed. Reg. 29106 (28 May 1998), the Commission emphasized that the "ordinary business" exception rests on two considerations: (1) the fact that tasks are so fundamental to management's ability to run a company that they don't lend themselves to shareholder oversight, and (2) some proposals may be viewed as an effort to micromanage the company by probing too deeply into matter that shareholders, as a group, are not in a position to make an informed judgment. *Id.* at 29108 (footnote omitted). Even so, the Commission has long held the view that some topics may transcend ordinary business concerns if they have "significant policy, economic or other implications inherent in them." *Adoption of Amendments Relating to Proposals by Security Holders*, Exchange Act Release No. 12999, 41 Fed. Reg. 52994, 52998 (3 December 1976).

The Proposal presents an issue that is anything but "ordinary," but is rather a "significant" policy issue."

Working in a fast-food restaurant can be hazardous to your health.

As the Supporting Statement puts it: "In 2024, McDonald's workers have been attacked, stabbed, shot at and killed by customers in McDonald's restaurants."[1] And these are only the incidents that get reported in the news media. McDonald's's letter does not dispute these facts.

Unfortunately, such episodes are not isolated incidents. According to one study, between 2017 and 2020, at least 77,000 violent or threatening incidents took place at California fast-food restaurants.[2] The media have reported similar episodes at other companies in the fast food industry that experience the same issues.[3]

---

[1] Attacked: Nesi, *McDonald's worker, 15, left with fractured skull after adult male with rap sheet stomps her during brawl,* NEW YORK POST (21 April 2024), available at https://nypost.com/2024/04/21/us-news/mcdonalds-worker-15-left-with-fractured-skull-after-man-stomps-head/.

Stabbed: Estes, *Plymouth County grand jury indicts McDonald's stabbing suspect,* PLYMOUTH INDEPENDENT (6 September 2024), available at *https:*//www.plymouthindependent.org/plymouth-county-grand-jury-indicts-mcdonalds-stabbing-suspect/.

Shot at: Jimenez, *McDonald's employees fired upon after customer doesn't get her biscuits and hash browns, SAPD says*, KENS5 (17 May 2024), available at https://www.kens5.com/article/news/crime/mcdonalds-customer-shoots-at-drive-thru-employees-over-order-sapd-says/273-bfac4db8-8fd9-40e3-bc42-074f0dd812cf.

Killed: Lang, *Woman 'stabbed a McDonald's worker to death' as he ate his meal inside a Mississippi restaurant*, The Independent (16 October 2024), available at https://www.independent.co.uk/news/world/americas/crime/mcdoanlds-worker-stabbing-arrest-mississippi-b2629845.html.

[2] vanden Heuvel, *California could transform how fast food workers are treated*, THE WASHINGTON POST (16 August 2022), available at https://www.washingtonpost.com/opinions/2022/08/16/california-fast-food-bill-essential-workers/.

[3] *E.g.* Feng, *Fast-food workers face threat of violence*, THE CLARION (28 February 2023), available at https://www.theonlineclarion.com/opinion/2023/02/28/fast-food-workers-face-threat-of-violence/; Fu, *Fast food workers are using 911 call logs to draw attention to a hidden "crisis of violence,"* THE COUNTER (14 December 2021), available at

Workplace violence in the fast food sector is thus a matter of considerable public interest. If anything, episodes such as these are part of a larger, more troubling picture. A recent study of workplace violence in the retail sector found that 11 percent of employees experienced physical violence in the past year.[4]

In addition – and even more disturbing – OSHA has reported that acts of violence are the third-largest cause of *fatal* occupational injuries in this country:

> According to the Bureau of Labor Statistics Census of Fatal Occupational Injuries (CFOI), of the 5,283 fatal workplace injuries that occurred in the United States in 2023, 740 fatalities were due to violent acts. Homicides (458) accounted for 61.9 percent of violent acts and 8.7 percent of all work-related fatalities. However it manifests itself, workplace violence, which may include gender-based violence, is a major concern for employers and employees nationwide.[5]

Workplace violence has recently crossed over into the political arena, with California adopting a pioneering new law (SB 553), which starting 1 July 2024 requires many California employers to adopt a comprehensive workplace violence prevention plan with detailed recordkeeping as to any incident.[6] The law was enacted after a disgruntled worker shot and killed nine workers at a San Jose area

---

https://thecounter.org/fast-food-workers-911-call-logs-workplace-customer-violence-mcdonalds-report/; Isidore, *Woman who threw bowl of food at Chipotle worker sentenced to work 2 months in fast food job*, CNN BUSINESS (6 December 2023), available at https://www.cnn.com/2023/12/06/business/chipotle-attacker-sentenced-to-fast-food-job/index.html. See also *United States v. Rahimi,* 144 S. Ct. 1889 (2024) (shots fired in burger restaurant after credit card refused

[4] Verkada, *The State of Retail Safety,* p. 4 (2024), available at https://docs.verkada.com/docs/Verkada%2BRetail%2BSafety%2BSurvey.pdf.

[5] OSHA, *Workplace Violence*, available at https://www.osha.gov/workplace-violence. See also National Institute on Occupational Safety and Health, *About Workplace Violence* (3 December 2024), available at https://www.cdc.gov/niosh/violence/about/?CDC_AAref_Val=https://www.cdc.gov/niosh/topics/violence/default.html.

[6] . California Labor and Employment Labor Law Blog, *California Employers Required to Adopt New Comprehensive Workplace Violence Prevention Plans Under Senate Bill 553*, available at https://www.callaborlaw.com/entry/california-employers-required-to-adopt-new-comprehensive-workplace-violence-prevention-plans-under-senate-bill-no-553.

railyard and then killed himself.[7]

Despite such evidence, McDonald's argues that the Proposal simply involves a generic issue of workplace safety, which is an "ordinary business" matter, adding that nothing about workplace violence of the sort discussed in the Proposal involves a "transcendent" policy issue that lifts the topic out of the realm of the "ordinary."

What's wrong with that argument?

For starters, McDonald's conspicuously ignores a 2022 letter in which the Division denied relief on "ordinary business" grounds as to a proposal requesting "an independent third party audit on workplace health and safety" that would evaluate "productivity quotas," "surveillance practices" and "the effects of these practices on injury rates and turnover." That proposal also recommended that the audit "be conducted with input from workers, experts in workplace safety and surveillance, and other relevant stakeholders; informed by recent state legislation; and address regulatory inquiry and media coverage." *Amazon.com, Inc. (Tazehozi)* (6 April 2022) (footnotes omitted).

If anything, the *Amazon* proposal was more generic than this Proposal, as it focused on "worker health and safety" and working conditions and did not mention issues of workplace violence of the sort cited in this Proposal. Moreover, the *Amazon* proposal was able to cite a number of factors to indicate that the problems at Amazon were acute, *e.g.*, a serious injury rate at Amazon warehouses that was nearly 80% higher than the warehouse industry average.

McDonald's also omits reference to *Dollar General Corp.* (31 March 2023), where the company challenged the same proposal at issue here. The Division rejected an "ordinary business" argument based on a "litigation strategy" rationale, explaining that the proposal "transcends ordinary business matters because it raises human capital management issues with a broad societal impact."

We have reviewed the letters that McDonald's cites,[8] and whatever

---

[7] Hussain, *California's workplace violence prevention law is now in effect. Here's how it changes things*, LOS ANGELES TIMES (6 July 2024), available at https://www.latimes.com/business/story/2024-07-06/californias-workplace-violence-prevention-law-goes-into-effect-this-month-what-to-know.

[8] *Amazon.com, Inc.* (*International Brotherhood of Teamsters General Fund)* (1 April 2020); *Verizon Communications Inc.* (14 March 2024); *AT&T Inc.* (14 March 2024); *Pilgrims's Pride Corp.* (25 February 2016); *The Chemours Co.* (17 January 2017); *CNF Transportation,*

conclusions one may draw about workplace safety proposals in other industries or at other companies, the evidence cited in this Proposal as well as this letter demonstrate that there is a significant issue at McDonald's and in the fast food sector. By contrast, most of the letters that McDonald's cites are several years old and do not deal explicitly with the factual situations of the sort cited in the Proposal, nor do they deal with issues in the fast food sector.

What is also noteworthy is the fact that none of the cited letters contains a discussion of the high-level cost of a company's inattention to safety issues. Recent data, not cited in any of the sources that McDonald's cites, indicate that the cost of workplace violence could be as much as $56 billion annually – and that's likely an undercount.[9] A figure such as $56 billion represents a lot of shareholder money. Moreover, according to one insurance company survey, every $1 invested in workplace safety results in $3 or more in savings.[10]

Numbers of these magnitudes have significance to shareholders, and the cited letters did not address the workplace violence issue in those terms. To the extent that cost was mentioned in any of the letters, the discussion was limited to costs of paying fines for violating OSHA regulations and the like, and the numbers cited usually topped out in the low six figures at a given company.

The other letters McDonald's cites (at pp. 5-6) involve situations in which a proposal involves a matter of ordinary business that simply "touches on" a matter of policy significance[11] or where the proposal delves too deeply into a given topic with

---

Inc. (26 January 1998); *Chevron Corp.* (22 February 1988).

[9] Kitterlin-Lynch, *The costs of workplace violence are too high to ignore*, FIU NEWS (25 April 2024), available at https://news.fiu.edu/2024/the-costs-of-workplace-violence-are-too-high-to-ignore.

[10] American Society of Safety Professionals, *The Return on Investment for Safety, Health and Environmental (OSH) Management Programs,* available at https://www.assp.org/docs/default-source/standards-documents/assp-ohsms-roi_2020-version.pdf#:~:text=On%20August%2029%2C%202001%2C%20Liberty%20Mutual%20Insurance,for%20each%20$1%20invested%20in%20workplace%20safety.

[11] *Union Pacific Corp.* (25 February 2008 (proposal to disclose information regarding security of operations is ordinary business, notwithstanding reference to possible terrorist attacks); *Amazon.com, Inc. (Domini Impact Equity Fund)* (28 March 2019) (broadly written proposal to analyze effect of company operations on local communities.

detailed request for disclosure.[12] The Proposal here cannot be lumped into either category.

The Proposal has not been substantially implemented.

McDonald's alternative argument is that the Proposal may be excluded because it has been "substantially implemented" because the topics in this Proposal were covered in a "civil rights audit" (the "Audit") that the Company authorized several years ago, in response to a shareholder proposal. WilmerHale, *Report on McDonald's Corporation Civil Rights Audit* (30 August 2024), available at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDonalds_Civil_Rights_Audit_Report.pdf. The benchmark for a successful "substantially implemented" argument is whether the requested action "compares favorably" to the completed action. Here, there is no comparison. Indeed, the Division rejected a similar argument with respect to the same proposal last year at *Uber Technologies, Inc.* (21 March 2024), and the same result should apply here.

The Audit states (at p. 1) that it "broadly assessed the Company's U.S. operations and civil rights impact" in four areas: internal workforce, franchisees, suppliers and community. The Audit was clear that the focus was not on safety or workplace violence issues, but on diversity, equity and inclusion ("DEI") issues. Indeed, the words "diversity," "equity" and "inclusion" each appear dozens of times in a 46-page report. By contrast, the word "safety" only appears three times, with the first appearance on p. 21.

To be sure, the Audit does refer several times to McDonald's goal of a "safe, respectful, and inclusive" workforce (Audit, pp. 1, 5, 20-23, 30-31), but it is clear that the references are to a workplace that scores well on DEI principles, consistent with McDonald's "global DEI ambition." Audit, p. 4. The "Conclusion" section (pp. 45-46) makes no mention of workplace safety or workplace violence, and the "Recommended Enhancements" are aimed at achieving DEI and civil rights goals. See, *e.g.*, Audit, p. 44 (recommendations "intended to better position the Company to drive positive and lasting civil rights impact as it continues to implement its business strategy and priorities").

We acknowledge that the Audit does have a paragraph (at p. 21) describing

---

[12] *PetSmart, Inc.* (24 March 2011) (proposal for detailed certification of no violation of animal cruelty laws); *Apache Corp.* (5 March 2008) (proposal re implementation of detailed equal employment opportunity principles); *General Electric Co.* (10 February 2000) (seeking detailed accounting disclosures for executive compensation); *Intel Corp.* (18 March 1999) (employee bill of rights).

McDonald's "Workplace Violence Prevention Policy," which the Audit praises for the Company's "strong commitment to violence prevention," noting that the policy bars "threatening harm and engaging in any aggressive, intimidating, or bullying behavior that makes others concerned for their physical safety," although in context, the reference appears to focus on workers' dealings with each other. Additionally,this policy appears to apply only to McDonald's corporate workers and workers at company-owned-and-operated restaurants (Audi, pp. 2-3), thus excluding workers at the 95% of McDonald's restaurants that were operated by franchisees. McDonald's Corp., Form 10-K, p. 3 (22 February 2024), available at https://www.sec.gov/ix?doc=/Archives/edgar/data/63908/000006390824000072/mcd-20231231.htm.

The Audit also speaks positively (at p. 23) about McDonald's "Workplace Investigations Team" to investigate allegations "involving alleged discrimination, harassment, retaliation, or workplace violence in the United States." Here, again, however, the focus is not on the issues raised by the Proposal here, but on an attempt to "foster a culture where workers, regardless of background, feel comfortable speaking up and confident that their concerns will be taken seriously." Id.

In short, the Audit does not remotely come close to addressing the core concerns raised by the Proposal. To be sure, it is important that the Company have policies against "violence prevention," such that workers feel "comfortable speaking up" about workplace violence – but then what? The Audit does not tell us, because "what happens next?" was not the focus on an examination of the Company's civil rights and DEI practices. It is the focus here.

CONCLUSION

For these reasons SOC Investment Group respectfully asks the Division to advise McDonald's that the Division does not concur in McDonald's assessment of the Proposal.

Thank you for your consideration of these points. Please do not hesitate to contact me if we can provide any additional information.

Respectfully submitted,

Cornish F. Hitchcock

cc: Ning Chiu

Davis Polk

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
davispolk.com

February 27, 2025

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

Ladies and Gentlemen:

On behalf of McDonald's Corporation, a Delaware corporation (the "**Company**"), we are writing to respond to the letter from SOC Investment Group (the "**Proponent**") submitted on February 6, 2025 (the "**Proponent Response Letter**") with respect to the Company's no-action letter request dated January 17, 2025 (the "**No-Action Letter**") regarding the shareholder proposal (the "**Proposal**") submitted by the Proponent for inclusion in the proxy materials the Company intends to distribute in connection with its 2025 Annual Meeting of Shareholders (the "**2025 Proxy Materials**"). Capitalized terms not defined herein are used as defined in the No-Action Letter. We have been advised by the Company as to the factual matters set forth herein.

The Proponent Response Letter is incorrect in stating that the No-Action Letter did not distinguish the Staff's decision in *Amazon.com, Inc.* (Apr. 6, 2022). Without repeating the arguments contained therein, the No-Action Letter directly addresses and explains the reasons that the Proposal is different from that 2022 *Amazon* proposal (see Section II.A of the No-Action Letter). The Proposal is instead similar to the other workplace health- and safety-related proposals we referenced in the No-Action Letter, where the Staff concurred with exclusion on ordinary business grounds.

The Proponent Response Letter also claims that the No-Action Letter cited to precedents that were not directly on point or several years old. At the same time, the Proponent Response Letter criticizes the No-Action Letter for not referring to *Dollar General Corp.* (Mar. 31, 2023), which contained a basis for exclusion that is not cited in the No-Action Letter. As acknowledged in the Proponent Response Letter, *Dollar General* attempted to exclude the proposal on the basis that it involved the same subject matter as ongoing litigation and related regulatory matters to which the Company was a party, and implicated and related to the Company's legal strategy and the conduct of such ongoing litigation and regulatory matters. That argument is not made in the No-Action Letter.

We reiterate that the Proposal does not raise significant social policy issues for the Company. The Proponent Response Letter claims that the Proposal is about the types of workplace violence that led to serious harms to support the implication that the Proposal transcends ordinary business. We note that the Proposal itself focuses on the ordinary business matter of workplace safety in the resolution, as it asks for an audit of the Company's policies and practices on "the safety and well-being" of workers. Workplace violence is only referred to in one of the three bullets in the resolution that are used as examples of what the audit should include, and solely as part of an evaluation of "unsafe or violent environment, including staffing capacity."

According to Staff Legal Bulletin No. 14M (Feb. 12, 2025) ("**SLB 14M**"), when evaluating whether the significant social policy exception applies, the Staff will make determinations as to excludability of proposals "on a case-by-case basis, taking into account factors such as the nature of the proposal and

the circumstances of the company to which it is directed" and will thus "take a company-specific approach in evaluating significance."

Under SLB 14M, the Proposal is further distinguishable from 2022 *Amazon*. The nature of the Proposal is not focused on workplace violence and the Proposal does not claim that the Company created the circumstances that led to workplace violence, given that the incidents cited in the Proposal and the Proponent Response Letter are not the result of workplace environments created by the Company. Therefore, the Proposal should be excluded on ordinary business grounds under Rule 14a-8(i)(7).

Respectfully yours,

Ning Chiu

cc: Jeffrey Pochowicz, McDonald's Corporation
Louis Malizia, Corporate Governance Director, SOC Investment Group

HITCHCOCK LAW FIRM PLLC
5614 CONNECTICUT AVENUE, N.W. • NO. 304
WASHINGTON, D.C. 20015-2604
(202) 489-4813

CORNISH F. HITCHCOCK
E-MAIL: CONH@HITCHLAW.COM

28 February 2025

Office of the Chief Counsel
Division of Corporation Finance
Securities & Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

By online portal submission

Re: Shareholder proposal to McDonald's Corp. from SOC Investment Group

Dear Counsel:

I write on behalf of SOC Investment Group to respond to the supplemental letter from counsel for McDonald's Corp. ("McDonald's" or the "Company") dated 27 February 2025.

1. The fundamental difference between the parties on the "ordinary business" point is that McDonald's adopts a narrow and untenable interpretation of applicable "ordinary business" no-action decisions. The Company argues (at p. 2) that workplace safety proposals are permissible only if "the Company created the circumstances that led to workplace violence."[1] In so doing, McDonald's attempts primarily to rebut *Amazon.com, Inc. (Tazehozi* (6 April 2022), which allowed a proposal for an "independent third party audit on workplace health and safety," reciting the facts and letting the facts speak for themselves. There is no plausible way to read the *Amazon* proposal or letter as standing for the proposition that workplace safety proposals are permitted only if the company "created" an unsafe or dangerous situation. See also *Walmart, Inc.* (19 February 2021), which allowed a proposal to create an advisory council on workplace safety issues during the COVID-19 pandemic. Surely, that was not a situation that Walmart somehow "created."

At a certain level it is disappointing to see the Company argue that if

[1] See also McDonald's initial letter (at p. 3), arguing that no-action relief may be denied if management "created an environment that made such facilities unsafe."

McDonald's employees are attacked, stabbed, shot at or killed, that is just part of McDonald's "ordinary" business operations. If anything, this "blame the customer" approach would appear to be an argument for letting shareholders weigh in on the topic.

2. McDonald's makes a brief reference to STAFF LEGAL BULLETIN 14M and the Division's guidance that the "ordinary business" exclusion should focus on "the circumstances of the company to which it is directed" and will thus "take a company-specific approach in evaluating significance." But that is precisely what the Proposal does here.

CONCLUSION

For these reasons and those set forth in our earlier letter, SOC Investment Group respectfully asks the Division to advise McDonald's that the Division does not concur in McDonald's assessment of the Proposal.

Thank you for your consideration of these points. Please do not hesitate to contact me if we can provide any additional information.

Respectfully submitted,

Cornish F. Hitchcock

cc: Ning Chiu