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The Accountability Board Targets Restaurant Industry Food Waste in Latest Round of Shareholder Proposals

Investor asks McDonald's and others to disclose food waste measurements and establish goals

WAKEFIELD, MASS., December 6, 2024 – The Accountability Board, Inc. (TAB), which has holdings in nearly 200 major corporations, has filed shareholder proposals asking several leading restaurant companies in its investment portfolio to disclose food waste measurements and establish targets for reducing it.

Specifically, proposals have been filed at McDonald's (NYSE: MCD), Coca-Cola (NYSE: KO)—which owns the U.K.-based café chain Costa Coffee, BJ's Restaurants (NASDAQ: BJRI), El Pollo Loco (NASDAQ: LOCO), and Canada-based restaurant franchisor MTY Group (TSE: MTY). A similar proposal was also filed with discount retailer, Dollar General (NYSE: DG) and more are set to be filed in the coming months. Collectively, these companies have nearly 75,000 locations.

The proposals—copies of which are available upon request—include quotes from some of the most influential members of the investment community demonstrating the urgency of addressing food waste.

For example, BlackRock, the world's largest asset manager with over \$12 trillion in assets under management, says, “[t]he need for solutions that...lower food waste and provide alternatives to scarce resources has never been greater.”

Further, leading proxy advisor Institutional Shareholder Services (ISS) calls food waste “a growing area of concern globally” that’s “starting to be addressed by regulators,” and another proxy advisor, Glass Lewis, says food waste has “significant economic and environmental and social ramifications.”

“The evidence is clear that reducing food waste is an opportunity to further important environmental and social goals while also saving money,” says TAB co-founder and President, Matthew Prescott. “Given the substantial financial materiality of this issue, as shareholders, we believe it’s simply commonsense that major companies should measure and disclose their food waste and establish targets for reducing it.”

Yet, as TAB’s proposals point out, none of these companies disclose either measurements of their overall food waste or reduction targets. As the proposals also note:

- Within the 78 pages of McDonald’s latest “Purpose & Impact Report,” the company’s food waste is referenced in just a single vague line that says: “Donated excess food in cooperation with suppliers to support families in need.”
- Neither Coca-Cola’s 2022 Business & Sustainability Report nor its 2023 Environmental Update so much as even *reference* food waste.
- El Pollo Loco’s lack of disclosure comes amidst financial filings indicating that the 475-unit chicken chain has indeed suffered losses from food waste.
- BJ’s lack of disclosure is in spite of claims that the company measures “actual versus theoretical food waste.”
- And MTY—which has over 7,000 locations in the U.S. and Canada—includes just two vague references to food waste in its latest Sustainability Report.

“It’s quite shocking that these major companies haven’t disclosed measurements of their food waste nor measurable reduction targets,” added Prescott. “All waste is financial waste, and we’re confident that shareholders will agree McDonald’s, Coca-Cola, and the other companies we’ve filed proposals with must improve their management and oversight of this highly consequential issue.”

TAB's food waste filings follow a spate of successful climate change-related proposals it put forth in 2024. Specifically, TAB won proposals at Jack in the Box and Wingstop earlier this year asking those companies to disclose measurable targets for reducing their greenhouse gas emissions, and a similar proposal garnered 49.9% of the vote at Denny's.

For more on the impacts of food waste, see [this](#) recent *Restaurant Business* magazine feature.

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ABOUT THE ACCOUNTABILITY BOARD:

The Accountability Board (TAB) owns shares in nearly 200 of the largest companies within the food, tech, communications, banking, retail, and other industries. Its objective is to cultivate growth through active engagement with its portfolio companies. In particular, TAB focuses on increasing transparency and stewardship around critical social and environmental issues, as well as on certain corporate governance practices—as these are issues where TAB finds a strong nexus between significant policy matters and financial materiality. Some of the significant matters TAB engages its holdings on include climate change risk, governance, animal housing, food safety, waste management, public health, board leadership, capital structures, shareholder rights, and board accountability.