Methodology & Glossary of Terms

McDonald’s & the Alliance for a Healthier Generation: Five-Year Report on 2013 Commitments

PREPARED FOR:
McDonald’s Corporation
Alliance for a Healthier Generation

PREPARED BY:
Keybridge

May 2019
I. OVERVIEW

McDonald’s and the Alliance for a Healthier Generation (“Healthier Generation”) developed a set of five global commitments that were announced in September 2013. These commitments affect McDonald’s menu offerings and marketing practices to children. Specifically, McDonald’s aims to increase access to fruit, vegetable, low-fat dairy, and water options and to help families make informed choices that support balanced lifestyles. McDonald’s committed to implement these activities by 2020 across 20 major markets.

McDonald’s also committed to participating in an independent verification effort. Through a competitive bidding process, McDonald’s selected Keybridge to conduct the verification. The primary objective of this effort is to ensure accountability for implementing required activities. A secondary objective is to identify potential impacts of those activities. By tracking activities and the effects of these initiatives on customer selections, this measurement helps capture and communicate best practices across markets.

Three public reports summarize progress toward the 2020 commitments. In 2014, Keybridge pilot tested an approach to measure all aspects of the commitments and reported the results in the Report on 2014 Progress. Based on learnings from this pilot analysis, Keybridge refined the data collection and verification process and expanded it to an additional 11 markets. Results from 13 markets are presented in the Report on 2016 Progress. Results from a final, comprehensive round of verification across all 20 participating markets are presented in the Five-Year Report on 2013 Commitments.¹

To explain the process for arriving at these results, this document outlines the verification methodology in the following sections. Section 2 discusses which markets are included in the measurement effort. Section 3 explains the analytical approach. Section 4 describes the data sources. Section 5 outlines the process for evaluating the data to assess commitment fulfillment. Finally, Section 6 indicates key limitations and exclusions of this measurement effort.

II. MARKET SELECTION

To encourage early progress toward the 2020 Commitment, McDonald’s and Healthier Generation set interim goals. McDonald’s agreed to implement certain commitments in a percentage of markets by the end of 2016, 2018, and 2020. These interim goals determined the number of markets that would need to be verified to demonstrate progress. After pilot testing the approach in Italy and the United States, verification efforts were expanded to an additional 11 markets, including: Argentina, Austria, Brazil, Germany, Netherlands, Poland, Spain, Sweden, Switzerland, Taiwan, and the United Kingdom. In preparation for the Five-Year Report on 2013 Commitments, progress was measured in all 20 markets, including the remaining seven markets: Australia, Canada, China, France, Hong Kong, Japan, and Russia.

¹ Additional results for five markets will be featured in an addendum to the Five-Year Report on 2013 Commitments later in 2019.
III. **ANALYTICAL APPROACH**

Key features of the analytical approach for verifying each market’s implementation include: (1) deconstructing the commitments into a set of observable and measurable criteria, and (2) collecting data from multiple sources to capture the full range of efforts and independently verify the fulfillment of each commitment.

### 3.1 Measure All Aspects of Each Commitment

Determining fulfillment of each commitment requires a systematic process for reviewing each piece of evidence. This process involved deconstructing the five commitments into nine criteria. These criteria, described in detail in section V of this document, enabled verification of the evidence through a binary assessment: Was criterion X achieved? “Yes” or “No”. In most cases, determining whether an activity or observation met a criterion was obvious, but some criteria required additional guidance. McDonald’s, in collaboration with Healthier Generation, developed a Glossary of Key Terms (“Glossary”) to further define each commitment, identify characteristics of compliant actions, and provide examples. When activities not covered in the Glossary were identified, Healthier Generation and McDonald’s provided additional guidance.
3.2 Measure Progress from Multiple Vantage Points

The approach developed to verify progress relied on a strategy of triangulation: collecting data from multiple vantage points to corroborate results. Triangulation is particularly important in the absence of a definitive, public data source to indicate progress. Data collected from McDonald’s and external sources provide a comprehensive view of progress toward each commitment. McDonald’s-reported data provide insight into the full range of activities initiated by markets as part of this effort, while data from external entities allow for independent confirmation of McDonald’s-reported data. Additionally, relying on multiple data sources helps to mitigate limitations associated with any one dataset and maximizes confidence that the findings accurately reflect reality.

IV. DATA SOURCES & COLLECTION PROCEDURES

As discussed, verification required data submissions from McDonald’s market teams and external sources. Market teams provided a range of data to demonstrate implementation efforts and customer purchases. Data from external entities, including independent restaurant surveys and McDonald’s media agencies, were used to validate the McDonald’s-reported data.

4.1 McDonald’s-Reported Data

Each McDonald’s market participating in the verification effort reported various types of data, including qualitative descriptions of activities, sales data, and image and video files of in-store and external advertisements.

4.1.1 Qualitative Data

Each market team completed a summary fact sheet to describe the nature and timing of activities related to the five commitments. This fact sheet collected data on:

- Side and beverage items offered in Happy Meals and value meals, and details on how these items were listed on menu boards, in-store ads, and external communications;
- Packaging innovations and other promotional programs designed to increase interest in fruit, vegetable, low-fat dairy, or water options among children in particular;
- The number of Happy Meal box designs used in the verification year; and
- A list of the different media through which advertisements directed to children were shown.

The contents of this fact sheet informed follow-up data requests to McDonald’s and allowed for customization of the independent restaurant survey questions.

4.1.2 Communications Materials

McDonald’s market teams provided image and video files of Happy Meal packaging and advertisements directed to children. Each market reported images of all Happy Meal boxes and
bags used during the verification year, as well as an implementation schedule that indicated the exact timing of when the boxes and bags were used in restaurants. Market teams also provided image and video files of all television and digital ads that were designed for media directed to children.

4.1.3 Sales Data

All markets were asked to report six years of data (i.e., 2013-2018) on the total number of Happy Meals and value meals served with each type of side and beverage and the total number of those items served a la carte. Sixteen of the 20 markets were able to provide the full set of data requested, while four markets were not. Those four, however, still provided data for varying portions of the 2013-2018 period.

Most of the data provided reflect cumulative sales counts from all restaurants. Some markets, however, do not have complete counts for certain items and instead relied on transaction-level information at a representative sample of restaurants from which they extrapolate their findings to account for sales in all restaurants.

Most markets were able to report monthly sales data from January 2013 through December 2018. The monthly data helped to corroborate the timing of activities to fulfill the commitments. For example, significant changes in customer selections can help corroborate the timing of the introduction or removal of specific items from menu boards. Four markets – China, Japan, Russia, and Sweden – were unable to provide complete sales data for the full 2013-2018 period. Three of those markets – China, Japan, and Russia – did not provide data identifying the number of fruit, vegetable, water, and low-fat dairy items that were served as part of the Happy Meal in earlier years. Those items were therefore not included in the sales totals shown in the report. All four markets were unable to provide comparable Happy Meal beverage sales data for 2013. The data from those markets were therefore excluded from the measures of take rate changes since 2013.

4.2 External Verification Data

Two types of data were used to corroborate McDonald’s-reported data: independent restaurant surveys and data to verify the external ads directed to children.

4.2.1 Independent Restaurant Surveys

Surveyors verified implementation activities that can be observed in McDonald’s restaurants. Three firms (i.e., Field Agent, Findyr, and Streetspotr) were contracted by Keybridge to conduct the surveys for the Five-Year Report on 2013 Commitments. The surveys were conducted at a random sample of restaurants in each market. Surveyors implemented a picture-based survey, purchased a Happy Meal with specific side items and beverages, and answered select questions about the availability of certain menu items. The survey structure represented a refined version of the survey developed and pilot tested in 2014, with greater reliance on photos to verify surveyor responses. When photos could not be taken, redundancies in the survey design allowed potential misinterpretations to be identified and corrected.
To determine the restaurant sample, each market provided a list of all McDonald’s restaurants. The total number of restaurants was then tabulated, demonstrating significant variation, with as many as 14,000 restaurants in the United States and fewer than 150 in Switzerland. Using the total number of restaurants in the largest market (U.S.), the following equation was used to determine the appropriate sample size for the U.S.

Figure A2
Explanation of Sample Size Calculation

\[
\text{Sample Size} = \frac{(z^2 \times p(1-p))}{e^2} \left[ 1 + \left( \frac{z^2 \times p(1-p)}{e^2N} \right) \right]
\]

Confidence Level ("z") = 95% | Confident Interval ("e") = 10% | Distribution of the Population ("p") = 50% | Total Restaurants in Each Market ("N") = Varies by Market

The sample size calculation assumed a 95% confidence level (z=1.96), a 10% confidence interval (e=0.1), and a conservative response distribution (p=0.5). The justification for these parameters was based on the distribution of restaurants across markets, cost considerations, and the relative need for precision. For the remaining markets, the sample size was set to 30 in order to reduce survey costs but still capture a large enough sample to have statistical properties.

Using a random number generator, the sample was selected from the full restaurant list. Restaurants located in restricted-access areas, such as military bases and airports, were excluded from the sample. To avoid biasing results, McDonald’s and the individual restaurants did not have prior notification about which restaurants would be visited. Figure A3 summarizes the sample size, survey timing, and the firm that conducted the surveys in each market.
Figure A3
Overview of Independent Restaurant Surveys by Market

<table>
<thead>
<tr>
<th>Market</th>
<th>Survey Firm</th>
<th>Survey Timing</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Findyr</td>
<td>April 7 - May 27, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Australia</td>
<td>Field Agent</td>
<td>February 1 - 9, 2019</td>
<td>30</td>
</tr>
<tr>
<td>Austria</td>
<td>Streetspotr</td>
<td>August 10 - September 24, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Brazil</td>
<td>Findyr</td>
<td>October 8 - December 22, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Canada</td>
<td>Field Agent</td>
<td>November 19 - December 6, 2018</td>
<td>30</td>
</tr>
<tr>
<td>China</td>
<td>Findyr</td>
<td>November 2 - 27, 2018</td>
<td>30</td>
</tr>
<tr>
<td>France</td>
<td>Streetspotr</td>
<td>October 16 - November 29, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Germany</td>
<td>Streetspotr</td>
<td>May 17 - June 19, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Findyr</td>
<td>August 19 - October 17, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Italy</td>
<td>Streetspotr</td>
<td>April 17 - July 20, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Japan</td>
<td>Findyr</td>
<td>November 15 - December 16, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Streetspotr</td>
<td>April 11 - August 10, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Poland</td>
<td>Streetspotr</td>
<td>April 16 - May 18, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Russia</td>
<td>Streetspotr</td>
<td>November 20 - December 2, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Spain</td>
<td>Streetspotr</td>
<td>July 13 - August 30, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Sweden</td>
<td>Streetspotr</td>
<td>November 1 - December 1, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Streetspotr</td>
<td>April 13, - August 24, 2018</td>
<td>30</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Findyr</td>
<td>October 3 - December 5, 2018</td>
<td>30</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Field Agent</td>
<td>June 14 - August 7, 2018</td>
<td>30</td>
</tr>
<tr>
<td>United States</td>
<td>Field Agent</td>
<td>June 14 - July 18, 2018</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total Surveys</strong></td>
<td></td>
<td></td>
<td><strong>665</strong></td>
</tr>
</tbody>
</table>

4.2.2 Independent Data to Verify External Ads

Ad placement data were used to validate implementation of commitments involving external ads. OMD, a leading global media communications agency and current agency of record for McDonald’s in most markets, tracks the placement of advertisements and links this information with data on audience composition as measured by Nielsen or similar entities. This data suggests which McDonald’s ads were “directed to children” based on the definition in the Glossary of Key Terms. Specifically, in measured media, “directed to children” is defined as having an expected audience of 35% or more of children under the age of 12 years, unless there is a food pledge in the market with a more stringent standard. This 35% standard was used for all but two markets. In

---

2 In 2018, OMD was the media agency of record for most markets, with the exception of Argentina, Brazil, Canada, and Japan. In all four markets, a local ad agency of record provided ad placement data similar to that provided by OMD. In Argentina, the ad agency of record changed during 2018 and McDonald’s Argentina’s ad data was provided by two different agencies.
the United States, the Children’s Food & Beverage Advertising Initiative establishes that programs directed to children have an expected audience of 30% or more of children under the age of 12 years. In the UK, directed to children means any program that attracts an audience that is overrepresented by children under 16 by 20% or more.

For digital ads, demographic data on audience composition were unavailable. Therefore, agencies reported all McDonald’s ad purchases for websites and apps that are directed to children (e.g., nick.com), and for ad purchases made through media companies that target digital ads to children, (e.g., Youthology). The analysis of ad placement data matched the records for which ads were shown with the television and digital ads supplied by McDonald’s.

Due to the initial verification and reporting timeline, data collection for external ad data was limited to the first half of 2018 (i.e., January through June 2018).

V. PROCESS OF VERIFYING EACH COMMITMENT

This section outlines the process for verifying the different criteria within each commitment. The data discussed above were assessed collectively to measure progress toward the 2020 commitment. Efforts toward each criterion were measured using a mix of data from both McDonald’s and external sources, and the metrics are presented in a detailed appendix table in the Five-Year Report on 2013 Commitments for the measurement year. In cases where implementation of a given activity was initiated but is at less than 100 percent\(^3\), Keybridge first reviewed according to past precedent, based on prior thresholds established by Healthier Generation and McDonald’s. While many cases where compliance ranged from 93 to 99% were resolved through this review, some remained. In those remaining cases, Healthier Generation reviewed the metrics and consulted with both McDonald’s and Keybridge to understand the reasons for lower compliance percentages. With this more complete understanding of the reasons, a consensus assessment was developed around whether implementation was sufficient to fulfill the criterion. For transparency, these judgement calls that fall below 93% are indicated as footnotes in the appendix tables.

Furthermore, to assess messaging, the Glossary (described in Section 3.1) enabled Keybridge to review advertisements consistently. For some advertisements, however, it was unclear whether the messages qualified as fun nutrition or children’s well-being messages. While the Glossary provides examples of qualifying messages, the definitions are not exhaustive. For advertisements that did not fit the example descriptions, McDonald’s and Healthier Generation were asked to review and provide additional guidance. After discussing and developing an understanding of why those ads should or should not qualify, McDonald’s and Healthier Generation provided additional guidance to market teams to reflect those decisions.

\(^3\) One exception to this is Commitment 4, which includes a statistic that is a percent but does not need to be 100% for a market to be in full compliance (i.e., the percent of surveyors who received a Happy Meal box that corroborated the promotional schedule or a generic box).
5.1 Commitment 1 (Criteria 1-3)

Criterion 1: The Happy Meal menu board section does not list sodas; picture soda logos or cups with soda; or feature beverages other than water, milk, and/or juice. This criterion also applies to self-ordering kiosks.4

- McDonald’s market teams report images of the Happy Meal menu board sections and the Happy Meal beverage selection screens on self-ordering kiosks used in restaurants during the verification year to demonstrate which beverages are listed and/or pictured as options in the Happy Meal. Markets also report sales data on monthly selections of Happy Meal beverage purchases. This data indicates when new options are introduced or removed from Happy Meal menus.

- Independent surveyors capture photos of the Happy Meal menu boards in restaurants and drive thrus and Happy Meal beverage selection screens on self-ordering kiosks at a random sample of restaurants in each market. Keybridge reviews these photos and documents the beverages listed and/or pictured on each Happy Meal menu.

- The progress report appendix table features the following metrics: the percent of Happy Meal menu board sections and Happy Meal beverage selection screens on self-ordering kiosks in restaurants and drive thrus that feature only water, milk, or juice.5

Criterion 2: In-store ads directed to children do not list soda; picture soda logos or cups with soda; or display beverages other than water, milk, and/or juice.

- Independent surveyors capture photos of the toy merchandisers and any in-store advertisements directed to children, including posters featuring Happy Meals. Keybridge reviews the photos and documents the beverages listed and/or pictured on any advertisements that could be considered directed to children.

- The progress report appendix table features the following metric: the percent of toy merchandisers and/or Happy Meal posters that do not feature sodas.

Criterion 3: External ads directed to children do not list sodas; picture soda logos or cups with soda; or display beverages other than water, milk, and/or juice.

- McDonald’s market teams report videos and images of all advertisements designed for media directed to children, including television and digital ads. Keybridge reviews these videos and images to verify whether water, milk, and juice were the only beverages featured.

4 For self-ordering kiosks, the primary Happy Meal beverage selection screen may only feature milk, water, and juice. Other beverages, such as soda, may be available for purchase on a secondary page accessed through a “More Beverages” button. However, no logos or pictures of soda may be featured on either the primary or secondary pages of the Happy Meal beverage ordering sequence.

5 Healthier Generation and McDonald’s Corporate have interpreted this to mean that markets can only feature those three types of beverages, but that they are not required to feature all three.
The McDonald’s ad agencies of record report data identifying all television programs, websites, and apps that were directed to children where McDonald’s ads appeared. Keybridge reviews this data to verify that the children’s ads reported by McDonald’s were the only McDonald’s ads directed to children between January 1 and June 30, 2018.

The progress report appendix table features the following metrics: the percent of television ads and the percent of digital ads that do not feature sodas. The table also presents the percent of McDonald’s ads that appeared on television programs or websites directed to children which were children’s ads.

5.2 Commitment 2 (Criterion 4)

Criterion 4: A salad, fruit, or vegetable side option is offered as a substitute for fries in value meals.

- Independent surveyors capture photos of the value meal menu board section in restaurants and drive thrus and the value meal ordering screens of self-ordering kiosks. Keybridge reviews the photos and documents the side salad, vegetable, or fruit options available in value meals as an alternative to fries.
- The report appendix table features the following metrics: the percent of value meal menu boards in restaurants and drive thrus that list or picture side salads, fruit, or vegetable options as a substitute for fries, the percent of value meal side selection pages on self-ordering kiosks that featured a salad, fruit, or vegetable option, and the percent of value meal menu boards that pictured the salad, fruit, or vegetable option when french fries were pictured.

5.3 Commitment 3 (Criteria 5-7)

To fulfill Commitment 3, markets must implement an action that meets criterion 5, 6, or 7.

Criterion 5: New fruit, vegetable, low-fat dairy, or water options are offered as part of the Happy Meal bundle.

- McDonald’s market teams report the new Happy Meal side items introduced since September 2013. If applicable, the markets also report fruit rotation schedules for seasonal items and sales data to show customer selections of the Happy Meal sides.
- Independent surveyors capture photos of the Happy Meal menu board sections in restaurants and drive thrus. If the new item is available for purchase at the time of the survey, then surveyors purchase a Happy Meal with the new fruit, vegetable, dairy or water option(s). Keybridge reviews the Happy Meal menu board photos and the photos of the Happy Meal purchase to verify the existence of new items.
- If a market met criterion 5, the progress report appendix table will feature the following metrics: the percent of Happy Meal menu boards in restaurants and drive thrus with the new Happy Meal options listed or pictured; and the percent of restaurants where the new item was available for purchase with a Happy Meal.
Criterion 6: Packaging innovations and designs are used to generate excitement for fruit, vegetable, low-fat dairy, or water options for children.

- McDonald’s market teams report the new Happy Meal packaging designs introduced since September 2013 to generate excitement for fruit, vegetable, dairy or water options.

- Independent surveyors capture photos of the package, which is obtained by purchasing a Happy Meal. Keybridge reviews the photos of the Happy Meal purchase to verify the availability of the packaging innovation. In addition, when the new packaging design is indicated on menus, such as in an image of the Happy Meal bundle, Keybridge reviews the photos of the Happy Meal menu board sections in restaurants and drive thrus to verify its existence.

- If a market met criterion 6, the progress report appendix table will feature the following metrics: the percent of Happy Meal purchases that included the side or beverage with the innovative packaging and, if applicable, the percent of Happy Meal menu boards in restaurants and drive thrus with the new packaging design listed or pictured.

Criterion 7: Fruit, vegetable, or low/reduced fat dairy sampling program or promotion was expanded or initiated.

- McDonald’s market teams report the new or expanded Happy Meal sampling program or promotion introduced since September 2013 to generate excitement for fruit, vegetable, dairy or water options.

- Independent surveyors capture photos of communications materials, visible in restaurants and the drive thru, related to a promotion. Surveyors also answer questions about whether or not the program or promotion was available at the time of the survey. Keybridge reviews these answers to determine the percentage of surveyors who were able to obtain the promotional item among those who were eligible (e.g., those conducting surveys on days when the promotion was scheduled).

- If a market met criterion 7, the progress report appendix table will feature the following metric: the percent of restaurants where the sampling program or promotion is available.

5.4 Commitment 4 (Criterion 8)

Criterion 8: Four Happy Meal boxes/bags annually dedicate a panel to a fun nutrition or children’s well-being message.

- McDonald’s market teams reported images of all Happy Meal boxes and bags used during the measurement period, as well as the implementation schedule for distributing promotional boxes in restaurants. Keybridge reviews these images to determine whether there was a panel dedicated to a fun nutrition or children’s well-being message based on the guidance provided in the Glossary.

- Independent surveyors purchased a Happy Meal and took a picture of the box or bag received with the purchase. Keybridge reviews the pictures and categorized them as: (1) a
promotional box scheduled for the period; (2) a generic Happy Meal box; or (3) a promotional Happy Meal box from a different period or no box. Keybridge validated the box designs and distribution schedule reported by McDonald’s market teams by confirming that surveyors typically received either the scheduled promotional box or a generic box.

- The report appendix table features the following metrics: the number of times in the measurement year that the market dedicated a Happy Meal box or bag panel to a fun nutrition or children’s well-being message, and the percent of boxes that fell into each of the three categories outlined above.

### 5.5 Commitment 5 (Criterion 9)

**Criterion 9:** All external ads directed to children include a fun nutrition or children’s well-being message.

- McDonald’s market teams report videos and images of all advertisements designed for media directed to children, including television and digital ads. Keybridge reviews these videos and images to verify whether the ads feature a fun nutrition or children’s well-being message. Additionally, Keybridge conducts monthly audits of happymeal.com (i.e., a U.S. website directed to children) to verify the presence of qualifying messaging.

- The McDonald’s ad agencies of record report data identifying all television programs, websites, and apps that were directed to children where McDonald’s ads appeared. Keybridge reviews this data to verify that the children’s ads reported by McDonald’s were the only McDonald’s ads directed to children in 2018.

- The report appendix table features the following metrics: the percent of television ads and the percent of digital ads that feature a qualifying fun nutrition and children’s well-being message. The table also displays the percent of McDonald’s ads that appeared on television programs and websites directed to children which were children’s ads.

### VI. EXCLUSIONS & LIMITATIONS

(1) **Verifying Remaining Progress:** While all 20 markets took actions to fulfill each commitment in 2018, five markets (Australia, China, Japan, Russia, Spain) had additional work to do to fulfill one or two commitments. Those markets have outlined plans for improving their fulfillment of these commitments in 2019. Once verification of these additional actions is completed, this report will be updated through an addendum showing those results.

(2) **Verifying Kiosks:** Starting in 2018, the assessment considered the listing of Happy Meal beverages, Happy Meal sides, and value meal sides on self-ordering kiosks. In prior reports (e.g., the 2016 progress report), the assessment did not consider kiosks since at that time, kiosks were a relatively new technology in many markets.

---

6 The current period includes a one-week margin on each side of the survey date.
(3) **Verifying Happy Meal Boxes & Bags:** The timing of the restaurant survey limits the ability to independently verify the offering of Happy Meal boxes and bags with the qualifying message throughout the year. The independent restaurant surveys were conducted over a period of several weeks, and therefore cannot directly determine that each market used qualifying boxes at least four times throughout the year. Instead, the surveys validated the McDonald’s-reported Happy Meal box designs and schedule for distributing boxes and bags in restaurants at the time of the surveys.

(4) **Verifying Mobile Apps:** The verification of company-owned digital ads included websites and excluded mobile apps, both children’s apps and mobile ordering apps. While these apps were included in the commitment, they were not audited. For children’s apps, this was due to the additional cost of conducting verification, challenges surrounding mobile app access across markets, and a lack of significant changes in app content over time. Verification efforts discussed in the 2014 and 2016 reports had shown that the content of company-owned mobile apps directed to children were compliant. Mobile ordering apps were also excluded from this verification due to the verification cost and access limitations discussed above.

(5) **Verifying External Ads:** There are limitations related to measures of audience composition that were included with the ad placement data. In some cases, audience composition measures were derived from too small of a sample of viewers to be considered reliable. To account for this, the analysis excluded all advertisements for which the estimated under-12 audience was less than 1 percent of the under-12 population or when the total audience was less than 0.1 percent of the total population. These thresholds are the same as those used for the verification effort used to monitor the EU Pledge, a voluntary industry initiative in which McDonald’s participates. Additionally, the analysis excluded any advertisements shown during late-night hours (i.e., after 9 p.m. and before 6 a.m.) – hours that would not be expected to have high viewership among children. These filters help to eliminate programs with the least reliable audience composition measures. Nevertheless, in smaller markets, the filters may not eliminate all programs measured to be “directed to children” based on insufficient samples.
GLOSSARY OF KEY TERMS

Glossary for the McDonald’s-Alliance Partnership on a 2020 Commitment

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 and phase out the listing of soda on the Happy Meal section of the Menu Board. Soda will be available as a beverage option but it will not be listed on the Happy Meal section of the menu board.

   a. Water means carbonated or still water beverages with no added sugar.

   b. Milk means the following: Milk beverage that qualify as low fat, reduced fat, or fat free under local legal standards; Dairy alternative beverages which offer nutrition benefits, such as calcium, similar to milk, such as, soy or almond milk which qualify as low fat, reduced fat or fat free under local legal standards; or, Yogurt beverages which qualify as low fat, reduced fat or fat free under local legal standards. Qualifying items include low-fat or fat-free white milk, low-fat or fat free chocolate milk and low-fat or fat-free dairy based hot chocolate. Excluded items include ice cream, full-fat milk, milkshakes that are not low-fat or fat-free, full-fat cheese, espresso-based beverages and coffee-based beverages.

   c. Juice means any fruit or vegetable juice that contains no added sugars. Qualifying items include 100% apple juice, 100% orange juice, 100% strawberry and banana fruit juice, 100% other fruit or vegetable juices, blends of 100% fruit and vegetable juices, fruit juice with still or carbonated added water (e.g., Fruitizz) and carbonated 100% juice. Qualifying items also include juice that has been concentrated and later reconstituted with water or ice to a concentration consistent with that of the undiluted juice from which it was made. Excluded items include smoothies with added sugar, lemonade with added sugar and fruit cordials with added sugar.

   d. Hot Tea. In traditional tea-drinking countries, hot tea is sometimes offered with breakfast Happy Meals. Hot tea that is not pre-sweetened may be offered on the menu board with Happy Meals.

   e. Soda means carbonated or non-carbonated beverage with added sugar and diet sodas. Soda includes other non-dairy beverages with added sugars, including sports drinks, iced teas with added sugars and lemonades with added sugar. Examples of sodas include Coca-Cola, Sprite, Sprite Zero, Coca-Cola Light, Coca-Cola Zero, Dr Pepper, Ribena with added sugar, Oasis, Fanta, Powerade Mountain Berry Blast, Hi-C Orange, and Sweet Tea. Soda also includes fruit based cordials with a higher concentration of sugar than the undiluted juice from which it was made.

   f. Added Sugar is defined by local legal standards. If a market does not have clear local legal standards, then Added Sugar is defined as sugars, syrups and other caloric sweeteners that are added to foods during processing or preparation to sweeten the flavor of foods and beverages and improve their palatability. Added Sugar includes...
deionized or “stripped” fruit or vegetable juice or honey added for sweetening function. Added sugars do not include naturally occurring sugars such as those in fruit, vegetables, fruit juice, vegetable juice or milk or non-caloric sweeteners.

g. **Menu Board** includes in-store and drive-thru menu-boards and translites that are used by customers to select items when placing order. Price list boards required by local law are not considered menu boards. All beverage options for Happy Meals can be shown on in-store self-ordering kiosks and web/mobile ordering, however, additional considerations apply. Ensure water, milk and juice are the only beverage options listed or pictured on the opening screen. Additional beverage choices may be listed as “other” on the opening screen. If “other” is chosen, a separate screen may list additional options, such as soft drinks, in text only. Soft drink logos or photos of cups containing soft drinks may not be included on the Happy Meal section of the Menu Board or the Happy Meal section of self-ordering kiosks and the Happy Meal ordering section for web/mobile.

h. **Directed to Children** is defined as follows: If a local food pledge commitment exists, the “directed to children” definition in that food pledge applies. In countries without a food pledge commitment, for measured media, the following definition applies: media purchased for any program or website where the expected audience generally consists of 35% or more of children under the age of 12 years. In unmeasured media, McDonald’s may consider other factors, as appropriate, to determine whether the advertising is directed to children, such as, the overall impression of the advertising, the target demographic based on the media plan and whether age screening applies.

i. **External Advertising** vehicles covered are: TV, radio, third party paid print, company owned websites, third party paid internet, mobile applications and video and computer games. Excluded items include out of home vehicles, e.g., billboards, bus-stops, inflatables, spectaculars, sports sponsorships, parades and community events.

j. **In-Store Advertising** vehicles covered are: in-store merchandising (POP), including posters and graphics, and Happy Meal bags and boxes. Excluded items include out of home: e.g., billboards, bus-stops, inflatables, spectaculars, sports sponsorships, parades, community events.

k. **Operations and Training Manual.** Steps should be taken to ensure that soda does not become the default beverage in the Happy Meal. For example, a soda or a soda cup should not automatically be given with a Happy Meal purchase. It is recommended that the Operations and Training Manual or other training materials include an instruction similar to the following: If the customer does not specify the beverage in their Happy Meal, crew should suggest a Milk, Water or Juice beverage as defined above. For example, “Would you like milk with your Happy Meal?”

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

   a. **Side Salad** means a salad with primarily leafy greens or other vegetables or fruits.

   b. **Fruit** means the following: raw, cooked, fresh, frozen, dried, or canned (packed in 100% fruit juices and/or water) fruit; Whole fruit, sliced fruit, fruit pieces with or without skin; or, 100% fruit purees. Excluded items include jams, jellies, gelatin products, syrups, or fillings. Qualifying items include apple slices and pineapple stick.
c. **Vegetable** means the following: raw, cooked, fresh, frozen, dried or canned vegetables; whole vegetable, sliced vegetable, vegetable pieces, with or without skin; 100% vegetable purees; or, legumes as defined by local dietary guidelines. Excluded items include french fries, fried sweet potatoes, fried potato wedges, fried onions, batter fried vegetables, pickled vegetables or ketchup. Qualifying items include corn cups, edamame and carrot sticks.

d. **Value Meals** includes Extra Value Meals, of any size, and other permanent lunch or dinner meal offerings that include an entrée, side and beverage. Value Meals does not include breakfast meals, after midnight meals, family meals, dinner boxes, local meals which are not offered across the entire country, Happy Meals, other children’s meals or individual product offers such as Dollar Menu, Dollar Menu & More, Saver Menu, and Euro Saver Menu. Value meals do not include promotional, short-term combination meals. If a country does not offer Extra Value Meals (i.e., Russia), this commitment does not apply.

e. **Visibility of Substitute Option.** Each market can determine what to offer as an alternative choice for french fries - a side salad, fruit or vegetable or a combination of those items. The side salad, fruit or vegetable option in the value meal should be clearly visible on the menu board. If the french fries are depicted visually, the alternative choice must also be depicted visually. Ideally, the side salad, fruit or vegetable option in the value meal should be equally prominent to the french fry offering both in words and visual depictions.

f. **Price of Substitute Option.** Each market should recommend that if a customer chooses a side salad, fruit or vegetable in a value meal instead of french fries, there should not be any additional charge. However, it is understood that individual owner-operators ultimately determine pricing for all menu items at their restaurants.

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**

   a. **Packaging Innovations and Designs** examples include unique delivery of fruit, vegetables or low/reduced fat dairy for kids, such as, kiwi on a stick; color changing straws offered with Milk, Juice or Water option; Happy Meal premiums, such as the Cut the Rope banana slicer which encourages the consumption of fruit; digital interaction with imagery on packages for fruit, vegetables or low fat dairy, e.g., showing characters interacting with fruit, vegetables or low fat dairy; and, the use by a market of licensed properties or licensed or brand characters on packaging for fruit, vegetable, low-fat dairy or water.

   b. **New Happy Meal Option** examples include new Happy Meal fruit, vegetable or low/reduced fat dairy choice, such as, Cuties mandarins or Go-GURT low-fat yogurt; and, sampling program for fruit, vegetable, low/reduced fat dairy option, such as Free Fruit Fridays. To qualify as “new”, offering must occur after September 26, 2013.

   c. **Tests Offers.** Pilot, test, or trial offers in a limited number of restaurants in the country will not count toward fulfilling this commitment. Seasonal offerings that are not permanent menu items, such as Cuties mandarins, count toward fulfilling this commitment.
d. **Fruit** means the following: raw, cooked, fresh, frozen, dried, dried or canned (packed in 100% fruit juices and/or water) fruit; Whole fruit, sliced fruit, fruit pieces with or without skin; or, 100% fruit purees. Excluded items include jams, jellies, gelatin products, syrups, or fillings.

e. **Vegetable** means the following: raw, cooked, fresh, frozen, dried or canned vegetables; whole vegetable, sliced vegetable, vegetable pieces, with or without skin; 100% vegetable purees; or, legumes as defined by local dietary guidelines. Excluded items include french fries, fried sweet potatoes, fried potato wedges, fried onions, batter fried vegetables, pickled vegetables or ketchup.

f. **Low or Reduced Fat Dairy** means those menu items that qualify as low fat, reduced fat, or fat free under local legal standards.

g. **Water** means carbonated or still water beverages with no added sugar.

4. **Dedicate one Happy Meal box or bag panel to communicate a fun nutrition or children’s well-being message (four times annually)**

a. **Happy Meal Panel** means one of the four sides of the box or the front or back panel of the bag. The gusset of the bag (i.e., the side panel) will not count toward this commitment. The nutrition or children’s well-being message should be prominently displayed on the Happy Meal box or bag panel.

b. **Nutrition Message** includes messaging that encourages consumption of fruits, vegetables, low or reduced fat dairy, whole grains or lean meats. Nutrition messaging also includes portion control, food groups and nutrients, eating a balanced diet, nutrition education, hydration, or any messaging encouraging improved nutrition choices for food and beverages. Merely showing visuals of fruit, vegetables or dairy or the pack shot of the Happy Meal bundle will not meet this commitment. Affirmative messaging encouraging children to eat fruit, vegetables or dairy complies with this commitment. Showcasing fruit, vegetables or dairy in a compelling manner, such as Happy or a licensed character engaging in a fun way with such products would also comply. The market may wish to look to local dietary guidance when developing messages. Qualifying messaging examples include “Balance your fun with fruit and dairy” or “5 A Day” messaging in the United Kingdom.

c. **Children’s Well-Being Messages** includes messages that promote child health and welfare, active play, physical activity, hygiene, bike safety, the joy of reading or other health or well-being promoting activities. Affirmative messaging encouraging children to exercise or participate in other well-being promoting activities complies with this commitment. Merely showing physical or other well-being activity will not meet this commitment. Qualifying messaging examples include “Play every day” or “Open your eyes to a world of discovery through books”.
5. **100% of advertising directed to children to include a fun nutrition or children’s well-being message.**

a. **Directed to Children** is defined as follows: If a local food pledge commitment exists, the “directed to children” definition in that food pledge applies. In countries without a food pledge commitment, for measured media, the following definition applies: media purchased for any program or website where the expected audience generally consists of 35% or more of children under the age of 12 years. In unmeasured media, McDonald’s may consider other factors, as appropriate, to determine whether the advertising is directed to children, such as, the overall impression of the advertising, the target demographic based on the media plan and whether age screening applies.

b. **Advertising** vehicles covered are: TV, radio, company owned websites, mobile apps, third party print (e.g., kid’s magazines) and paid advertising on third party websites. Excluded vehicles are menu boards (in-store and in drive-thru), in-store merchandising (POP), packaging and out of home vehicles, such as, billboards, bus-stops, inflatables, spectacul tors, sports sponsorships, parades and community events. Banner ads, interstitials or TV billboards that are free-standing and less than 6 seconds are excluded. Pilot and test ads in a limited number of restaurants in the country are excluded.

c. **Nutrition Message** includes messaging that encourages consumption of fruits, vegetables, low or reduced fat dairy, whole grains or lean meats. Nutrition messaging also includes portion control, food groups and nutrients, eating a balanced diet, nutrition education, hydration, or any messaging encouraging improved nutrition choices for food and beverages. Merely showing visuals of fruit, vegetables or dairy or the pack shot of the Happy Meal bundle will not meet this commitment. Affirmative messaging encouraging children to eat fruit, vegetables or dairy complies with this commitment. Showcasing fruit, vegetables or dairy in a compelling manner, such as Happy or a licensed character engaging in a fun way with such products would also comply. The market may wish to look to local dietary guidance when developing messages. Qualifying messaging examples include “Balance your fun with fruit and dairy” or “5 A Day” messaging in the United Kingdom.

d. **Children’s Well-Being Messages** includes messages that promote child health and welfare, active play, physical activity, hygiene, bike safety, the joy of reading or other health or well-being promoting activities. Affirmative messaging encouraging children to exercise or participate in other well-being promoting activities complies with this commitment. Merely showing visuals of physical or other well-being activity will not meet this commitment. Qualifying messaging examples include “Play every day” or “Open your eyes to a world of discovery through books”.