

McDonald's & the Alliance for a Healthier Generation
FIVE-YEAR PROGRESS REPORT ON 2013 COMMITMENTS
Markets at-a-Glance



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ARGENTINA



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in July 2013.

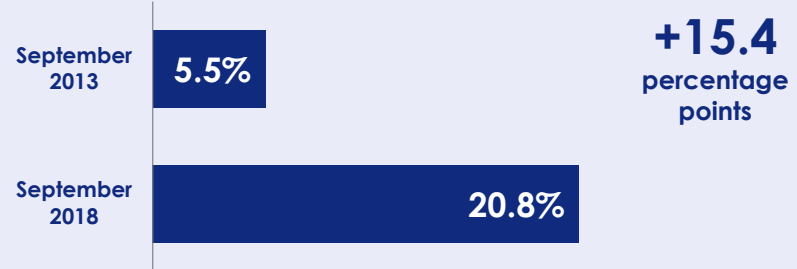
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



ARGENTINA



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.

1 qualifying new Happy Meal offering was available in 2018.

100% of restaurants visited had the qualifying item, Danonino Yogurt, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERING IN 2018



Danonino Yogurt
(Introduced 2014)



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.

7 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

96% of external ads designed for media directed to children included a qualifying message. ¹

N/A of external ads shown on television programs, websites, and apps directed to children were children's ads. ²

MARKET HIGHLIGHTS

15.4

percentage point increase in Happy Meals served with milk, water, or juice as the beverage since September 2013

4

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

89 million

Danonino yogurt cups served in Happy Meals and a la carte since they were introduced in 2014

108 million

total fruit, vegetable, low-fat dairy, and water items served in Happy Meals since September 2013

Indicates footnote, which are available on pages 43-44

AUSTRALIA



COMMITMENT 1

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

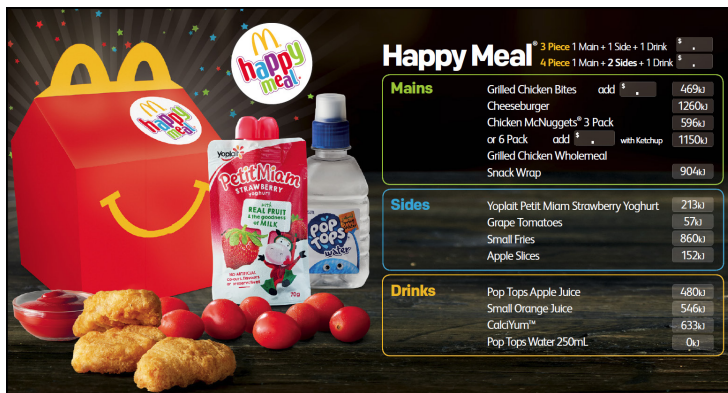
Soda was removed from Happy Meal menu boards in September 2015.

100% of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.

0% of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice. ^{Q1}

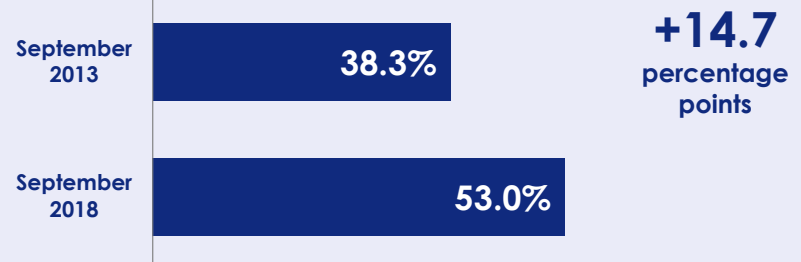
100% of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2 ^{Q2}

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

88% of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.

97% of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.

88% of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



^Q Indicates footnote, which are available on pages 43-44

AUSTRALIA

Page 1

Page 2



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.

2 qualifying new Happy Meal offerings were available in 2018.

97% of restaurants visited had the qualifying item, Petit Miam Strawberry Yogurt, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Petit Miam Strawberry Yogurt (2018)
Grape Tomatoes (2018)

Item (Year Introduced)



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.

39 weeks in 2018 when a Happy Meal box with a panel dedicated to a qualifying message was scheduled for distribution. ³

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5 ⁴

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

N/A of external ads designed for media directed to children included a qualifying message.

N/A of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

91 million

Pop Tops water and apple juices served in Happy Meals from 2014-2018

8

fruit, vegetable, low-fat dairy and water options offered in Happy Meals in 2018

3.2 million

fruit bags served in Happy Meals from 2014-2018

53%

of Happy Meals sold in Australia in September 2018 were served with milk, water, or juice as the beverage

AUSTRIA



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in January 2015.

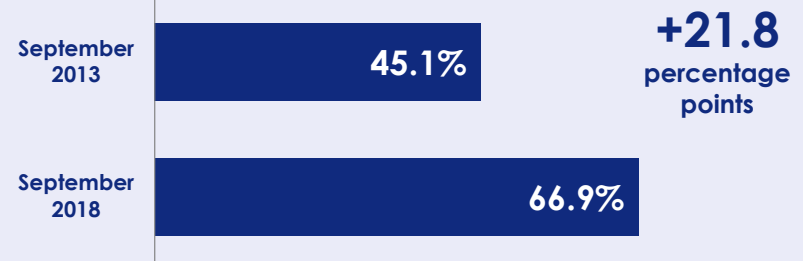
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

- 96%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 96%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



AUSTRIA

Page 1

Page 2



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.

3 qualifying new Happy Meal offerings were available in 2018.

93% of restaurants visited had the qualifying item, Reduced-Sugar Drinking Yogurt, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Fruit Salad (2014)
Reduced-Sugar Drinking Yogurt (2018)
Heart-Shaped Carrots (2018)

Item (Year Introduced)



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.

6 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

87% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

97% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

21.8

percentage point increase in Happy Meals served with milk, water, or juice as the beverage since September 2013

10

fruit, vegetable, low-fat dairy and water options offered in Happy Meals in 2018

1.8 million

drinking yogurts served in Happy Meals in 2018

19 million

fruit purees have been sold in Happy Meals since September 2013



Indicates footnote, which are available on pages 43-44

BRAZIL



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in May 2018. ^{Q¹}

98% of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.

100% of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.

100% of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

100% of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.

100% of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.

100% of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERINGS



BRAZIL

Page 1

Page 2



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.

4 qualifying new Happy Meal offerings were available in 2018.

100% of restaurants visited had the qualifying item, Danoninho Yogurt, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Danoninho Yogurt (2014)
Cherry Tomatoes (2015)
100% Orange Juice (2017)
Apple Puree (2018)

Item (Year Introduced)



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.

7 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

90% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

100% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

39 million

total fruit, vegetable, low-fat dairy, and water options served in Happy Meals in 2018

5

fruit, vegetable, low-fat dairy and water options offered in Happy Meals in 2018

3 million

side salads served as substitutes for french fries in value meals since September 2013

210 thousand

bags of cherry tomatoes served in Happy Meals from 2015 - 2018



Indicates footnote, which are available on pages 43-44

CANADA

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in January 2013.

- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD

HAPPY MEAL® **STARTING AT \$3.99^{plus tax}**

ENTRÉE	Each	Cals
Hamburger	3 ⁹⁹	240
Grilled Cheese	3 ⁹⁹	250
Cheeseburger	4 ⁹⁹	290
Chicken Snack Wrap ®	4 ⁹⁹	240-290
Chicken McNuggets® White meat, 4pc	4 ⁹⁹	210-230

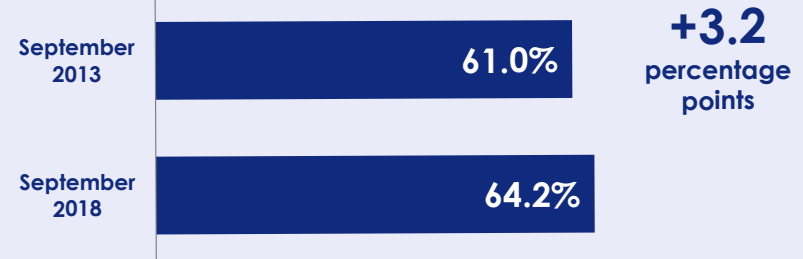
SIDE	DRINK
Mini Fries	Bottled Water
Small Fries	1% Milk
Apple Slices	Apple Juice

Yogurt Tube Included in all Happy Meals®

Adults and youth (ages 13 and older) need an average of 2,000 calories a day, and children (ages 4 to 12) need an average of 1,500 calories a day. However, individual needs vary.

COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2 ^{Q1}

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

- 91%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



CANADA

Page 1

Page 2



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.

2 qualifying new Happy Meal offerings were available in 2018.

97% of restaurants visited had the qualifying item, yogurt, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Yogurt Tube (2014)
Bottled Water (2016)

Item (Year Introduced)



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.

7 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

100% of external digital ads shown on websites and apps directed to children were children's ads.



MARKET HIGHLIGHTS

241 million

reduced-sugar yogurt tubes have been served in Happy Meals and a la carte since May 2014

7

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

118 million

100% orange juices served in Happy Meals and a la carte since September 2013

16 million

bags of apple slices served in Happy Meals since September 2013



Indicates footnote, which are available on pages 43-44

CHINA



COMMITMENT 1 ¹
Feature only water, milk, and juice as the beverages on Happy Meal menu boards and ads directed to children.

Soda was removed from Happy Meal menu boards in July 2016.

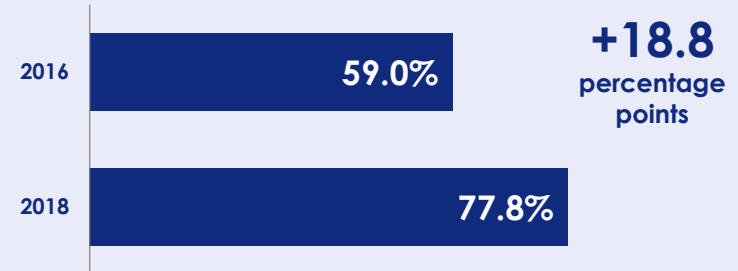
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS ²

Percent of Happy Meals Served with Milk, Water, or Juice



COMMITMENT 2
Offer a side salad, fruit, or vegetable option as a substitute for french fries in value meals.

- 97%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 97%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERINGS



CHINA

Page 1

Page 2



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.

2 qualifying new Happy Meal offerings were available in 2018.

8% of restaurants visited had the qualifying item, apple slices, available for purchase with a Happy Meal. ³

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Apple Slices (2016)
Apple Juice (2016)

Item (Year Introduced)



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.

8 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

83% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5 ⁴

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

N/A of external ads designed for media directed to children included a qualifying message.

N/A of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

78%

of Happy Meals sold in China in 2018 were served with milk, water, or juice as the beverage

6

fruit, vegetable, dairy, and water options offered in Happy Meals in 2018

52 million

fruit, vegetable, low-fat dairy, and water items served in Happy Meals from 2016-2018

12 million

corn and vegetable cups served as substitutes for french fries in value meals in 2018

FRANCE

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in March 2014.

- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice Before and After Sodas Were Removed from the First Page of Self-Ordering Kiosk Screens

October -
December
2017

33.0%

October -
December
2018

43.2%

+10.2
percentage
points



COMMITMENT 2

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

100%

of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.

93%

of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.

100%

of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



FRANCE

Page 1

Page 2



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.

5 qualifying new Happy Meal offerings were available in 2018.

100% of restaurants visited had the qualifying item, Berlingo Fruits Puree, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Berlingo Fruits Puree (Oct 2013)
Kiwi (2014), My Bio Drink (2015)
Melon (2016), Grape Duo (2018)

Item (Year Introduced)



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.

9 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

100% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

210 million

fruit sides served in Happy Meals since September 2013

11

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

46 million

side salads served instead of french fries in value meals since September 2013

15 million

cherry tomato sides served in Happy Meals since September 2013



Indicates footnote, which are available on pages 43-44

GERMANY

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in August 2014.

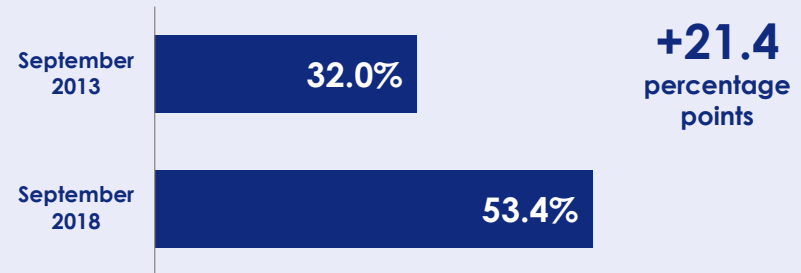
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 93%** of in-store ads directed to children did not feature soda.
- 100%** of external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



GERMANY

Page 1

Page 2



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.

3 qualifying new Happy Meal offerings were available in 2018.

100% of restaurants visited had the qualifying item, Fruit Puree, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Fruit Puree (2014)
Capri Sun Tropical Juice (2017)
McFreezy without Added Sugar (2018)

Item (Year Introduced)



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.

5 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

97% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

100% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

53%

of Happy Meals sold in Germany in September 2018 were served with milk, water, or juice as the beverage

9

fruit, vegetable, low-fat dairy and water options offered in Happy Meals in 2018

14 million

side salads served as substitutes for french fries in value meals since January 2014

103 million

fruit purees served in Happy Meals since January 2014



Indicates footnote, which are available on pages 43-44

HONG KONG

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in June 2017.

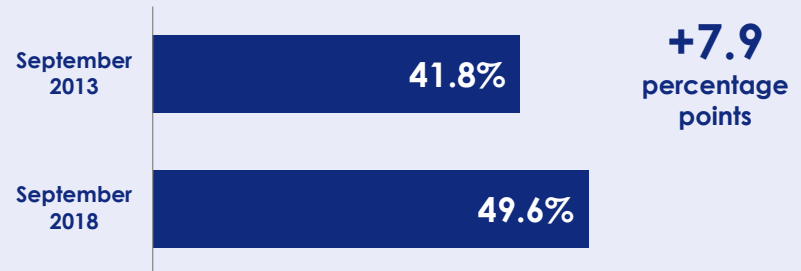
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2 ^{Q1}

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



HONG KONG

Page 1

Page 2



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.

2 qualifying new Happy Meal offerings were available in 2018.

97% of restaurants visited had the qualifying item, Nestle Yogurt, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Nestle Yogurt (2015)
Hot Lemon Tea (2018)

Item (Year Introduced)



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.

4 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

77% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box. ²



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

99% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

7.9

percentage point increase in Happy Meals served with milk, water, or juice as the beverage since September 2013

7

fruit, vegetable, low-fat dairy and water options offered in Happy Meals in 2018

27 million

corn cups served instead of french fries in value meals since September 2013

9.9 million

100% orange juices served in Happy Meals since September 2013



Indicates footnote, which are available on pages 43-44

ITALY



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in May 2016. ^{Q¹}

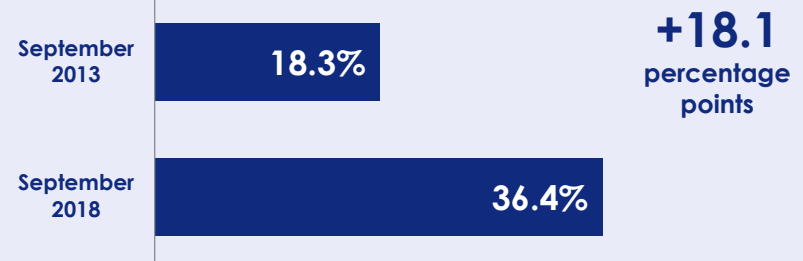
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2 ^{Q²}

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



ITALY

Page 1

Page 2



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.

4 qualifying new Happy Meal offerings were available in 2018.

97% of restaurants visited had the qualifying item, apple juice, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Actimel Low-Fat Yogurt (2015)
Grapes (2015), Cherries (2016)
Organic Apple Juice (2016)

Item (Year Introduced)



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.

5 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

100% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

8.4 million

seasonal fruits served as a side in Happy Meals since September 2013

10

fruit, vegetable, low-fat dairy and water options offered in Happy Meals in 2018

18.1

percentage point increase in Happy Meals served with milk, water, or juice as the beverage since September 2013

31 million

total fruit, vegetable, low-fat dairy, and water options served in Happy Meals in 2018

JAPAN



COMMITMENT 1 ^{Q1}
Feature only water, milk, and juice as the beverages on Happy Meal menu boards and ads directed to children.

Soda was removed from Happy Meal menu boards in March 2018.

94% of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.

N/A of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice. ^{Q2}

100% of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENT 2
Offer a side salad, fruit, or vegetable option as a substitute for french fries in value meals.

100% of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.

N/A of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option. ^{Q2}

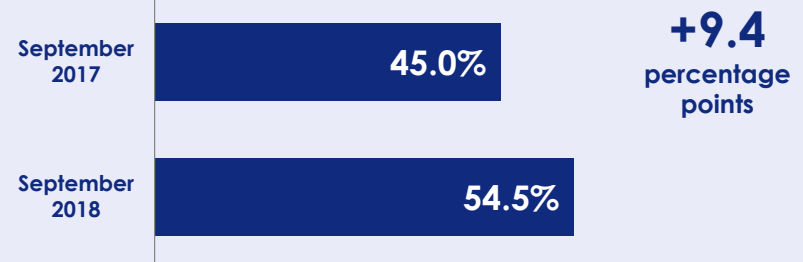
100% of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERINGS



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS ^{Q3}

Percent of Happy Meals Served with Milk, Water, or Juice 6 Months Before and 6 Months After Sodas Were Removed from Happy Meal Menu Boards



JAPAN

Page 1

Page 2



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.

1 qualifying new Happy Meal offering was available in 2018.

97% of restaurants visited had the qualifying item, corn cup with new packaging, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERING IN 2018



Corn Cup Packaging (Introduced 2018)



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.

30 weeks in 2018 when a Happy Meal box with a panel dedicated to a qualifying message was scheduled for distribution. ⁴

91% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box. ⁵



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

82% of external ads shown on television programs, websites, and apps directed to children were children's ads. ⁶

MARKET HIGHLIGHTS

19 million

side salads and corn cups served as substitutes for french fries in value meals from 2017-2018

6

fruit, vegetable, dairy, and water options offered in Happy Meals in 2018

2.2 million

corn cups with new packaging featuring a fun nutrition message were served in Happy Meals since they were introduced in September 2018

38 million

100% apple juices served in Happy Meals from 2017-2018

NETHERLANDS

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in December 2014

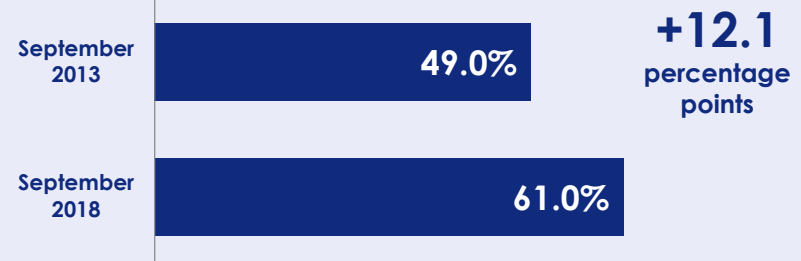
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



NETHERLANDS

Page 1

Page 2



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.

1 qualifying new Happy Meal offering was available in 2018.

97% of restaurants visited had the qualifying item, strawberry-banana smoothie, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERING IN 2018



Strawberry-Banana Smoothie
(Introduced 2017)



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.

6 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

99% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

61%

of Happy Meals sold in the Netherlands in September 2018 were served with water, milk, or juice as the beverage

10

fruit, vegetable, low-fat dairy and water options offered in Happy Meals in 2018

2.5 million

100% juices and smoothies served in Happy Meals in 2018

46 million

Danoontje yogurts served in Happy Meals since September 2013



Indicates footnote, which are available on pages 43-44

POLAND

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in March 2015.

- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD

11⁵⁰ ZŁ

1 WYBIERZ
 KURCZAK MCHUGBETS. 4 szt. albo HAMBURGER albo CHEESEBURGER

2 DOBIERZ
 POMIDORKI albo OWOCOSURT albo MAŁE FRYTKI

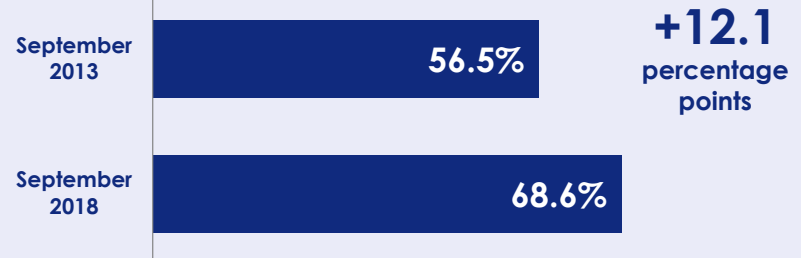
3 DODAJ
 WODA albo SOK albo MALA HERBATA

4 + OWOCOWA PRZEKASKA
 KUBUSZ MUS albo JABŁKO

© 2018 McDonald's. Wszystkie Prawa Rezerwowane. Wyjątkowo pokazano tylko jeden przykład. Wyjątkowo pokazano tylko jeden przykład. Wyjątkowo pokazano tylko jeden przykład. Wyjątkowo pokazano tylko jeden przykład. Wyjątkowo pokazano tylko jeden przykład.

COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



POLAND

Page 1

Page 2



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.

1

qualifying new Happy Meal offering was available in 2018.

100%

of restaurants visited had the qualifying item, Kubus Mus Fruit Puree, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERING IN 2018



Kubus MUS Fruit Puree
(Introduced 2015)



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.

5

Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

83%

of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100%

of external ads designed for media directed to children included a qualifying message.

99%

of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

25 million

total fruit, vegetable, and water items served in Happy Meals in 2018

8

fruit, vegetable, and water options offered in Happy Meals in 2018

4.9 million

side salads served as substitutes for french fries in value meals since September 2013

69%

of Happy Meals sold in 2018 were served with milk, water, or juice as the beverage



Indicates footnote, which are available on pages 43-44

RUSSIA

Page 1

Page 2



COMMITMENT 1 ¹
Feature only water, milk, and juice as the beverages on Happy Meal menu boards and ads directed to children.

Soda was removed from Happy Meal menu boards before September 2013.

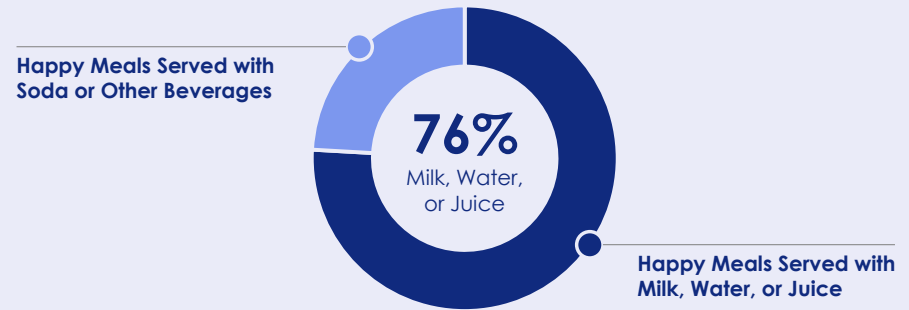
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS ²

Percent of Happy Meals Served with Milk, Water, or Juice in 2018



COMMITMENT 2
Offer a side salad, fruit, or vegetable option as a substitute for french fries in value meals.

McDonald's Russia introduced a value meal for the first time in August 2018. Due to the late introduction relative to when surveys were conducted, there were implementation issues observed with value meal menu boards. Russia plans to make changes to menu boards to clearly communicate that carrots are a side option in value meals. These changes will be audited in 2019 and the results will be published in an addendum to this report.

VALUE MEAL OFFERING



0% of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries. ³

100% of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option. ⁴

RUSSIA

Page 1

Page 2



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.

1 qualifying new Happy Meal offering was available in 2018.

79% of restaurants visited had the qualifying item, a free bag of apples or carrots, available with the purchase of a Happy Meal. ⁵

QUALIFYING NEW HAPPY MEAL OFFERING IN 2018



Sampling Program - Free Apple Slices or Carrot Sticks (Introduced 2018)



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.

5 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

93% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

85% of external ads shown on television programs, websites, and apps directed to children were children's ads. ⁶

MARKET HIGHLIGHTS

76%

of Happy Meals sold in Russia in 2018 were served with milk, water, or juice as the beverage

8

fruit, vegetable, dairy and water options offered in Happy Meals in 2018

40 thousand

free apple and carrot bags distributed to Happy Meal customers on Tuesdays in September 2018

2.7 million

apple and carrot bags have been served in Happy Meals since May 2014

SPAIN

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in January 2015.

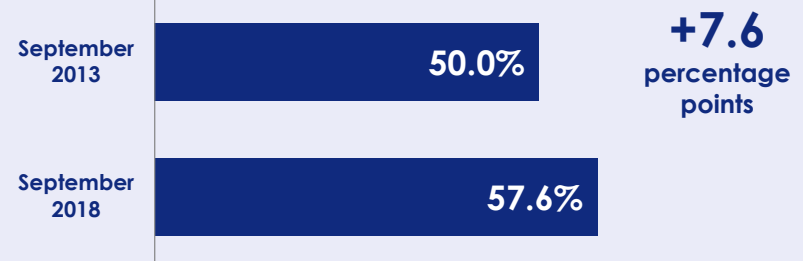
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



SPAIN

Page 1

Page 2



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.

3 qualifying new Happy Meal offerings were available in 2018.

100% of restaurants visited had the qualifying item, orange juice, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Orange Juice (2014)
Melon (2015), Mango (2016)

Item (Year Introduced)



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.

5 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

67% of external ads designed for media directed to children included a qualifying message. ¹

100% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

58%

of Happy Meals sold in Spain in 2018 were served with milk, water, or juice as the beverage

11

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

8.7 million

side salads served as substitutes for french fries in value meals since September 2013

14 million

fruit sides served in Happy Meals since September 2013

SWEDEN

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards before September 2013.

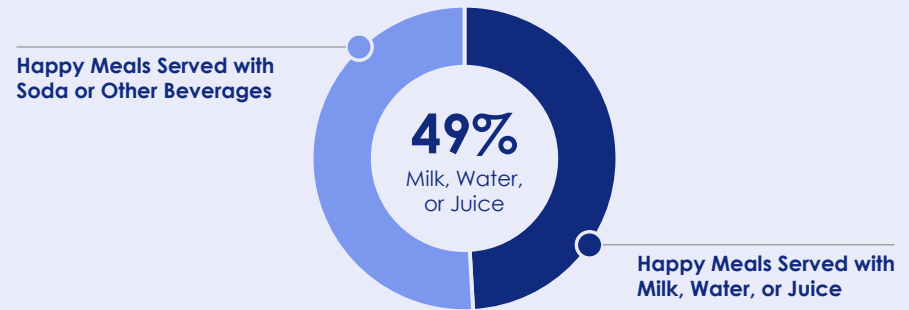
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS ^{Q1}

Percent of Happy Meals Served with Milk, Water, or Juice in 2018

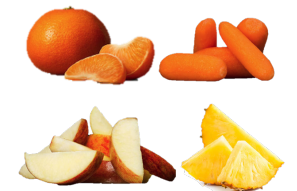


COMMITMENT 2

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

- 94%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 98%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERINGS



SWEDEN

Page 1

Page 2



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.

1 qualifying new Happy Meal offering was available in 2018.

97% of restaurants visited had the qualifying item, clementine, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERING IN 2018



Clementine
(Introduced 2018)



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.

5 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5 ^{Q²}

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

N/A of external ads designed for media directed to children included a qualifying message.

N/A of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

4

fruit and vegetable sides were offered as substitutes for french fries in value meals in 2018

10

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

405 thousand

clementines served in Happy Meals in October through December 2018

55 million

fruit and vegetable sides served in Happy Meals since September 2013

SWITZERLAND

Page 1

Page 2



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in September 2014.

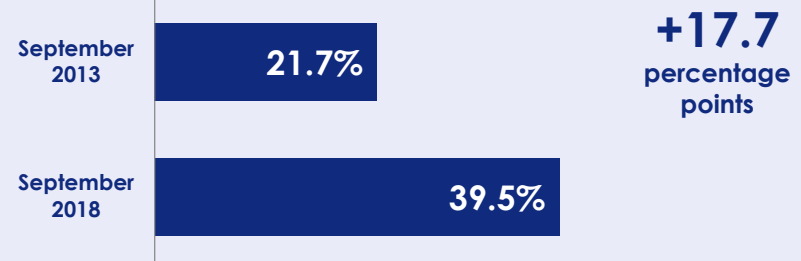
- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 97%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERINGS



SWITZERLAND

Page 1

Page 2



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.

5 qualifying new Happy Meal offerings were available in 2018.

100% of restaurants visited had the qualifying item, flower-shaped carrots, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Flower-shaped Carrots (2014)
Fruit Puree (2014), Clementine (2015)
Nectarine (2016), Red Plum (2018)

Item (Year Introduced)



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.

5 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

90% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

95% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

17.7

percentage point increase in Happy Meals served with milk, water, or juice as the beverage since September 2013

10

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

20 million

fruit and vegetable sides served in Happy Meals since September 2013

2.1 million

side salads and coleslaws served as substitutes for french fries in value meals since September 2013

TAIWAN

Page 1

Page 2



COMMITMENT 1 ^Q1

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

Soda was removed from Happy Meal menu boards in November 2015.

- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 100%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



MARKET HIGHLIGHTS

3.3 million

corn cups served in Happy Meals from 2016 to 2018

7

fruit, vegetable, and dairy options offered in Happy Meals in 2018

37 weeks

in 2018 when a Happy Meal box with a panel dedicated to a qualifying message was used

2.9 million

side salads served as a substitute for french fries in value meals in 2018



COMMITMENT 2

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

- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 100%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



TAIWAN

Page 1

Page 2



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.

1 qualifying new Happy Meal offering was available in 2018.

90% of restaurants visited had the qualifying item, corn cup, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERING IN 2018



Corn Cup
(Introduced 2016)



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.

4 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

73% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box. ²



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

96% of external ads shown on television programs, websites, and apps directed to children were children's ads.

QUALIFYING FUN NUTRITION MESSAGE



"Eat more vegetables for a balanced diet and good health."

UNITED KINGDOM



COMMITMENT 1

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

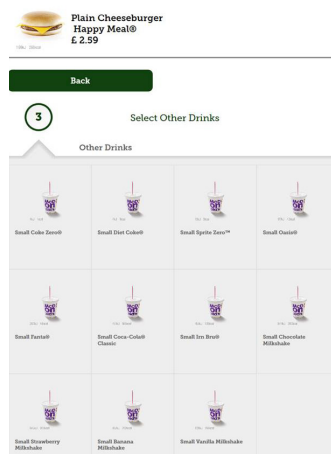
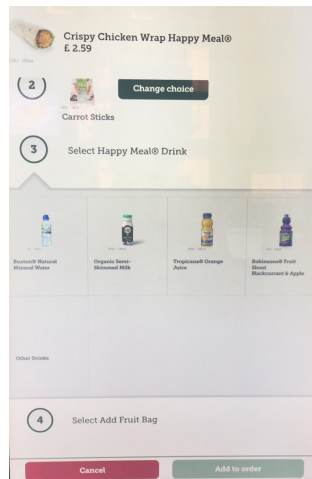
Soda was removed from Happy Meal menu boards in February 2015.

N/A of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice. ¹

100% of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.

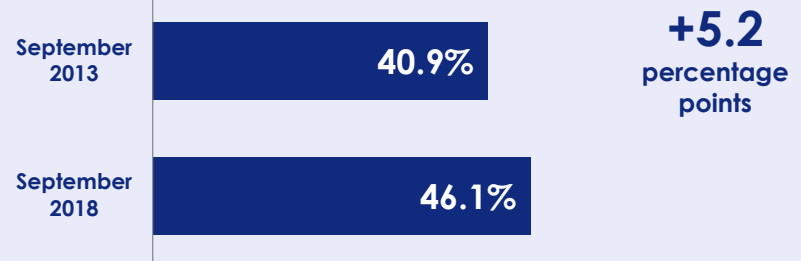
100% of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 SELF-ORDERING KIOSK: HAPPY MEAL BEVERAGE SELECTION SCREENS



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



COMMITMENT 2

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

100% of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.

100% of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.

100% of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



¹ Indicates footnote, which are available on pages 43-44

UNITED KINGDOM

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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.

4 qualifying new Happy Meal offerings were available in 2018.

97% of restaurants visited had the qualifying item, Buxton Pop-Top Water Bottle, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Buxton Pop-Top Water Bottle (2015)
Melon (2015), Discounted Fruit Bag (2015)
Reindeer Treat Carrot Promotion (2017)

Item (Year Introduced)



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.

9 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

100% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

100% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

312 million

total fruit, vegetable, low-fat dairy, and water items served in Happy Meals in 2018

8

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

8.8 million

Buxton pop-top waters served in Happy Meals in 2018

2.3 million

fruit or vegetable sides served as substitutes for french fries in Extra Value Meals in 2018



Indicates footnote, which are available on pages 43-44

UNITED STATES



COMMITMENT 1

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

Soda was removed from Happy Meal menu boards in July 2014.

- 100%** of Happy Meal menu boards seen inside restaurants and in drive thrus featured only milk, water, or juice.
- 98%** of Happy Meal primary beverage selection pages on self-ordering kiosks featured only milk, water, or juice.
- 100%** of in-store ads directed to children and external ads designed for media directed to children did not feature soda.

2018 HAPPY MEAL MENU BOARD



COMMITMENT 2

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

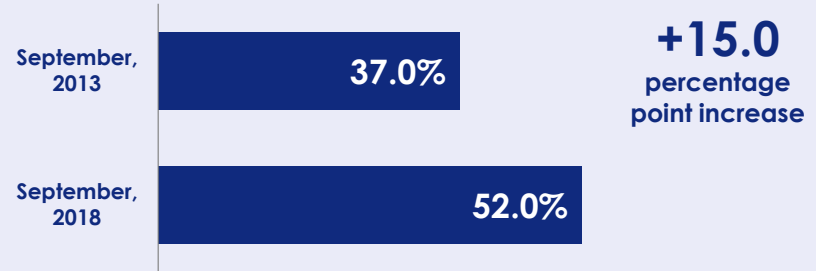
- 100%** of value meal menu boards seen inside restaurants and in drive thrus listed or pictured a salad, fruit, or vegetable option as a substitute for french fries.
- 95%** of value meal side selection pages on self-ordering kiosks featured a salad, fruit, or vegetable option.
- 100%** of value meal menu boards seen inside restaurants and in drive thrus pictured the salad, fruit, or vegetable option when french fries were pictured.

VALUE MEAL OFFERING



COMMITMENTS SPOTLIGHT: HAPPY MEAL BEVERAGE SELECTIONS

Percent of Happy Meals Served with Milk, Water, or Juice When Commitments Were Announced and 5 Years Later



UNITED STATES

Page 1

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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.

3 qualifying new Happy Meal offerings were available in 2018.

99% of restaurants visited had the qualifying item, Honest Kids Apple Juice Drink, available for purchase with a Happy Meal.

QUALIFYING NEW HAPPY MEAL OFFERINGS IN 2018



Go-Gurt Strawberry Yogurt (2014)
Honest Kids Apple Juice Drink (2017)
Dasani Bottled Water (2018)

Item (Year Introduced)



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.

10 Happy Meal boxes with a panel dedicated to a qualifying message were used in 2018.

99% of surveyors received a Happy Meal box that corroborated the promotional schedule or a generic box.



COMMITMENT 5

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

100% of external ads designed for media directed to children included a qualifying message.

100% of external ads shown on television programs, websites, and apps directed to children were children's ads.

MARKET HIGHLIGHTS

52%

of Happy Meals sold in the United States in September 2018 were served with milk, water, or juice as the beverage

6

fruit, vegetable, low-fat dairy, and water options offered in Happy Meals in 2018

692 million

Go-Gurt yogurts served in Happy Meals from 2014 - 2018

713 million

total fruit, vegetable, low-fat dairy, and water items served in Happy Meals in 2018



Indicates footnote, which are available on pages 43-44

FOOTNOTES

ARGENTINA

1. 1 out of 2 digital ads that were shown on child-directed websites in January – June 2018 did not include a qualifying message. The non-compliant ad was a banner ad that linked to a video ad that included a qualifying message. After discussion with the McDonald's corporate and Healthier Generation teams, it was agreed that to ensure effectiveness of this message, linking to a qualifying message will not be sufficient to meet this commitment in the future. With this clarification made, McDonald's Argentina has committed to ensuring that all future digital ads directed to children include a qualifying message directly.
2. McDonald's ad agency of record changed during 2018 and McDonald's Argentina's ad data was provided by two different agencies. Due to differences in the two data sources, calculating a single percentage was not possible. However, the agencies were able to share enough data to confirm that adult-targeted ads were generally not shown during programs directed to an audience composed of 35% or more children.

AUSTRALIA

1. Due to technical challenges associated with a nationwide roll-out of new software, the Happy Meal beverage selection pages for self-ordering kiosks were not compliant during the time of the survey. While Australia fulfilled Commitment 1 in all aspects outside of self-ordering kiosks, the market has committed to taking additional steps to reach full compliance on their kiosk screens in 2019. Additional surveys will take place in Australia in 2019 to verify that these steps are taken, and the results of those surveys will be published in an addendum to this report.
2. At the time when surveys were conducted, 5 out of 30 surveyed restaurants had digital value meal menu boards where the listing for side salad was cut off or replaced with a different graphic. McDonald's Australia has committed to taking additional steps to encourage all restaurants to update value meal menu boards inside restaurants so that they feature the salad option.
3. In Australia, generic boxes with panels dedicated to a qualifying message were used for 39 weeks of the year, the equivalent of more than 9 promotional boxes.
4. No ads designed for media directed to children were aired in Australia in January – June 2018.

BRAZIL

1. In July 2013, McDonald's Brazil removed most soda logos and listings from Happy Meal menu boards. However, a listing for Del Valle juices with added sugar remained. The listing of those juices was removed in May 2018 to completely fulfill this aspect of Commitment 1.

CANADA

1. Due to limited refrigeration space availability, restaurants located inside shopping centers or retail stores were excluded from the requirement to have side salad available for purchase. When conducting independent surveys in Canada, this set of restaurants (which represent 22 percent of all restaurants in Canada) was excluded from the sample.

2. Calculating this percentage for television ads was not possible due to the nature of the data provided by McDonald's Canada's ad agency of record. However, the data provided confirmed that adult-targeted ads were not shown during television programs directed to an audience composed of 35% or more children.

CHINA

1. In China, whole milk is included on Happy Meal menus rather than low-fat milk. According to the market team, whole milk is a more culturally appropriate dairy beverage option for children in China than low-fat milk. Additionally, whole milk meets local standards and is the primary milk beverage served in primary and secondary schools in China. Therefore, an exception was made to consider this beverage as appropriate for inclusion on Happy Meal menus and communications.
2. Sales data for China were only available beginning in January 2016.
3. In 2018, McDonald's China offered two Happy Meal menu items that were introduced after September 2013: apple slices and 100% apple juice. Due to sourcing limitations, these items were only available in select restaurants. Since the time of the survey, McDonald's China has been able to introduce apple slices to restaurants nationwide. They also plan to introduce a new apple juice box option at restaurants nationwide in late 2019. Additional surveys will take place in China in 2019 to verify that Commitment 3 is fulfilled, and the results of those surveys will be published in an addendum to this report.
4. No ads designed for media directed to children were aired in China in January – June 2018.

HONG KONG

1. In Hong Kong, medium and large value meals are offered. There is only one size of corn cup and, due to technical limitations in the point of sale system, it is only offered in the medium meal. While the commitment is to offer a salad, vegetable, or fruit alternative to french fries in all value meals, McDonald's Hong Kong was exempted from the requirement to offer corn cups in large value meals.
2. At the time of the survey, a generic Happy Meal box was scheduled for distribution in Hong Kong. In several restaurants visited, the supply of the generic box had been exhausted and thus no Happy Meal box was received with surveyor purchases.

ITALY

1. In December 2014, McDonald's Italy changed Happy Meal menu boards to remove all soda logos and the majority of soda listings. However, a listing for "beverage of choice" remained on menu boards. In May 2016, the "beverage of choice" listing was removed as well to completely fulfill this aspect of Commitment 1.
2. In Italy, medium and large value meals are offered. There is only one size of side salad and, due to technical limitations in the point of sale system, it is only offered in the medium meal. While the commitment is to offer a salad, vegetable, or fruit alternative to french fries in all value meals, McDonald's Italy was exempted from this requirement to offer side salad in large value meals.

FOOTNOTES

JAPAN

1. In Japan, whole milk is included on Happy Meal menus rather than low-fat milk. According to the market team, whole milk is a more culturally appropriate dairy beverage option for children in Japan than low-fat milk. Additionally, whole milk meets local standards and is the primary milk beverage served in primary and secondary schools in Japan. Therefore, an exception was made to consider this beverage as appropriate for inclusion on Happy Meal menus and communications.
2. No self-ordering kiosks were present inside restaurants in Japan during the time of the survey.
3. Sales data for Japan were only available beginning in January 2017.
4. In Japan, generic boxes with panels dedicated to a qualifying message were used for 30 weeks of the year, the equivalent of more than 7 promotional boxes.
5. Due to an error in the survey instructions, many of the results of this survey question were excluded. The metric included here is reflective of all surveyors who successfully captured a photo of the box or bag in which the Happy Meal was served.
6. Some non-Happy Meal ads that were intended to reach adults were shown to an audience of 35% or more children. The ads were shown during breaks between child-directed programming and adult-directed programming, which resulted in them being shown to audiences that qualified as directed to children. After the problem was identified, the McDonald's Japan marketing staff directed its ad agency of record to ensure that adult ads are no longer aired during program breaks immediately before or after children's programming. Ad placement data will be reviewed again in 2019 to ensure that these changes have been made and the results will be published in an addendum to this report.

RUSSIA

1. In Russia, whole milk is included on Happy Meal menus rather than low-fat milk. According to the market team, whole milk is a more culturally appropriate dairy beverage option for children in Russia than low-fat milk. Additionally, whole milk meets local standards and is the primary milk beverage served in primary and secondary schools in Russia. Therefore, an exception was made to consider this beverage as appropriate for inclusion on Happy Meal menus and communications.
2. Sales data for Russia were only available beginning in January 2014.
3. The side salad, fruit or vegetable option was offered and available in self-ordering kiosks but was not communicated on menu boards in restaurants or in drive thru. Russia has committed to make changes in 2019 where the side salad, fruit or vegetable option will be communicated on the menu boards. Additional surveys will take place in Russia in 2019 to verify that these steps are taken, and the results of those surveys will be published in an addendum to this report.
4. In Russia, medium and large value meals are offered. There is only one size bag of carrots and, due to technical limitations in the point of sale system, it is only offered in the medium meal. While the commitment is to offer a salad, vegetable, or fruit alternative to french fries in all value meals, McDonald's Russia was exempted from this requirement to offer carrots in large value meals.
5. On Tuesdays in September 2018, restaurants in Russia gave out free bags of apple slices or carrots to Happy Meal customers as part of a promotion to generate excitement for these items. Surveyors were instructed to visit restaurants on Tuesdays in September, purchase a Happy Meal, and take a photo of the contents including any free

sides they received. 79% percent of surveyors submitted a photo of their purchase that included the free apple or carrot bag. Because this was a new promotion and only offered on specific days of the week, some staff may not have been aware of the promotion. Going forward, this should not be an issue as McDonald's Russia plans to fulfill this commitment in 2019 through a more permanent offering – the introduction of a reduced-fat yogurt in Happy Meals. Additional surveys will take place in Russia in 2019 to verify that Commitment 3 is fulfilled, and the results of those surveys will be published in an addendum to this report.

6. Between January - June 2018, McDonald's Russia aired a Happy Meal television ad that did not include a fun nutrition message during programs that were directed to children. The ad was designed to be shown to parents and, unlike the other Happy Meal ads, it was primarily shown during adult programming with low child viewership. However, the ad also appeared frequently during children's programming. McDonald's Russia and its ad agency are aware of this issue and will avoid showing ads that do not include a qualifying message during children's programming in the future. Ad placement data will be reviewed again in 2019 to ensure that these changes have been made and the results will be published in an addendum to this report.

SPAIN

1. All 5 digital ads that were shown on child-directed websites in January - June 2018 did not include a qualifying message. McDonald's Spain has committed to taking additional steps to ensure that all digital ads include a qualifying message in the future. Spain's ads will be reviewed again in 2019 to ensure that these changes have been made and the results will be published in an addendum to this report.

SWEDEN

1. Comparable Happy Meal beverage sales data for Sweden were only available beginning in January 2017.
2. No external ads directed to children were aired in Sweden between January and June 2018.

TAIWAN

1. In Taiwan, whole milk is included on Happy Meal menus rather than low-fat milk. An exception was made for this beverage because the entire Happy Meal bundle is strictly regulated for nutritional content (including limits on fat content) by Taiwan's Food and Drug Administration, and whole milk is the acceptable milk under those standards.
2. At the time of the survey, a generic Happy Meal box was scheduled for distribution in Taiwan. In several restaurants visited, the supply of the generic box had been exhausted and thus no Happy Meal box was received with surveyor purchases.

UNITED KINGDOM

1. While Happy Meals are offered at McDonald's restaurants in the UK, they were not featured on menu boards in 2018. As a result, no Happy Meal menu boards were observed in restaurants or drive thru during the time of the survey.