

As You Sow Challenges McDonald's on Environmentally Hazardous Polystyrene Use

December 20, 2017

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Oakland, CA – Shareholder advocacy group *As You Sow* has <u>re-filed for 2018 a resolution</u> with McDonald's Corp., urging the company to assess the environmental impact of its use of harmful polystyrene in beverage cups and food trays. The same proposal was voted on by shareholders earlier this year and received the support of nearly one-third of shares voted.

Polystyrene has been widely used for single-use containers across the world for decades, but in recent years, its negative environmental and health profile have led major companies to drop it. McDonald's phased out its use for hot beverage cups in the U.S. in 2013, but still uses it in overseas markets where plastic pollution migration into waterways is highest.

Rarely recycled, polystyrene is found on ocean beach cleanups frequently. The material breaks down into indigestible pellets, which marine wildlife often mistake for food, resulting in the deaths of fish, birds, turtles, and whales. Its hazardous constituent chemicals have been show to accumulate water borne toxins in a short time frame, and the International Agency for Research on Cancer has determined that styrene, used in the production of polystyrene, is a possible human carcinogen.

Nine countries and more than 100 U.S. cities or counties have banned or restricted foam packaging. Leaders of 15 major companies including Coca-Cola, PepsiCo, Procter & Gamble, and Unilever have all recommended phasing out polystyrene for packaging applications.

"McDonald's cannot afford to fall behind other companies in phasing out polystyrene," said Conrad MacKerron, Vice President at *As You Sow*, who specializes in waste and recycling issues. "The McDonald's brand is put at risk with branded cups found on beaches and waterways, where the environmental hazard they present is plain to see."

Actiam, a leading responsible fund and asset manager, co-filed the proposal. "We appreciate the steps that McDonald's has taken to decrease use of polystyrene foam," said Maxime Molenaar, Responsible Investment Officer for Actiam. "However, we are concerned about the continuing use of the material in some markets and the absence of a policy commitment to complete phase out of polystyrene foam in packaging."

JLens, a network of Jewish faith-based investors also co-filed the proposal. If the proposal appears on the company's proxy, it would be voted on in May 2018.