

McDonald's-Alliance for a Healthier Generation Partnership

REPORT ON 2016 PROGRESS



The McDonald's-Healthier Generation Partnership includes five commitments related to menu boards, menu offerings, packaging, and advertising directed to children. McDonald's pledged to implement these actions in 20 major markets by 2020. McDonald's also committed to participate in independent verification and reporting on these efforts. This report demonstrates 2016 progress toward the 2020 goals. The report also highlights sales totals and changes in customer selections for menu items that are relevant to the commitments.

The sections of this report are as follows:

- ▶ **OVERVIEW:** Summarizes the commitments, timeline, and verification methodology
- ▶ **RESULTS SUMMARY:** Summarizes 2016 progress versus interim goals
- ▶ **IMPACTS:** Highlights sales data that are relevant to the commitments
- ▶ **COMMITMENTS 1-5:** Provides a more detailed explanation of the results and methodology for each commitment
- ▶ **MARKETS AT-A-GLANCE:** Outlines key implementation actions and sales data highlights from each verified market
- ▶ **DATA APPENDIX:** Shows detailed verification results by market and commitment

Notice of Correction: Due to misreporting of nutrition information from the Brazilian market in 2016, the juice beverage offered in that market was incorrectly counted as a 100% juice in the preparation of this report. A detailed explanation is available [here](#). Please note that this report has not been updated to reflect this correction, but the correct information is featured in the [Five-Year Report on Progress](#).

COMMITMENT SUMMARY

▶ TAP ICONS WITH A YELLOW TRIANGLE FOR DETAILS.



COMMITMENT 1:

Feature only water, milk, and juice as the beverages on Happy Meal menu boards and ads directed to children.



COMMITMENT 2:

Offer a side salad, fruit, or vegetable option as a substitute for fries in value meals.



COMMITMENT 3:

Offer a new fruit, vegetable, low-fat dairy, or water option in the Happy Meal or use new packaging innovations to generate excitement for these options.



COMMITMENT 4:

Dedicate one panel of Happy Meal boxes or bags to communicate a fun nutrition or children's well-being message four times annually.



COMMITMENT 5:

Include a fun nutrition or children's well-being message in 100% of external ads directed to children.

IMPLEMENTATION TIMELINE

SEPT 2013

Announcement of McDonald's-Healthier Generation Partnership

JULY 2015

Pilot Report on 2014 Progress Featuring Results from the U.S. & Italy

DEC 2016

First Interim Goal: Fulfill Commitments in 30% or 50% of Markets Depending on the Commitment

OCT 2017

Report on 2016 Progress Featuring Results from 13 Markets

DEC 2018

Second Interim Goal: Fulfill Commitments in 50% or 100% of Markets Depending on the Commitment

DEC 2020

Final Goal: Fulfill All Five Commitments in 20 Markets

VERIFICATION METHODOLOGY

OBJECTIVES

- [1] Verify implementation of activities that fulfill the commitments.
- [2] Identify potential impacts of those activities on customer selections.
- [3] Communicate best practices across markets.

PROCESS

STEP 1

DEMONSTRATE ACTIONS: McDonald's market teams report data to illustrate the specific actions taken to fulfill each commitment.

STEP 2

VERIFY IMPLEMENTATION OF ACTIONS: Independent data sources verify the implementation of the actions in restaurants and in external advertising.

STEP 3

MEASURE IMPACTS: Sales data show changes in beverage and side item selections that may have been impacted by the commitments.

[CLICK HERE FOR METHODOLOGY & GLOSSARY OF KEY TERMS](#)

2016 PROGRESS BY COMMITMENT

COMMITMENT 1



37 milk, water, and juice options and no soda options were featured on Happy Meal menu boards across 13 markets in 2016.

13 MARKETS fulfilled Commitment 1, exceeding the 2016 goal.

COMMITMENT 2



99% of value meal menu boards listed or pictured a fruit, vegetable, or side salad option across 9 markets in 2016.

9 MARKETS fulfilled Commitment 2, meeting the 2016 goal.

COMMITMENT 3



26 new Happy Meal sides & beverages were offered across 12 markets in 2016.

12 MARKETS fulfilled Commitment 3, exceeding the 2016 goal.

COMMITMENT 4



7 Happy Meal boxes or bags, on average across 13 markets, had a panel dedicated to a fun nutrition or children's well-being message in 2016.

13 MARKETS fulfilled Commitment 4, exceeding the 2016 goal.

COMMITMENT 5



97% of external ads featured a fun nutrition or children's well-being message across 8 markets in 2016.

8 MARKETS demonstrated a sufficient level of effort to meet the 2016 goal for Commitment 5.

KEY OUTCOMES ACROSS MARKETS



951 million
water, fruit, vegetable, and low-fat dairy items were served in Happy Meals across the 13 markets participating in 2016 verification.



762 million
new fruit, vegetable, and low-fat dairy side items were served in Happy Meals and a la carte across the 13 markets between 2014 and 2016.



8.8 million
salad, fruit, and vegetable options were served as the side item in value meals across the 9 markets that fulfilled Commitment 2 in 2016.

CHANGES IN BEVERAGE SELECTIONS BY MARKET

HOW HAVE BEVERAGE SELECTIONS CHANGED BETWEEN 2013 AND 2016?

9.4 percentage point increase in Happy Meal milk, water & juice selections from 2013-2016.

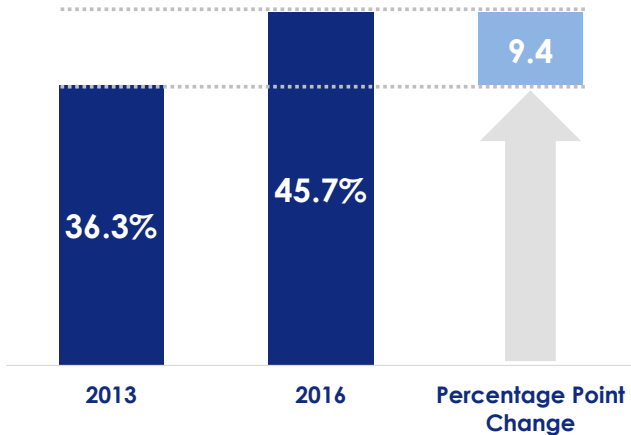
HOW MUCH OF THIS CHANGE OCCURRED IN THE 12 MONTHS AFTER MENU BOARDS CHANGED?

6.2 percentage points, or 66%, of the 2013-2016 increase occurred in the 12 months after sodas were removed from Happy Meal menus.

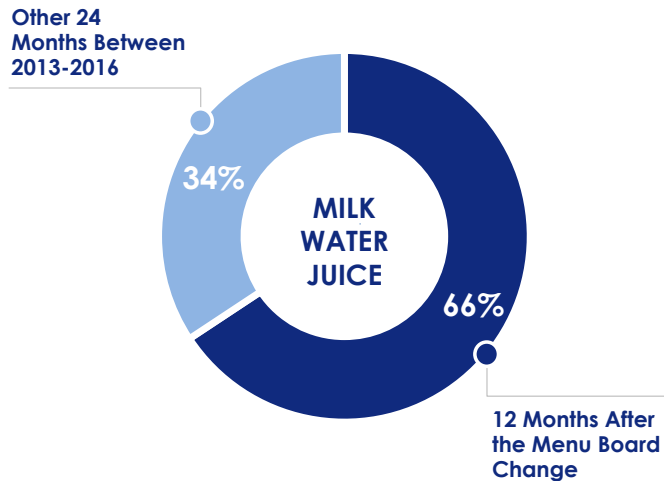
Select a Market

- ▶ All Markets
- Argentina
- Austria
- Brazil
- Germany
- Italy
- Netherlands
- Poland
- Spain
- Sweden
- Switzerland
- Taiwan
- United Kingdom
- United States

Happy Meal Milk, Water & Juice Selections
Percent of Happy Meal Beverages



Share of the 2013-16 Change in Milk, Water & Juice
By Period: 12 Months After Menu Change vs. All Other Months





COMMITMENT 1

Feature only water, milk, and juice as the beverages on Happy Meal menu boards and ads directed to children.

SUMMARY OF FULFILLMENT

13 markets fulfilled Commitment 1, exceeding the 2016 goal to take this action in 50% of the 20 markets included in this commitment.



2016 RESULTS FROM 13 MARKETS



of Happy Meal menu boards in restaurants and drive thrus featured only water, milk, and juice and did not feature sodas.



of advertisements directed to children in restaurants featured only water, milk, and juice and did not feature sodas.



of television and digital ads designed for media directed to children featured only water, milk, and juice and did not feature sodas.

MARKET HIGHLIGHTS

▶ ITALY

added an organic, 100% apple juice and removed a sugar-added peach juice from their Happy Meal menu boards.

▶ NETHERLANDS

offers six different water, 100% juice, and low-fat dairy beverage options in Happy Meals.

▶ POLAND

pictures all three qualifying beverages on Happy Meal menu boards.

METHODOLOGY INSIGHT

975

restaurants across 13 markets were visited as part of the independent restaurant survey to capture images of the Happy Meal menu board.

Select a Market

- Argentina
- Austria
- Brazil
- Germany
- Italy
- Netherlands
- Poland
- Spain
- Sweden
- Switzerland
- Taiwan
- United Kingdom
- ▶ United States

Hover over the menu board to view the list of beverages





COMMITMENT 2

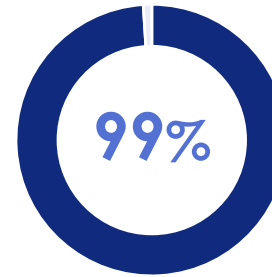
Offer a side salad, fruit, or vegetable option as a substitute for fries in value meals.

SUMMARY OF FULFILLMENT

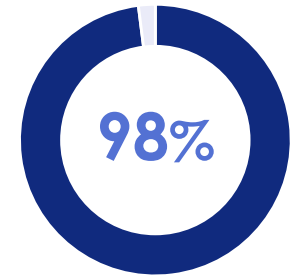
9 markets fulfilled Commitment 2, meeting the 2016 goal to take this action in 50% of 18 markets with value meals that are included in this commitment.



2016 RESULTS FROM 9 MARKETS



of value meal menu boards in restaurants featured a salad, fruit, or vegetable side option.



of value meal menu boards in drive thrus featured a salad, fruit, or vegetable side option.

MARKET HIGHLIGHTS

▶ ARGENTINA & BRAZIL

dedicated large portions of the value meal menu boards to advertise the side salad option.

▶ SWEDEN

offered three qualifying side options as substitutes for fries in value meals, including side salads, carrot sticks, and apple slices.

▶ SWITZERLAND

offered three different types of salad - a garden salad, a seasonal salad, and coleslaw - substitutes for fries in all value meals.

METHODOLOGY INSIGHT

687

restaurants across 9 markets were visited as part of the independent restaurant survey to capture images of the value meal menu board.

Select a Market

- Argentina
- Brazil
- Italy
- Poland
- Sweden
- Switzerland
- Taiwan
- United Kingdom
- ▶ United States





COMMITMENT 3

Offer a new Happy Meal fruit, vegetable, low-fat dairy, 100% juice, or water option or use new packaging innovations to generate excitement for these options.

SUMMARY OF FULFILLMENT

12 markets fulfilled Commitment 3, exceeding the 2016 goal to take this action in 30% of the 20 markets included in this commitment.

2016 RESULTS FROM 12 MARKETS

of Happy Meal menu boards inside restaurants featured the new fruit, vegetable, low-fat dairy, or water options in 2016.

of Happy Meal menu boards in drive thrus featured the new fruit, vegetable, low-fat dairy, or water options in 2016.

of Happy Meals purchased as part of the 2016 surveys verified the availability of new Happy Meal options or innovative packaging.

MARKET HIGHLIGHTS

- ▶ **SPAIN**
offered four new juice and seasonal fruit options (100% orange juice, mango, orange, and melon) in Happy Meals in 2016.
- ▶ **SWITZERLAND**
has introduced a flower-shaped carrot side item and added four fruit sides (fruit puree, pear, clementines, and nectarines) to Happy Meals since September 2013.
- ▶ **UNITED KINGDOM**
introduced a child-friendly, pop-top water bottle, a seasonal fruit side item (melon), and a discount fruit bag for Happy Meal customers in 2015.

METHODOLOGY INSIGHT

886 Happy Meals were purchased as part of the independent restaurant survey to verify the availability of a new option or innovation in each of the 12 markets.

Select a Market

- Argentina
- Austria
- Brazil
- Germany
- Italy
- Netherlands
- Poland
- Spain
- Switzerland
- Taiwan
- United Kingdom
- ▶ United States

Hover over the new items to view their descriptions



COMMITMENT 4

Dedicate one panel of Happy Meal boxes or bags to a fun nutrition or children's well-being message four times annually.

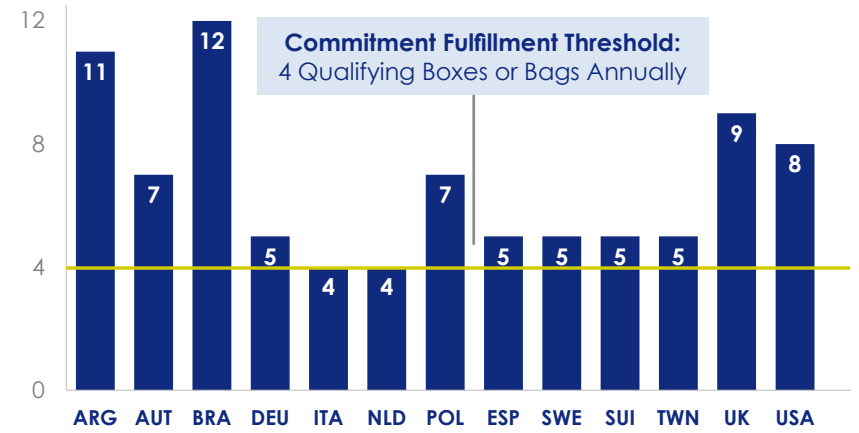
SUMMARY OF FULFILLMENT

13 markets fulfilled Commitment 4, exceeding the 2016 goal to take this action in 50% of the 20 markets included in this commitment.



2016 RESULTS FROM 13 MARKETS

NUMBER OF HAPPY MEAL BOXES OR BAGS WITH QUALIFYING MESSAGES IN 2016



MARKET HIGHLIGHTS

► AUSTRIA & GERMANY

promoted reading on Happy Meal boxes twice in 2016, while also offering books with those Happy Meals.

► BRAZIL

featured qualifying messages on 12 of 14 Happy Meal boxes distributed in 2016, three times the number required.

► UNITED KINGDOM

included a qualifying fun nutrition or children's well-being message on all nine of the Happy Meal boxes used in 2016.

METHODOLOGY INSIGHT

174 Happy Meal boxes and bags from 13 markets were reviewed in order to verify that at least 4 per market included a panel dedicated to a qualifying message in 2016.

Select a Market

- Argentina
- Austria
- Brazil
- Germany
- Italy
- Netherlands
- Poland
- Spain
- Sweden
- Switzerland
- Taiwan
- United Kingdom
- United States

Hover over the Happy Meal boxes to read the compliant message





COMMITMENT 5

Include a fun nutrition or children's well-being message in 100% of external ads directed to children.

SUMMARY OF FULFILLMENT

8 markets demonstrated a level of effort sufficient to meet the 2016 goal for Commitment 5.

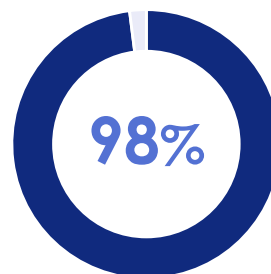
All Ads Featured Qualifying Messages



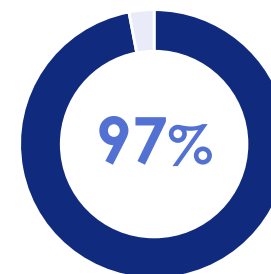
All But One or Two Ads Featured Qualifying Messages



2016 RESULTS FROM 8 MARKETS



of television ads designed for media directed to children included a fun nutrition or children's well-being message in 2016.



of digital ads designed for media directed to children included a fun nutrition or children's well-being message in 2016.

MARKET HIGHLIGHTS

▶ ITALY

featured Happy, a McDonald's brand character, interacting with fruit, low-fat yogurt, or books in all of their external ads designed for media directed to children.

▶ TAIWAN

featured messages encouraging children to choose fruits and vegetables in their television ads designed for media directed to children.

▶ UNITED STATES

featured messages promoting fruit and low- or no-fat dairy in all of their television and digital ads designed for media directed to children.

METHODOLOGY INSIGHT

292

television and digital ads from 8 markets - all of the ads designed for children in 2016 - were viewed as part of the verification effort to record qualifying messages.

Select a Market

- Brazil
- Italy
- Netherlands
- Poland
- Switzerland
- Taiwan
- United Kingdom
- ▶ United States

Hover over the ad screenshot to read the compliant message



UNITED STATES

MARKET HIGHLIGHTS

5/5

Commitments Fulfilled in 2016

10.2

Percentage point increase in water, milk, and juice selections from 2013-2016

406.2 million

Go-GURT yogurts sold in Happy Meals and a la carte from 2014-2016

6

Vegetable, fruit, low-fat dairy, and water Happy Meal options offered in 2016

HAPPY MEAL MENU BOARD

Happy Meal

1 Choose a meal with kids fries

4 Pc. McNuggets*	3.59	300 Cal.
Cheeseburger	3.09	400 Cal.
Hamburger	3.39	350 Cal.
Mighty kids meal with small fries		
6 Pc. McNuggets*	3.99	510 Cal.
sauces add 100-150 Cal. ea.		

2 Choose a side

Apple Slices	+15 Cal.
Go-GURT	+50 Cal.

3 Choose a drink

Apple Juice	+80 Cal.
Milk white chocolate	+100-130 Cal.

Generously sized from the brands. 25¢ worth from the bottom. Donation made with purchase. B.M.T.C.

JULY 2014

Sodas Removed from Happy Meal Menu Boards

Select a Market:

- Argentina
- Austria
- Brazil
- Germany
- Italy
- Netherlands
- Poland
- Spain
- Sweden
- Switzerland
- Taiwan
- United Kingdom
- ▶ United States

NEW HAPPY MEAL OFFERINGS

VALUE MEAL OFFERING



Go-GURT & Cuties
(New: 2014)



Side Salad
(New: 2015)

▼ HOVER OVER DATA WITH A YELLOW TRIANGLE FOR DETAILS.

Commitment 1 Metrics	ARG	AUT	BRA	DEU	ITA	NLD	POL	ESP	SWE	SUI	TWN	UK	USA	Data Sources	Notes
Percent of Happy Meal Menu Boards in Restaurants that Feature Only Water, Milk, or Juice	100%	100%	100%	100%	99%	100%	100%	100%	100%	100%	100%	100%	100%	1	A, B
Percent of Happy Meal Menu Boards in Drive Thrus that Feature Only Water, Milk, or Juice	100%	100%	100%	100%	98%	100%	100%	100%	100%	100%	100%	100%	100%	1	A, B
Percent of Toy Merchandisers and/or Happy Meal Posters that Do Not Feature Sodas	100%	100%	99%	100%	100%	100%	100%	99%	100%	100%	100%	100%	99%	1	C
Percent of Television Ads Designed for Media Directed to Children that Do Not Feature Sodas	100%	No Ads	100%	100%	100%	100%	100%	100%	No Ads	100%	100%	100%	100%	2	-
Percent of Digital Ads Designed for Media Directed to Children that Do Not Feature Sodas	100%	No Ads	100%	No Ads	No Ads	100%	100%	No Ads	No Ads	100%	No Ads	No Ads	100%	2, 3	-
Percent of Television Ads Directed to Children which Were Children's Ads	99%	No Ads	100%	100%	97%	99%	99%	100%	No Ads	96%	100%	100%	100%	4	D
Percent of Digital Ads Directed to Children which Were Children's Ads	100%	No Ads	100%	No Ads	No Ads	100%	100%	No Ads	No Ads	100%	No Ads	No Ads	100%	4	-

Commitment 2 Metrics	ARG	AUT	BRA	DEU	ITA	NLD	POL	ESP	SWE	SUI	TWN	UK	USA	Data Sources	Notes
Percent of Value Meal Menu Boards in Restaurants that List or Picture Salad, Fruit, or Vegetable Option as a Substitute for Fries	100%	N/A	100%	82%	100%	89%	100%	63%	92%	100%	100%	100%	96%	1	-
Percent of Value Meal Menu Boards in Drive Thrus that List or Picture a Salad, Fruit, or Vegetable Option as a Substitute for Fries	100%	N/A	91%	82%	98%	0%	100%	50%	97%	100%	100%	100%	100%	1	-

Commitment 3 Metrics	ARG	AUT	BRA	DEU	ITA	NLD	POL	ESP	SWE	SUI	TWN	UK	USA	Data Sources	Notes
Percent of Happy Meal Menu Boards in Restaurants that Listed or Pictured the New Item	98%	100%	100%	100%	100%	100%	100%	100%	No New Item	100%	100%	100%	100%	1	E
Percent of Happy Meal Menu Boards in Drive Thrus that Listed or Pictured the New Item	100%	5%	100%	100%	100%	100%	100%	100%	No New Item	100%	100%	100%	100%	1	E
Percent of Restaurants Where the New Item Was Available for Purchase with a Happy Meal	95%	97%	100%	98%	95%	93%	100%	100%	No New Item	100%	74%	100%	96%	1	E, F

[More Data Tables](#) ▶

◀ Previous Data Tables

Commitment 4 Metrics	ARG	AUT	BRA	DEU	ITA	NLD	POL	ESP	SWE	SUI	TWN	UK	USA	Data Sources	Notes
Number of Happy Meal Boxes with a Panel Dedicated to a Fun Nutrition Message	10	3	9	1	0	0	4	0	0	0	3	0	7	5	G
Number of Happy Meal Boxes with a Panel Dedicated to a Children's Well-Being Message	1	4	3	4	4	4	3	5	5	5	2	9	1	5	G
The Surveyor Received the Promotional Happy Meal Box or Bag Expected for That Period	79%	48%	56%	83%	63%	80%	50%	52%	86%	88%	85%	99%	61%	1, 5	-
The Surveyor Received a Generic Happy Meal Box or Bag	21%	40%	38%	12%	31%	15%	50%	34%	8%	7%	85%	1%	35%	1, 5	G
The Surveyor Received a Promotional Box or Bag from Another Period or No Box	0%	12%	6%	5%	6%	5%	0%	14%	6%	5%	15%	0%	4%	1, 5	-

Commitment 5 Metrics	ARG	AUT	BRA	DEU	ITA	NLD	POL	ESP	SWE	SUI	TWN	UK	USA	Data Sources	Notes
Percent of Television Ads Designed for Media Directed to Children with Qualifying Messages	100%	No Ads	92%	45%	100%	100%	100%	50%	No Ads	90%	100%	100%	100%	2	D
Percent of Digital Ads Designed for Media Directed to Children with Qualifying Messages	31%	No Ads	100%	No Ads	No Ads	0%	0%	No Ads	No Ads	50%	No Ads	No Ads	100%	2, 3	-
Percent of Television Ads Directed to Children which Were Children's Ads	99%	No Ads	100%	100%	97%	99%	99%	100%	No Ads	96%	100%	100%	100%	4	D
Percent of Digital Ads Directed to Children which Were Children's Ads	100%	No Ads	100%	No Ads	No Ads	100%	100%	No Ads	No Ads	100%	No Ads	No Ads	100%	4	-

Data Sources

1. Independent restaurant surveys administered by Keybridge.
2. McDonald's-reported video and images of television and digital ads designed for children.
3. Independent website audit conducted by Keybridge on a quarterly basis.
4. Ad placement data collected from OMD, a leading global media communications agency.
5. McDonald's-reported creative files of Happy Meal boxes.

Measurement Notes

- A. Restaurants that do not have a Happy Meal menu board or do not feature any beverages on the Happy Meal menu board fulfill the commitment.
- B. This metric excludes Family Meal menu boards.
- C. Restaurants that do not feature any beverages on the toy merchandiser and/or posters directed to children fulfill the commitment.
- D. Includes ads with an audience composition of over 35% children under age 12 (30% in the U.S. and 20% in the UK), between 6 a.m. and 9 p.m., with over 1 GRP.
- E. Markets need to implement one action to fulfill Commitment 3. Some markets implemented more than one action, but only one action was verified independently.
- F. At some restaurants, the qualifying items were not available for purchase. Surveyors who did not purchase an item were asked to confirm with a comment that the item was not available. Restaurants were only counted as not having an item if surveyors left a comment indicating that the item was not available. Otherwise, responses were counted as errors.
- G. Generic boxes and bags are used when supplies of promotional boxes or bags have been exhausted.