

McDonald's/Alliance for a Healthier Generation ("Alliance")/Clinton Foundation

McDonald's would retain an independent, reputable third party organization to verify our progress on commitments in a clear and transparent manner.

McDonald's will agree to the following commitments by 2020 for 20 major markets representing 85%+ of global sales:

- 1. Feature only water, milk and juice as the beverage in Happy Meals on menu boards and in-store and external advertising directed to children; For Happy Meals, remove all soda logos and images of cups with soda from Happy Meal section of menu boards (where it exists) and all in-store and external advertising directed to children;**
 - a. 3 year: Fulfill this commitment in 50% of the 20 markets including the U.S.
 - b. 5 year: Fulfill this commitment in 100% of the 20 markets.
 - c. Why this matters: Discussion point - Drinking, water, milk and juice are a critical part of a healthy diet, especially for young children. Children could save at least X amount of calories from the average Happy Meal and can replace the calories from soft drinks with the nutrients from water, milk and juice.
 - d. Tracking and reporting: Retained firm to audit. JPEG examples and other data as needed will be shared with the Clinton Foundation and the Alliance.

Note: Feature means placing an emphasis, such as, by showing in a photograph. McDonald's may depict cups with beverages other than sugary sodas, such as milk, juice and water; McDonald's may list soft drinks as offering on Happy Meal section of menu boards. If new beverages are featured as a choice for Happy Meals, they will be evaluated according to McDonald's food pledge commitments or other appropriate local standards if a food pledge commitment does not exist in that market. The new beverages will be consistent with the intent of this commitment.

Note: Fruitizz and Robinsons Fruit Shoot are compliant with McDonald's Europe Food Pledge and are compliant with the CGI commitment. (We agree prior sentence will be placed in a separate document.)

- 2. Offer side salad, fruit or vegetable as a substitute for fries in value meals**
 - a. 3 year goal: At least 50% of the 20 markets including the U.S. shall fulfill this commitment. McDonald's will encourage its markets to offer the choice of side salad, fruit or vegetable in value meals in a visible manner and will provide guidelines to the markets about offering the choice in a clear manner. McDonald's will encourage the markets to make this choice available to customers at no additional charge. McDonald's anticipates that the majority of the 10 markets will do so. Our franchisees are independent business men and women who ultimately determine pricing for all menu items at their restaurants based on many factors, including local market conditions.
 - b. 5 year goal: 100% of the 20 markets (where extra value meals are offered) shall fulfill this commitment. McDonald's will encourage its markets to offer the choice of side salad, fruit or vegetable in value meals in a visible manner and will provide guidelines to the markets about offering the

choice in a clear manner. McDonald's will encourage the markets to make this choice available to customers at no additional charge.

McDonald's anticipates that the majority of the 20 markets will do so. Our franchisees are independent business men and women who ultimately determine pricing for all menu items at their restaurants based on many factors, including local market conditions.

- c. Why this matters: Data on the calorie savings of the customer switch to side salad and what that could mean to the average McDonald's customer. Leverage McDonald's scale with power of offering affordable produce.
- d. Tracking and reporting: Retained firm will audit to ensure compliance with offering side salad, fruit or vegetable as an option in value meals.

Note: McDonald's will share confidential data with the Clinton Foundation and the Alliance regarding the visibility of side salad, fruit or vegetable offering in the markets and the number of markets that make this offer at no additional charge. This confidential data will not be shared publicly unless agreed by McDonald's. (We agree prior two sentences will be placed in a separate document, such as the MOU.)

3. Utilize Happy Meal and other packaging innovations and designs to generate excitement for fruit, vegetable, low/ reduced fat dairy or water options for kids or Offer new fruit, vegetable, low/ reduced fat dairy or water option in the Happy Meal

Possible examples include: use of properties or characters on fruit/vegetable bags or corn cups; unique delivery of fruit, vegetables or low/reduced fat dairy for kids - kiwi on a stick; color changing straws; offering new Happy Meal fruit, vegetable or low/reduced fat dairy choice; sampling program for fruit, vegetable, low/reduced fat dairy option; digital interaction with imagery on packages for fruit, vegetables or low fat dairy, e.g., showing characters interacting with these items.

- a. 3 year goal: At least one time per year, 30% of the 20 markets will fulfill this commitment (beyond what they are currently doing in base year)
- b. 5 year goal: At least one time per year, 50% of the 20 markets will fulfill this commitment (beyond what they are currently doing in the base year) .
- c. 8 year goal: At least one time per year, 100% of the 20 markets will fulfill this commitment (beyond what they are currently doing in base year) .
- d. Why this matters: McDonald's hopes that fun, engaging packaging will encourage children to choose fruit, vegetable or low or reduced fat dairy.
- e. Tracking and reporting: JPEGs of the packaging and designs and other data, as needed, will be shared with the Clinton Foundation and the Alliance.

4. Dedicate one Happy Meal box or bag panel to communicate a fun nutrition or children’s well-being message (four times annually- typically, Happy Meal box designs change once a month)

- a. 3 year goal: 50% of the 20 major markets will fulfill this commitment.
- b. 5 year goal: 100% of the 20 major markets will fulfill this commitment with at least 30% also aligning properties or characters with nutritional or well-being messaging.
- c. 8 year goal: 100% of the 20 major markets will fulfill this commitment and align properties or characters with nutrition or well-being messaging.
- d. Why this matters: Happy Meal packaging can be a fun teaching tool for children and families.
- e. Tracking and annual reporting: JPEGs of HM boxes or bag panels which include nutrition or CWB message and other data, as needed, will be shared with the Clinton Foundation and the Alliance.

5.100% of advertising directed to children to include a fun nutrition or children’s well-being message.

Possible examples include : promoting consumption of fruit, vegetables and low-fat dairy; and activities that contribute to overall well-being such as nutrition education, active play, creative play, literacy, and education.

- a. 3 year goal: 30% of the 20 markets will have fulfilled this commitment. This could be accomplished via integrated advertising efforts or through the use of tagged messaging attached to traditional communications.
- b. 5 year goal: 60% of the 20 markets will have fulfilled this commitment. This could be accomplished via integrated efforts or through the use of tagged messaging attached to traditional communications.
- c. 8 year goal: 100% of the 20 markets will have fulfilled this commitment. This could be accomplished via integrated advertising efforts or through the use of tagged messaging attached to traditional communications
- d. Why this matters: Data from UK and US markets indicates that kids are aware of the nutrition/well-being message.
- e. Tracking and annual reporting: Annual reporting to the Clinton Foundation and the Alliance that demonstrates compliance with commitment, including examples of advertising.

The following major markets would participate: Argentina, Australia, Austria, Brazil, Canada, China (includes Hong Kong market), France, Germany, Italy, Japan, Netherlands, Poland, Russia, Spain, Sweden, Switzerland, Taiwan, United Kingdom, and United States